



## **Defined Contribution Plans Advisory Committee (DCPAC) Meeting**

1111 E. Main St., Third Floor

Richmond, VA 23219

Thursday, 3/6/2025

1:00 - 3:00 PM ET

### **1. Welcome and Introductions**

### **2. Meeting Minutes**

*2024.12.5 DCPAC Minutes - Page 2*

#### **a. Adoption of the Minutes from the December 5, 2024, Meeting**

### **3. Administration**

*2024Q4 Administrative Summary - Page 6*

*Voya Transition DCPAC Deck-2.26.25 FINAL - Page 20*

#### **a. Administrative Reports & Communications**

##### **i. DC Plans and Hybrid Plan Update**

##### **ii. ORPHE Update**

##### **iii. DC Plans Recordkeeper Transition Update**

### **4. Investments**

*DCPAC Final Investments Slide Deck 3-6-25 - Page 33*

#### **a. Performance Reports**

### **5. Other Business**

*DCPAC Legislative Update 3.6.25 - Page 40*

#### **a. Legislative Update - State**

### **6. Discussion of New Ideas**

### **7. 2025 Meetings**

#### **a. Remaining 2025 Meetings**

##### **i. May 15, 2025 at 1:00 p.m.**

##### **ii. September 11, 2025 at 1:00 p.m.**

##### **iii. December 4, 2025 at 1:00 p.m.**

#### **b. Board Retreat (not a meeting of the DCPAC): March 18 – 19, 2025**

#### **c. ORPHE Annual Employer Update (not a meeting of the DCPAC) - TBD**

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## Minutes

A regular meeting of the Defined Contribution Plans Advisory Committee (DCPAC) of the VRS Board of Trustees convened on December 5, 2024, with the following members present:

Susan T. Gooden, Chair  
Hon. Matthew James, Vice Chair  
Monique Barnes (in accordance with § 2.2-3708.3(B)(4) of the Code of Virginia)  
C. Matt Harris  
Kate Jonas  
Rick Larson  
Brenda Madden  
David Winter

Members of the Board of Trustees:  
John M. Bennett

VRS Staff:  
Trish Bishop, Jessica Budd, Stephen Cerreto, Jeanne Chenault, Michael Cooper, David Cotter, Pam Elam, Antonio Fisher, Josh Fox, Kelley Harlow, Kelly Hiers, KC Howell, Robert Irving, Sandy Jack, Andrew Junkin, Brian Lackey, Ryan LaRochelle, Joyce Monroe, Teresa Nyugen, Laura Pugliese, Kristy Scott, Michael Scott, Jennifer Schreck, Ashley Spradley, Bridgette Watkins-Smith, Rachel Webb, Leslie Weldon, and Tanya Williams.

Guests:  
Taylor Benson, BlackRock; Casey Connelly, BlackRock; Steven McGregor, Voya; Andrew Ness, Sageview; Jake Noviello, BlackRock; Lindsay Saienni, Financial Investment News; Nate Weinstein.

The meeting convened at 1:00 p.m.

### Opening Remarks

Dr. Gooden welcomed Committee members, Board members, agency officials, representatives from stakeholder groups and other members of the public joining in person and through electronic means, to the DCPAC.

### Approval of Minutes

Upon a motion by Mr. James and a second by Mr. Larson, the minutes of the September 12, 2024, meeting were approved by the Committee.

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### **DC Plans Investments Update**

#### Global Equity Benchmarking

Andrew Junkin, VRS Chief Investment Officer (CIO), presented an overview of global equity benchmarking, focusing on existing exposure to foreign adversaries as currently defined by the Secretary of Commerce. The Virginia Retirement System Board of Trustees authorized the CIO to pursue a policy related to current and future investments in countries designated as foreign adversaries by the Office of the Secretary of Commerce. This policy may include restricting some or all of such investments, and the relevant benchmarks used by VRS for such investments, in the designated countries. The Board further determined that such a policy is consistent with VRS' fiduciary duty.

#### Performance Reports

Laura Pugliese, Portfolio Manager of Defined Contribution Plans, provided an overview of the October 31, 2024, investment performance reports for the unbundled DC plans and the TIAA Retirement Choice (RC) contract ORPHE plan.

#### CEM Defined Contribution Plans Survey

Ms. Pugliese reviewed the CEM DC Plans 2023 survey results, which was comprised of 104 corporate and 27 public plans representing \$1.4 trillion in assets. Ms. Pugliese informed the Committee that the survey results included the unbundled DC Plans supplemental 457 Deferred Compensation Plan, in addition to the bundled TIAA program for ORPHE. Ms. Pugliese noted that the TIAA information was based solely on the TIAA Retirement Choice (RC) contract. Ms. Pugliese included the CEM DC Survey Reports in the Appendix for the Committee to review.

Dr. Gooden thanked Mr. Junkin and Ms. Pugliese for their presentations.

### **Administrative Reports and Communications Update**

#### Administration Reports & Communications

Kelly Hiers, Defined Contribution Plans Administrator, provided an overview of the DC Plans and an update on administrative reports for the third quarter of 2024. An overview of assets and accounts across the various defined contribution plans, as well as account trends, was also provided.

Ms. Hiers informed the Committee that VRS received an Honorable Mention for its outstanding beneficiary campaign (with MissionSquare Retirement) for the MarCom Awards in fiscal year 2024.

Total assets across all plans have increased 31% since this time last year, reaching \$10 billion. Hybrid Retirement Plan assets and accounts continue to increase as new members are added to the hybrid plan, which is now the primary plan. Further, Ms. Hiers provided updates on plan assets and accounts as well as hybrid voluntary contribution elections. ORPHE activities included Open Enrollment in October, which allows participants to change providers.

#### ORPHE Update

Ms. Hiers provided an overview of ORPHE reports for the third quarter of 2024, including plan assets and accounts.

#### ORPHE Employer Update Report

Mr. Larson provided an overview of the ORPHE Annual Employer Update hosted by VRS on September 25, 2024. He noted that 18 participating institutions were present.

#### DC Plans Recordkeeper Transition Update

Ms. Hiers provided a project status on the DC Plans Recordkeeper transition to Voya. Milestones were reviewed, including the contract documents being finalized, the transition websites going live, and integrated testing being conducted. VRS staff have been working with MissionSquare and Voya to make sure call centers are up and running and employer support teams are ready. Highlights of the overall project were provided relating to the transition in January and beyond Go Live.

Dr. Gooden thanked Ms. Hiers and Mr. Larson for their presentations.

#### Annual Administrative Expense Reports

Pam Elam, Business Performance Analyst, provided an overview of the administrative expense report and annual cost update for FY 2024, as required by the DCPAC Charter. The report provided total participant counts, as well as direct and indirect costs associated with administering VRS' Defined Contributions Plans. Total administrative costs related to participants and expenditures for FY 2024 were provided, along with a table containing cost data for the five-year period from FY 2020 to FY 2024.

Dr. Gooden thanked Ms. Elam for her presentation.

### **Other Business**

#### Code of Ethics

Michael Cooper, Chief Operating Officer, informed the Committee that an email notification would be forthcoming that will include instructions for completing the review and affirmation of the Board of Trustees' Code of Ethics and Conduct, an annual requirement of VRS advisory committee members. Mr. Cooper shared that Committee members will be able to electronically sign and submit the affirmation statement. Committee members will also receive the annual Conflict of Interest Act (COIA) filing requirement from the Virginia Conflict of Interest and Ethics Advisory Council in the next few weeks.

Dr. Gooden thanked Mr. Cooper for his presentation.

#### **Discussion of New Ideas**

No new business was brought before the Committee.

#### **Upcoming DCPAC Meetings**

Dr. Gooden confirmed the DCPAC meeting dates for 2025:

- March 6, 2025, at 1 p.m.
- May 15, 2025, at 1 p.m.
- September 11, 2025, at 1 p.m.
- December 4, 2025, at 1 p.m.

#### **Adjournment**

There being no further business, Dr. Gooden adjourned the meeting at 2:42 p.m. upon a motion by Mr. Winter, with a second by Mr. James, and a vote of the Committee.

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Chair

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Date



# **VRS Defined Contribution Plans**

## **4th Quarter 2024**

**(September 1 – December 31, 2024)**

**Administrative Summary**

**March 6, 2025**

# Agenda

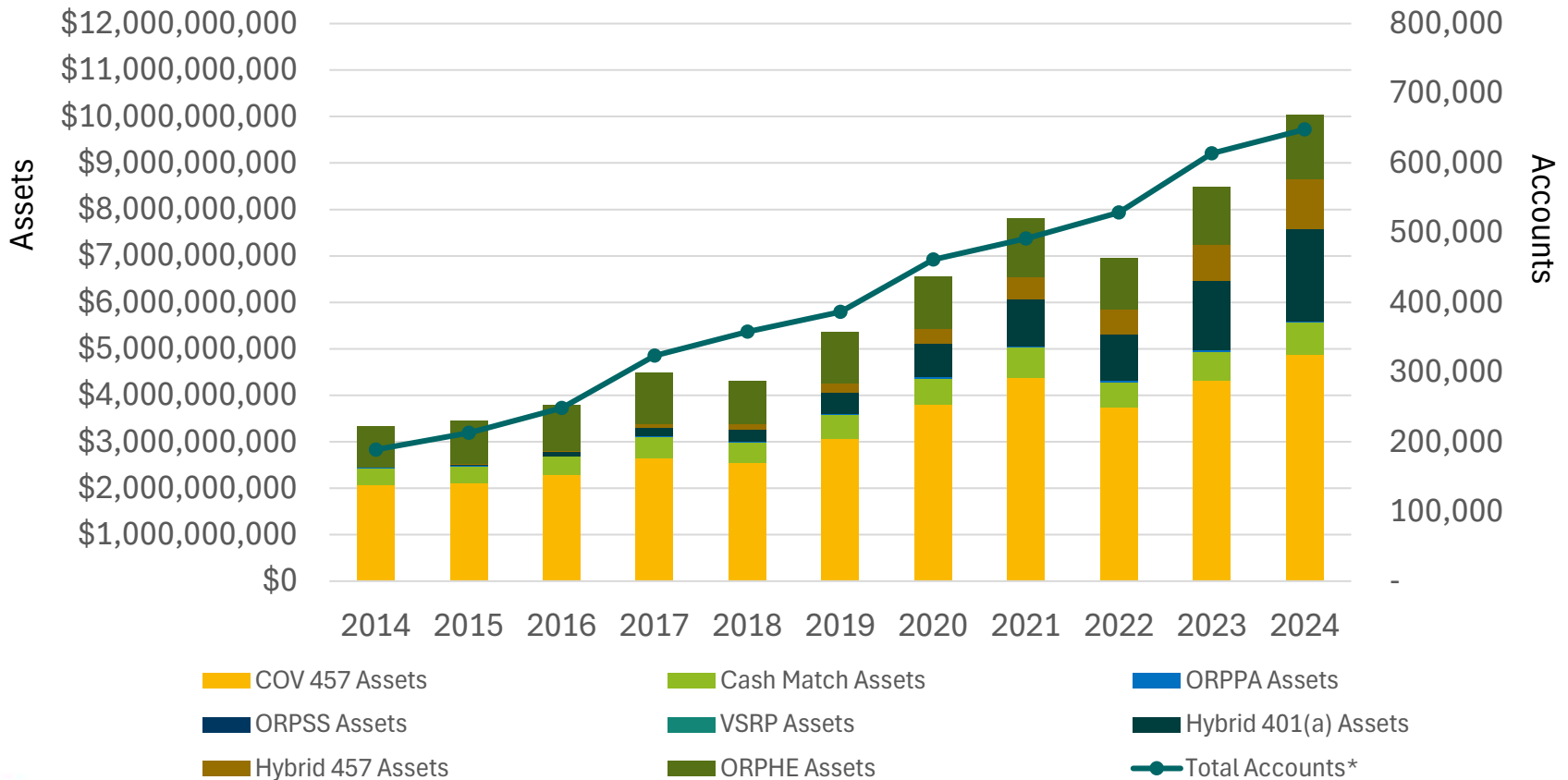
- General Updates
- COV 457 & Cash Match Plans
- Hybrid Retirement Plan
- ORPHE
- Upcoming Events
- DC Plans Unbundled  
Record Keeper Transition  
Update





# Total Assets and Accounts Over Time

Totals as of 12/31/2024 <sup>1</sup>	Assets	Accounts	Accounts ↑ 1% Since 9/30/2024
	\$10,041,486,539	648,156	



Note: Plan Asset Balances and Participant Counts were zero at the close of 12/31/24 due to the deconversion. The December 2024 and Q4 2024 asset amounts, and participant and beneficiary counts represent the deconversion activity as of calendar year-end and include ORPHE selected providers and MissionSquare participant, beneficiary, forfeiture, and reserve accounts.

\*Does not indicate unique participants.



# Federal Legislation Update

## SECURE 2.0

Options Approved Effective: January 2026	Plan(s)	Who is affected?	How?
Sec. 603 requires that age-based catch-contributions for participants with wages greater than \$145,000 in the previous year be made as Roth contributions.	COV 457 Plan	Virginia Retirement System	Policy, Corrections, Communications.
		Voya Financial	Communications, Corrections.
		Employers	System, Monitoring/Compliance.
		Participants	Awareness, Monitoring.

### Action Required (VRS, Voya)

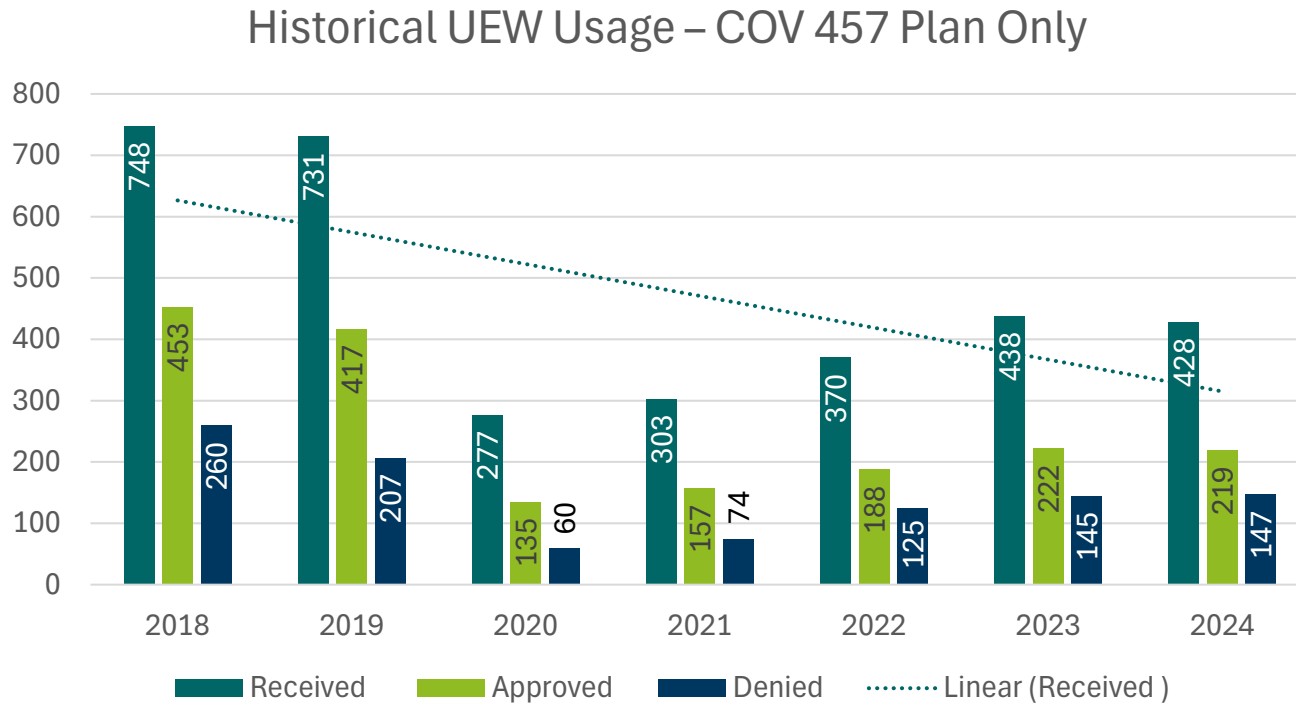
Amend COV 457 plan document to include a deemed Roth provision, which allows employers to recharacterize employee deferrals from pre-tax to Roth as needed to ensure compliance with this provision.

Update applicable policies and procedures to allow for prescribed correction methods.

Ensure that Standard Catch-Up Applications are processed timely and that flags are added to participant accounts accordingly.

Communicate to participants and employers.

# Unforeseen Emergency Withdrawals (UEW)



In 2024, **50%** of UEWs were for medical bills.  
**30%** were to avoid eviction.

# Unforeseen Emergency Withdrawals (UEW)

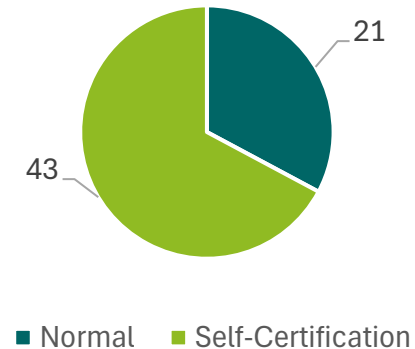
## ■ Effective January 2025:

- UEW provisions were added to the Hybrid 457 Plan.
- Self-certification, up to \$2,500 and no more frequently than every two years, was added to Hybrid 457 and COV 457.

## ■ Monitoring:

- Develop formal monitoring program for UEW usage in both plans.
  - Normal UEW processing (reasons, approval rate, volume, etc.).
  - Usage of self-certification option (reasons, volume, etc.).

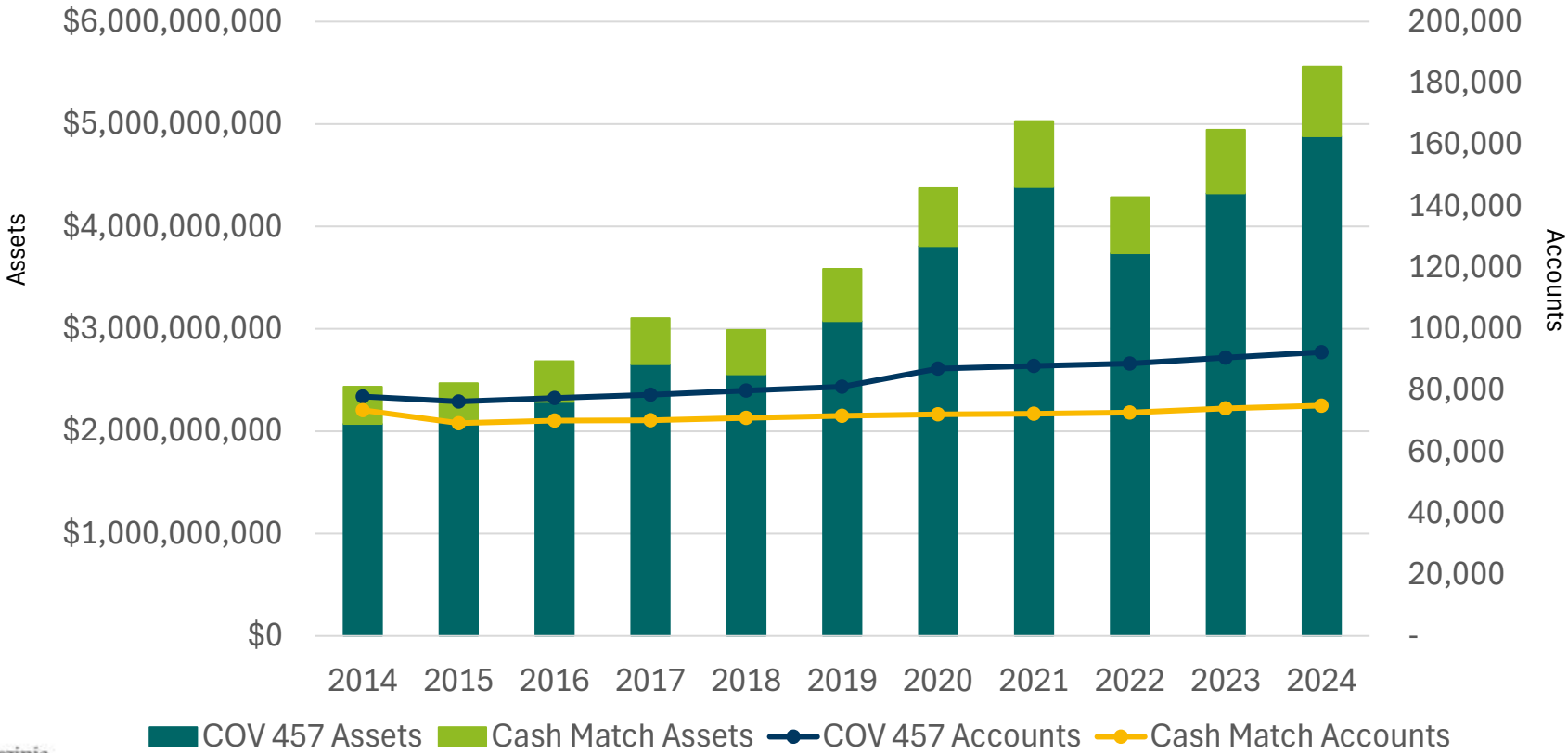
January UEWs



**Medical expenses and eviction** are still the biggest drivers for both types of UEWs.

# COV 457/Cash Match Plan Assets and Accounts

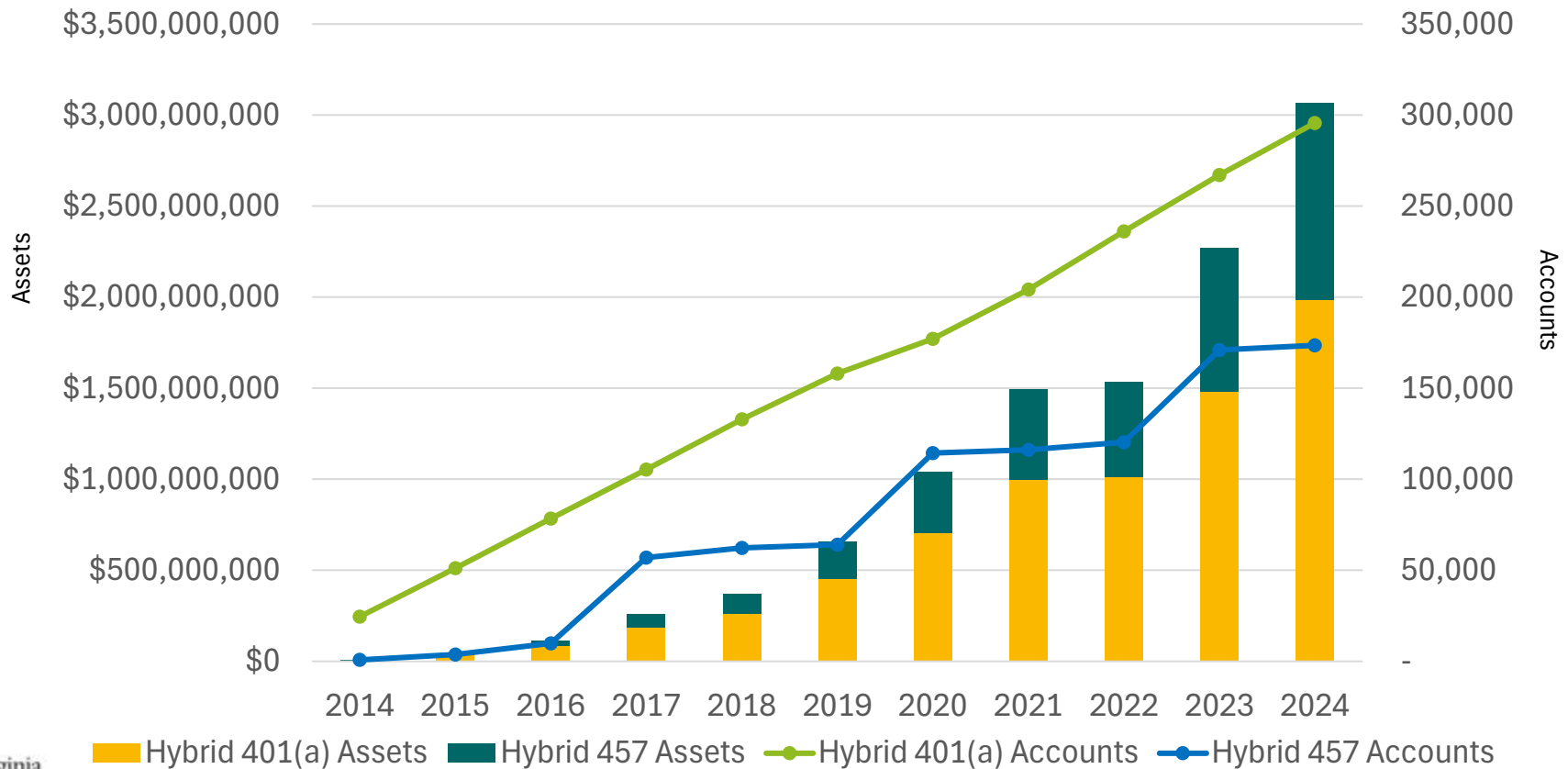
Totals as of 12/31/2024	Assets	Accounts	Assets ↓ 1% Since 9/30/2024
COV 457	\$4,879,469,361	92,378	
Cash Match	\$681,974,317	74,989	



Note: Plan Asset Balances and Participant Counts were zero at the close of 12/31/24 due to the deconversion. The December 2024 and Q4 2024 asset amounts, and participant and beneficiary counts represent the deconversion activity as of calendar year-end and include ORPHE selected providers and MissionSquare participant, beneficiary, forfeiture, and reserve accounts.

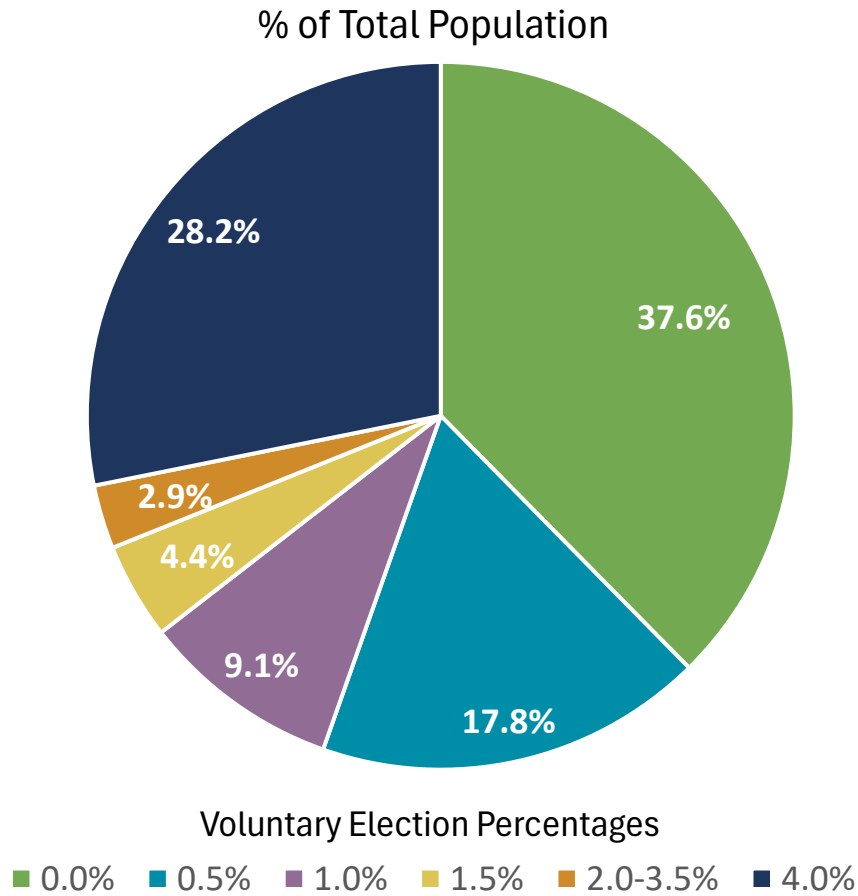
# Hybrid Retirement Plan Assets and Accounts (DC only)

Totals as of 12/31/2024	Assets	Accounts	Assets ↑ 2.6% Accounts ↑ 1.6% Since 9/30/2024
Hybrid 401(a)	\$1,984,623,979	295,682	
Hybrid 457	\$1,079,223,237	173,555	



Note: Plan Asset Balances and Participant Counts were zero at the close of 12/31/24 due to the deconversion. The December 2024 and Q4 2024 asset amounts, and participant and beneficiary counts represent the deconversion activity as of calendar year-end and include ORPHE selected providers and Mission Square participant, beneficiary, forfeiture, and reserve accounts.

# Hybrid Retirement Plan Voluntary Contribution Elections



Overall Voluntary  
Contribution  
Participation Rate  
**62.4%**

Active Election Rate  
**32.9%**

# ORPHE

## Administrative Summary

ORPHE Totals*			
	9/30/2024	12/31/2024	% Change
Assets	\$1,390,413,635	\$1,381,049,925	-1%
Participants	11,031	11,046	0%
Average Balance	\$126,046	\$125,027	-1%



DCP	
	12/31/2024
Assets	\$ 190,631,822
Participants	2,345
Average Balance	\$81,293

17.8% of new hires through Q4 2024 elected DCP as their provider.



TIAA**	
	12/31/2024
Assets	\$1,190,418,103
Participants	8,701
Average Balance	\$136,814

82.2% of new hires through Q4 2024 elected TIAA as their provider.

\*Excludes deselected providers.

\*\*Includes assets in GRA/RA and RC contracts.

Note: DCP Plan Asset Balances and Participant Counts were zero at the close of 12/31/24 due to the deconversion. The December 2024 and Q4 2024 asset amounts, and participant and beneficiary counts represent the deconversion activity as of calendar year-end and include ORPHE selected providers and MissionSquare participant, beneficiary, forfeiture, and reserve accounts.



# Upcoming Events



## Ongoing

- Procedure development and review.
- Communications development and review.

## Spring

- First quarterly statements under Voya, including first FOCUS newsletter.
- Complete development of monitoring program for:
  - Advice/managed accounts.
  - Be Ready Financial Planning Services.
  - Unforeseen Emergency Withdrawals.

## Summer

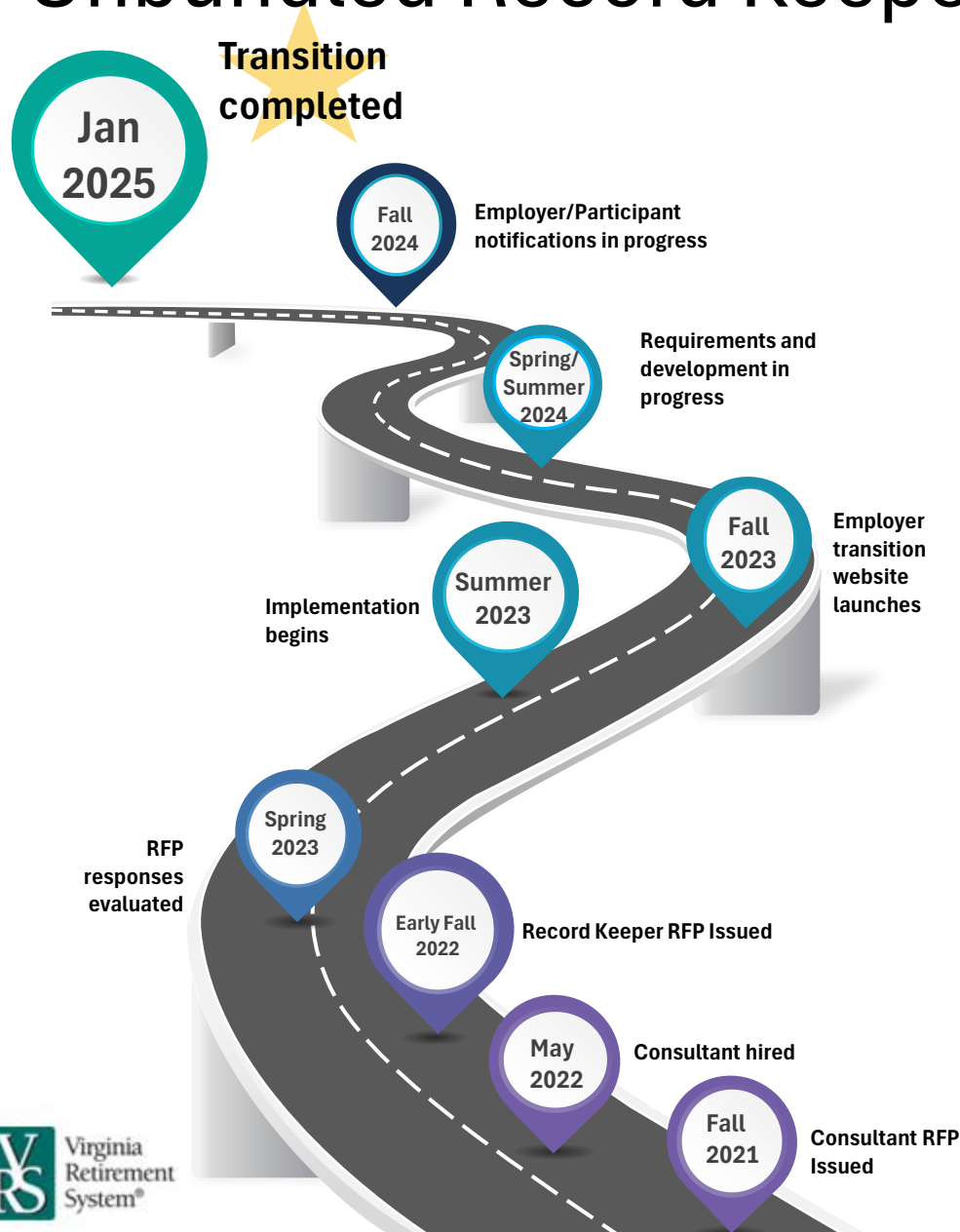
Begin employer communications:

- Auto-escalation, effective January 2026.
- Implementation of Section 603 – SECURE 2.0.

# DC Plans Unbundled Record Keeper Project Status



# Unbundled Record Keeper Contract



## Project Status

- Overall status is **COMPLETED**.

## Milestones

- **Account transfer** – Over 1.4 million transferred, including over 640K with balances.
- **Asset transfer** – Approximately \$8.6 billion transferred and reconciled.
- **Call center and website** - Fully functional as scheduled.

# Thank you!





# Voya Implementation Overview

# Implementation Statistics

## Conversion Balances

	Hybrid 457 Deferred Compensation	Hybrid 401(a) Cash Match Plan	COV 457 Deferred Compensation Plan	Virginia Cash Match Plan	ORP for Higher Education	ORP for Political Appointees	ORP for School Superintendents	Virginia Supplemental Retirement Plan
<b>Conversion Balance</b>	\$1,079,019,701	\$1,984,563,476	\$4,834,332,382	\$675,761,688	\$189,994,479	\$33,750,821	\$497,840	\$230,865

Voya Plan	Hybrid 457 Deferred Compensation- Bene	Hybrid 401(a) Cash Match Plan -Bene	COV 457 Deferred Compensation Plan-Bene	Virginia Cash Match Plan - Bene	ORP for Higher Education - Bene	ORP for Political Appointees -Bene	ORP for School Superintendents -Bene	Virginia Supplemental Retirement Plan- Bene
<b>Conversion Balance</b>	\$208,873	\$362,895	\$45,505,154	\$6,250,944	\$642,532	\$3,716	\$0	\$0

**Total Assets Converted: \$8,851,125,364**

## Counts

Voya Plan	Hybrid 457 Deferred Compensation	Hybrid 401(a) Cash Match Plan	COV 457 Deferred Compensation Plan	Virginia Cash Match Plan	ORP for Higher Education	ORP for Political Appointees	ORP for School Superintendents	Virginia Supplemental Retirement Plan
<b>Total Record Count</b>	<b>347,870</b>	<b>348,909</b>	<b>406,565</b>	<b>290,632</b>	<b>3,051</b>	<b>935</b>	<b>10</b>	<b>4</b>

Voya Plan	Hybrid 457 Deferred Compensation- Bene	Hybrid 401(a) Cash Match Plan - Bene	COV 457 Deferred Compensation Plan-Bene	Virginia Cash Match Plan - Bene	ORP for Higher Education - Bene	ORP for Political Appointees -Bene	ORP for School Superintendents - Bene	Virginia Supplemental Retirement Plan- Bene
<b>Total Record Count</b>	<b>504</b>	<b>673</b>	<b>2,395</b>	<b>1,759</b>	<b>38</b>	<b>4</b>	<b>1</b>	<b>1</b>

**Total Accounts Set Up: 1,403,351**

# Pre-Conversion Participant and Employer Contact

## Participant Call Center Statistics

Date	Calls Answered
Oct-24	60
Nov-24	496
Dec-24	715
<b>Total</b>	<b>1,271</b>

## Local Education Statistics

Participant Transition & Employer Outreach Meetings			
General Webinars Held:	20	Total Attendance:	1,947
Employer Specific Meetings Held:	43	Total Attendance:	770
<b>Total Engagement:</b>	<b>63</b>	<b>Total Attendance:</b>	<b>2,717</b>

## Employer Support Line

Date	Payroll Specialist Calls Answered	Employer Account Calls Answered
Oct-24	N/A	12
Nov-24	N/A	15
Dec-24	18	41
<b>Total</b>	<b>18</b>	<b>68</b>



# Pre-Conversion Communications

## Provided communications that drove action

Voya sent 15 emails and delivered 4 separate mailings to employers and participants:

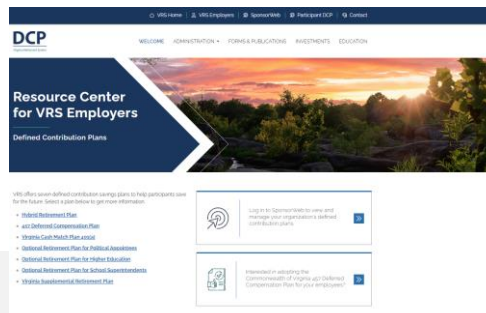
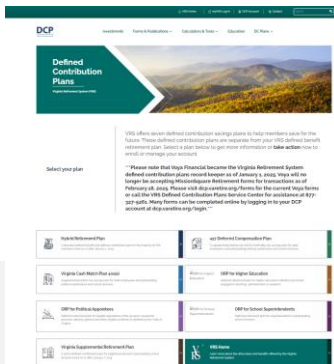
- The emails drove 320K+ clicks to the sites and 80K+ downloads
- Around 800k communication pieces were mailed to participants

## Launched five customized websites

- Employer transition website—December 2023
- Employer payroll data collection website—July 1, 2024
- Employee transition website—October 21, 2024
- Employee go-live website—January 1, 2025
- Employer go-live website—January 6, 2025

## Rebranded and redesigned 35+ materials

Voya worked with VRS communications team to rebrand and redesign all of their VRS DCP collateral. To date we have developed 35 fully rewritten and redesigned piece of collateral including brochures, flyers, PowerPoint presentations and videos.





## January 2025 Activity



## Firsts Completed:

- Launched Employer site
  - <https://dcpemployers.varetire.org/>
- Launched custom Employee public site
  - <https://dcp.varetire.org/>
- Posted Installment Payments
- Posted Monthly Fees
- Completed VRSIP quarterly process
- Processed over 3,000 payroll files
- Created custom transactional forms

# Participant Contact-January 2025

## Participant Call Center Statistics

Date Range	Average Speed of Answer	Calls Accepted	Chats	Emails
Total	0:36	11,428	347	29
January 2025	0:36	11,428	347	29

## Local Education Statistics

January 2025 Activity	Count
Educational Meeting	16
Employer Outreach	538
Employer Site Visit	8
Individual Counseling	496
New Employee Orientation	10
Total	1,068

## Web Statistics

Activity	Counts
Total Web Visitors	104,979
Unique Web Visitors	45,781

## Employer Support Line

Date	Payroll Specialist Calls Answered	Employer Account Calls Answered
January 2025	538	380

## Be Ready Statistics

Month	# Calls to VRS Queue
January 2025	8

Data as of January 31, 2025.

# Participant Call Center Verbatims-January 2025

The young lady that i dealt with was extremely knowledgeable and had a very good personality it was enjoyable to work with her and she made everything very easy thanks

Date	# of Surveys	Overall Customer Satisfaction Score
January 2025	1,356	97.5%

Rosie was phenomenal answered all of my questions i was able to explain what i was questioning on my quarterly report she was able to answer the questions very well cleared everything up and did a great job and explaining things very professional and very well done

My representative i spoke with today was donna she was awesome she explained the task she walked through each section with me and explained it gave really good detailed information and things that i didn't even know that it is really gonna help me and i think she should be rewarded she is an awesome representative and y'all are blessed to have such a good representative working on the phone for you and again her name is miss donna thank you

The customer service representative i worked with today was excellent he was helpful answered all my questions directly and was able to achieve the results i was hopeful for so thank you bye bye

My representative wendy was absolutely stellar she did not make me feel stupid she anticipated questions she anticipated information that i would need she was really wonderful and i would not mind calling back and talking to her again in the near future thank you bye bye

The gentleman was very compassionate and patient with me and i could ask for no better thank you very much

Data as of January 31, 2025.

# Advice Activity-January 2025

Total Advisor Service Activity	Count
Advisor Calls	184
Online Advice Adopters	378
Professional Management Members	562
<b>Total Activity</b>	<b>1,124</b>

Monthly Investment Advisor Calls	Count
Received a Retirement Plan	98
Processed a transaction	12

Monthly Online Activity	Count
Received a Retirement Plan	362

Professional Management Activity	Count
Total Participant Assets	\$36,883,500
Average Participant Balance	\$65,629

Data as of January 31, 2025.

# Plan Balances-January 2025

Participant Plans	Balance	Count
COV 457 Deferred Compensation Plan	\$4,934,380,050	92,425
Hybrid 401(a) Cash Match Plan	\$2,055,537,213	299,268
Hybrid 457 Deferred Compensation Plan	\$1,116,240,955	174,916
Virginia Cash Match Plan	\$688,195,764	75,210
ORP for Higher Education	\$194,594,830	2,331
ORP for Political Appointees	\$34,685,824	493
ORP for School Superintendents	\$507,144	4
Virginia Supplemental Retirement Plan	\$237,215	2
<b>Totals</b>	<b>\$9,024,378,995</b>	

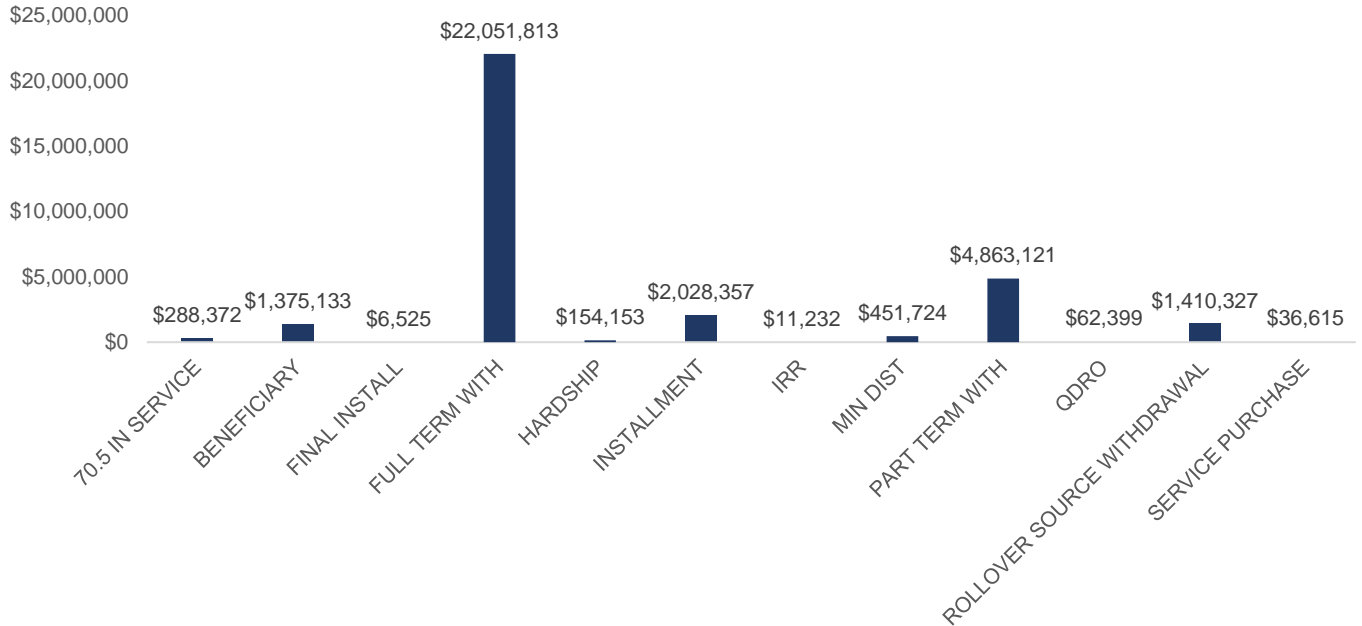
Beneficiary Plans	Balance	Count
COV 457 Deferred Compensation Plan - Bene	\$47,038,156	480
Virginia Cash Match Plan - Bene	\$6,928,036	315
ORP for Higher Education - Bene	\$650,646	10
Hybrid 401(a) Cash Match Plan - Bene	\$375,218	46
Hybrid 457 Deferred Compensation Plan - Bene	\$214,340	33
ORP for Political Appointees - Bene	\$3,531	1
<b>Totals</b>	<b>\$55,209,927</b>	

<b>Total</b>	<b>\$9,079,588,922</b>
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Data as of January 31, 2025.

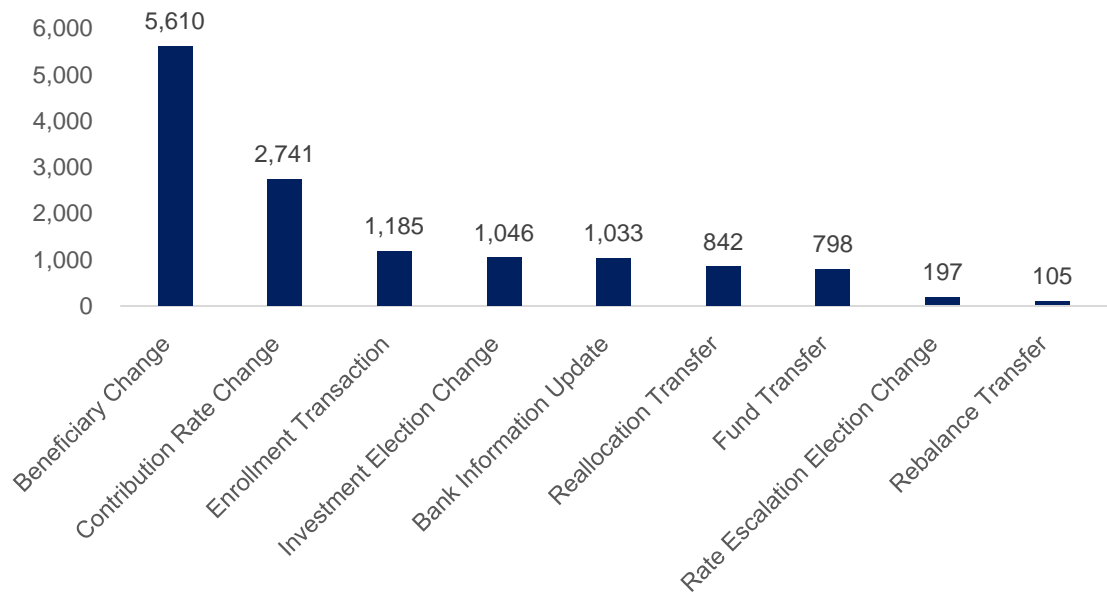


# Distributions-January 2025



Data as of January 31, 2025.

# Front-End\* Activity-January 2025



\*Front-end includes activity processed on the Web, Mobile App, IVR or with a Call Center Representative.

Data as of January 31, 2025.

# Thank You!

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# Defined Contribution Plans Investment Program

March 6, 2025

**Defined Contribution Plans Advisory Committee Report**  
**Unbundled Plans Investment Performance**

Below are the totals for the period ending December 31, 2024. Returns greater than one year are annualized.

Investment Options	1 Month	3 Months	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs / Since Inception <sup>1</sup>	Fund Expense Ratio <sup>2</sup>	Inception Date	Market Value	% of Market Value <sup>25</sup>	% of Participants Selecting an Option <sup>26</sup>
<b>Do-It-For-Me: Target Date Portfolios<sup>3,4</sup></b>	%	%	%	%	%	%	%	%				%
<b>Retirement Portfolio</b>	<b>-2.16</b>	<b>-2.24</b>	<b>7.10</b>	<b>7.10</b>	<b>0.54</b>	<b>4.01</b>	<b>4.61</b>	<b>0.06</b>	<b>8/1/05</b>	<b>788,895,873</b>	<b>8.9</b>	<b>8.8</b>
Custom Benchmark	-2.04	-2.23	7.08	7.08	0.56	4.00	4.60					
<b>Target Date 2030 Portfolio</b>	<b>-2.56</b>	<b>-2.24</b>	<b>9.13</b>	<b>9.13</b>	<b>1.57</b>	<b>5.68</b>	<b>6.32</b>	<b>0.06</b>	<b>8/1/05</b>	<b>525,771,371</b>	<b>5.9</b>	<b>7.5</b>
Custom Benchmark	-2.43	-2.24	9.12	9.12	1.58	5.66	6.25					
<b>Target Date 2035 Portfolio</b>	<b>-2.78</b>	<b>-2.11</b>	<b>10.90</b>	<b>10.90</b>	<b>2.43</b>	<b>6.79</b>	<b>7.18</b>	<b>0.06</b>	<b>7/5/06</b>	<b>585,594,381<sup>22</sup></b>	<b>6.6</b>	<b>9.0</b>
Custom Benchmark	-2.64	-2.10	10.89	10.89	2.43	6.77	7.08					
<b>Target Date 2040 Portfolio</b>	<b>-2.97</b>	<b>-1.95</b>	<b>12.64</b>	<b>12.64</b>	<b>3.27</b>	<b>7.83</b>	<b>7.95</b>	<b>0.06</b>	<b>8/1/05</b>	<b>531,651,519</b>	<b>6.0</b>	<b>9.2</b>
Custom Benchmark	-2.81	-1.94	12.63	12.63	3.25	7.79	7.84					
<b>Target Date 2045 Portfolio</b>	<b>-3.11</b>	<b>-1.78</b>	<b>14.28</b>	<b>14.28</b>	<b>4.08</b>	<b>8.79</b>	<b>8.58</b>	<b>0.06</b>	<b>7/5/06</b>	<b>540,284,816</b>	<b>6.1</b>	<b>10.6</b>
Custom Benchmark	-2.93	-1.75	14.32	14.32	4.05	8.74	8.45					
<b>Target Date 2050 Portfolio</b>	<b>-3.10</b>	<b>-1.51</b>	<b>15.58</b>	<b>15.58</b>	<b>4.66</b>	<b>9.40</b>	<b>8.94</b>	<b>0.06</b>	<b>9/30/07</b>	<b>561,693,763</b>	<b>6.4</b>	<b>12.1</b>
Custom Benchmark	-2.90	-1.45	15.66	15.66	4.64	9.35	8.81					
<b>Target Date 2055 Portfolio</b>	<b>-3.06</b>	<b>-1.36</b>	<b>16.23</b>	<b>16.23</b>	<b>4.91</b>	<b>9.61</b>	<b>9.04</b>	<b>0.06</b>	<b>5/19/10</b>	<b>658,656,384</b>	<b>7.4</b>	<b>15.4</b>
Custom Benchmark	-2.86	-1.29	16.32	16.32	4.89	9.57	8.92					
<b>Target Date 2060 Portfolio</b>	<b>-3.05</b>	<b>-1.34</b>	<b>16.25</b>	<b>16.25</b>	<b>4.92</b>	<b>9.61</b>	<b>9.06</b>	<b>0.06</b>	<b>11/17/14</b>	<b>388,478,636</b>	<b>4.4</b>	<b>13.6</b>
Custom Benchmark	-2.85	-1.26	16.36	16.36	4.91	9.58	8.92					
<b>Target Date 2065 Portfolio</b>	<b>-3.05</b>	<b>-1.34</b>	<b>16.28</b>	<b>16.28</b>	<b>4.94</b>	<b>9.58</b>	<b>10.66</b>	<b>0.06</b>	<b>9/23/19</b>	<b>90,433,681</b>	<b>1.0</b>	<b>7.7</b>
Custom Benchmark	-2.85	-1.27	16.37	16.37	4.91	9.57	10.67					
<b>Help-Me-Do-It: Individual Options</b>												
<b>Money Market Fund<sup>5,6</sup></b>	<b>0.40</b>	<b>1.24</b>	<b>5.51</b>	<b>5.51</b>	<b>4.25</b>	<b>2.69</b>	<b>1.97</b>	<b>0.08</b>	<b>11/1/99</b>	<b>155,214,991</b>	<b>1.8</b>	<b>1.7</b>
FTSE 3 Month Treasury Bill Index	0.39	1.23	5.45	5.45	4.05	2.54	1.79					
Yield as of 12/31/24: 4.60% <sup>7</sup>												
<b>Stable Value Fund<sup>8,9</sup></b>	<b>0.30</b>	<b>0.89</b>	<b>3.41</b>	<b>3.41</b>	<b>2.58</b>	<b>2.30</b>	<b>2.12</b>	<b>0.24</b>	<b>2/1/95</b>	<b>599,314,846</b>	<b>6.8</b>	<b>5.0</b>
Custom Benchmark <sup>10</sup>	0.37	1.08	4.55	4.55	4.17	2.74	2.34					
Yield as of 12/31/24: 3.57% <sup>11</sup>												
<b>Bond Fund<sup>12</sup></b>	<b>-1.70</b>	<b>-3.04</b>	<b>1.37</b>	<b>1.37</b>	<b>-2.34</b>	<b>-0.28</b>	<b>1.39</b>	<b>0.03</b>	<b>11/1/99</b>	<b>158,383,099</b>	<b>1.8</b>	<b>2.5</b>
Bloomberg U.S. Aggregate Bond Index	-1.64	-3.06	1.25	1.25	-2.41	-0.33	1.35					
<b>Inflation-Protected Bond Fund<sup>13</sup></b>	<b>-1.69</b>	<b>-2.90</b>	<b>2.02</b>	<b>2.02</b>	<b>-2.24</b>	<b>1.93</b>	<b>2.34</b>	<b>0.03</b>	<b>7/30/02</b>	<b>52,723,085</b>	<b>0.6</b>	<b>1.1</b>
Bloomberg U.S. TIPS Index	-1.58	-2.88	1.84	1.84	-2.30	1.87	2.24					
<b>High-Yield Bond Fund<sup>14</sup></b>	<b>-0.59</b>	<b>0.23</b>	<b>8.15</b>	<b>8.15</b>	<b>2.82</b>	<b>4.11</b>	<b>5.22</b>	<b>0.39</b>	<b>5/31/04</b>	<b>59,213,000</b>	<b>0.7</b>	<b>1.4</b>
ICE BofA U.S. High-Yield BB-B Constrained Index	-0.52	-0.17	6.84	6.84	2.46	3.64	4.87					
<b>Stock Fund<sup>15</sup></b>	<b>-2.38</b>	<b>2.41</b>	<b>25.01</b>	<b>25.01</b>	<b>8.94</b>	<b>14.54</b>	<b>13.13</b>	<b>0.01</b>	<b>11/1/99</b>	<b>2,140,627,320</b>	<b>24.2</b>	<b>8.3</b>
S&P 500 Index	-2.38	2.41	25.02	25.02	8.94	14.53	13.10					
<b>Small/Mid-Cap Stock Fund<sup>16</sup></b>	<b>-7.54</b>	<b>0.64</b>	<b>12.09</b>	<b>12.09</b>	<b>2.49</b>	<b>8.85</b>	<b>8.94</b>	<b>0.02</b>	<b>11/1/99</b>	<b>483,300,052</b>	<b>5.5</b>	<b>4.4</b>
Russell 2500 Index	-7.54	0.62	12.00	12.00	2.39	8.77	8.85					
<b>International Stock Fund<sup>17</sup></b>	<b>-2.50</b>	<b>-7.66</b>	<b>5.11</b>	<b>5.11</b>	<b>0.55</b>	<b>4.24</b>	<b>5.12</b>	<b>0.06</b>	<b>11/1/99</b>	<b>223,721,082</b>	<b>2.5</b>	<b>3.6</b>
MSCI ACWI ex-U.S. IMI Index <sup>18</sup>	-1.97	-7.61	5.23	5.23	0.50	4.12	4.85					
<b>Global Real Estate Fund<sup>19</sup></b>	<b>-7.10</b>	<b>-9.42</b>	<b>1.94</b>	<b>1.94</b>	<b>-5.12</b>	<b>-0.13</b>	<b>3.14</b>	<b>0.08</b>	<b>10/1/02</b>	<b>92,077,561</b>	<b>1.0</b>	<b>2.2</b>
FTSE EPRA/NAREIT Developed Index	-7.08	-9.69	0.94	0.94	-6.05	-1.00	2.23					
<b>VRSIP<sup>20</sup></b>	<b>1.60</b>	<b>1.90</b>	<b>9.37</b>	<b>12.33</b>	<b>5.95</b>	<b>8.80</b>	<b>7.86</b>	<b>0.63</b>	<b>7/1/08</b>	<b>68,795,252<sup>23</sup></b>	<b>0.8</b>	<b>0.4</b>
VRS Custom Benchmark <sup>21</sup>	2.04	2.65	12.60	14.98	4.73	7.66	7.15					

VRSIP and benchmark returns are reported with a one month lag. [Return information shown is as of November 30th, 2024.] [Market value as of November 30th, 2024 was \$68,212,855.]

<b>Do-It-Myself: Self-Directed Brokerage Account</b>												
<b>Schwab PCRA</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>147,223,316</b>	<b>1.7</b>	<b>0.2</b>
<b>Total</b>										<b>\$8,852,054,028<sup>24</sup></b>		

- 1 If the fund was not in existence for 10 years, fund and corresponding benchmark returns shown represent performance from the since inception date.
- 2 Fund investment advisers may voluntarily agree to waive expenses. Expense waivers may be terminated at any time.
- 3 Effective February 2023, the Target Date Portfolios invest in units of BlackRock's LifePath Index Funds N. The LifePath Index Funds N invest in the master LifePath Index Funds F. The inception dates shown reflect that of the master LifePath Index Funds F. Prior to February 2023, the Target Date Portfolios invested in BlackRock's LifePath Index Funds O which also invested in the master LifePath Index Funds F. All performance returns are linked.
- 4 Benchmarks are calculated using blended returns of third-party indices that proportionately reflect the respective weightings of the Portfolios' asset classes. Weightings are adjusted quarterly to reflect the Portfolios' asset allocation shifts over time. Indices currently used to calculate the custom benchmarks are: Russell 1000 Index, Russell 2000 Index, MSCI ACWI ex-U.S. IMI Net Dividend Return Index, Bloomberg U.S. Long Credit Bond Index, Bloomberg U.S. Intermediate Credit Bond Index, Bloomberg U.S. Long Government Bond Index, Bloomberg U.S. Intermediate Government Bond Index, Bloomberg U.S. Securitized: MBS, ABS, and CMBS Index, Bloomberg U.S. TIPS Index, FTSE EPRA/NAREIT Developed Index and the Bloomberg Commodity Index Total Return.
- 5 The Money Market Fund invests in units of BlackRock's Short-Term Investment Fund W. The inception data shown reflects the VRS Defined Contribution Plan's investment strategy inception date. Returns of the Fund from July 2012 through July 2016 represent performance of other BlackRock funds. Performance returns are linked.
- 6 An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment it is possible to lose money by investing in the Fund.
- 7 The current yield more closely reflects the earnings of the Fund than the total net return information. There is no guarantee that the Fund will earn the current yield in the future.
- 8 The inception date shown reflects the VRS Defined Contribution Plans investment strategy inception date.
- 9 Direct transfers from the Stable Value Fund to the Money Market Fund (considered a "competing fund") are not permitted. Before transferring to the Money Market Fund, participants must first transfer to a "non-competing" fund for 90 days. Optional Retirement Plan for Higher Education (ORPHE) participants who want to make a direct exchange to another ORPHE provider, must first exchange to a "non-competing" fund on the MissionSquare Retirement investment platform for 90 days.
- 10 Effective August 2016, the benchmark represents a hypothetical return generated by the monthly yields of actively traded U.S. Treasuries based on [50% 2- year maturity + 50% 3- year maturity] plus an annualized spread of 0.25% and is representative of the Fund's expected return profile, given how the Fund is managed and book value accounting treatment. Prior to August 2016 the custom benchmark was based on the monthly yield of actively traded U.S Treasuries with a 3-year maturity plus an annualized spread of 0.50%. The benchmark returns are linked.
- 11 The current yield more closely reflects the earnings of the Fund than the total net return information. There is no guarantee that the Fund will earn the current yield in the future.
- 12 The Bond Fund invests in units of BlackRock's U.S. Debt Index Fund M. The U.S. Debt Index Fund M invests in the master Fund F. The inception date shown reflects the VRS Defined Contribution Plans strategy inception date.
- 13 The Inflation-Protected Bond Fund invests in units of BlackRock's U.S. Treasury-Inflation Protected Securities Fund M. The U.S. Treasury Inflation-Protected Securities Fund M invests in the master Fund F. The inception date shown reflects the inception date of the master Fund F.
- 14 The High-Yield Bond Fund invests in units of JPMorgan's Corporate High-Yield Fund-Investment Class. The inception date shown reflects the date the current investment team at JPMorgan commenced management responsibility of the Fund.
- 15 The Stock Fund invests in units of BlackRock's Equity Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plans investment strategy inception date.
- 16 The Small/Mid-Cap Stock Fund invests in units of BlackRock's Russell 2500 Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for investment management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plans investment strategy date.
- 17 The International Stock Fund invests in units of BlackRock's MSCI ACWI ex-U.S. IMI Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for investment management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plan's investment strategy inception date. Returns from July 2012 through July 2016 represent performance of another BlackRock Fund. Performance returns are linked.
- 18 Effective August 2016, the performance benchmark is the MSCI ACWI ex-U.S. IMI Index. It was the MSCI World ex-U.S Index from July 2012 through July 2016. The benchmark returns are linked.
- 19 The Global Real Estate Fund invests in units of BlackRock's Developed Real Estate Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for investment management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plans investment strategy inception date.
- 20 The inception date shown reflects the date the VRS Investment Portfolio (VRSIP) was unitized.
- 21 The VRS Custom Benchmark is a blend of the asset class benchmarks at policy weights.
- 22 Includes Pending Account VRSIP amount of \$0.
- 23 Includes Preliminary Investment Portfolio Account - PIP amount of \$582,397.
- 24 Includes \$0 held in the administrative Special Accounts.
- 25 May not equal 100% due to rounding.
- 26 The data reflects the percentage of participants who selected a particular investment option as of December 31, 2024. There were 639,451 participant accounts as of December 31, 2024 across all unbundled DC plans.

**All fund performance returns shown reflect all fund management fees and expenses, but do not reflect the Plan administrative fee charged by MissionSquare Retirement which would further reduce the returns shown.**

All calculations assume reinvestment of dividends and capital gains. All returns are calculated in U.S. dollars. Performance returns are provided by BlackRock, Galliard Capital Management, JPMorgan, Bank of New York Mellon, and MissionSquare Retirement. Benchmark returns are provided by BlackRock, Russell/Mellon Analytical Services, Galliard, and MissionSquare Retirement. Although data is gathered from sources believed to be reliable, we cannot guarantee completeness or accuracy.

**Plan Administrative Fee:** An annual record keeping and communication services fee of \$30.50 is deducted from participant accounts on a monthly basis (approximately \$2.54 per month). Only one annual fee of \$30.50 is deducted from participant accounts for those participants participating in more than one Commonwealth of Virginia defined contribution plan.

Below benchmark return by 10 bps or more for index funds and capital preservation funds. Reasonable expectations due to impact of typical sources of tracking including fair value pricing for index funds and the nature of book value accounting treatment for stable value funds as it relates to interest rates.

Underperformance for an actively managed fund.

Excess performance for an actively managed fund.

Excess over benchmark return by 10 bps or more for index funds and capital preservation funds. Reasonable expectations due to impact of typical sources of tracking including fair value pricing for index funds and the interest rate environment for capital preservation funds.



# Defined Contribution Plans Advisory Committee Report

## TIAA RC Contract Investment Performance

Below are the totals for the period ending December 31, 2024. Returns greater than one year are annualized.

Investment Options	1 Month	3 Months	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs / Since Inception <sup>1</sup>	Fund Expense Ratio <sup>2</sup>	Inception Date	Market Value	% of Market Value <sup>19</sup>	% of Participants Selecting an Option <sup>20</sup>
Target Date Portfolios <sup>3,4</sup>	%	%	%	%	%	%	%	%		\$	%	%
BlackRock LifePath Index Retirement Fund N	-2.16	-2.24	7.10	7.10	0.55	4.02	4.63	0.06	8/1/05	44,772,852	9.3	12.5
Custom Benchmark	-2.04	-2.23	7.08	7.08	0.56	4.00	4.60					
BlackRock LifePath Index 2030 Fund N	-2.56	-2.24	9.13	9.13	1.58	5.69	6.34	0.06	8/1/05	39,356,283	8.1	8.7
Custom Benchmark	-2.43	-2.24	9.12	9.12	1.58	5.66	6.25					
BlackRock LifePath Index 2035 Fund N	-2.78	-2.11	10.90	10.90	2.44	6.81	7.19	0.06	7/5/06	31,954,773	6.6	8.8
Custom Benchmark	-2.64	-2.10	10.89	10.89	2.43	6.77	7.08					
BlackRock LifePath Index 2040 Fund N	-2.97	-1.95	12.64	12.64	3.28	7.84	7.97	0.06	8/1/05	37,899,146	7.8	9.5
Custom Benchmark	-2.81	-1.94	12.63	12.63	3.25	7.79	7.84					
BlackRock LifePath Index 2045 Fund N	-3.11	-1.78	14.28	14.28	4.09	8.80	8.60	0.06	7/5/06	34,042,940	7.0	10.7
Custom Benchmark	-2.93	-1.75	14.32	14.32	4.05	8.74	8.45					
BlackRock LifePath Index 2050 Fund N	-3.10	-1.51	15.58	15.58	4.67	9.42	8.96	0.06	9/30/07	22,143,369	4.6	8.8
Custom Benchmark	-2.90	-1.45	15.66	15.66	4.64	9.35	8.81					
BlackRock LifePath Index 2055 Fund N	-3.06	-1.36	16.23	16.23	4.92	9.63	9.06	0.06	5/19/10	12,808,989	2.7	8.0
Custom Benchmark	-2.86	-1.29	16.32	16.32	4.89	9.57	8.92					
BlackRock LifePath Index 2060 Fund N	-3.05	-1.34	16.25	16.25	4.93	9.63	9.06	0.06	11/17/14	3,816,042	0.8	4.5
Custom Benchmark	-2.85	-1.26	16.36	16.36	4.91	9.58	8.92					
BlackRock LifePath Index 2065 Fund N	-3.05	-1.34	16.28	16.28	4.94	9.60	10.67	0.06	9/23/19	8,593,812	1.8	3.0
Custom Benchmark	-2.85	-1.27	16.37	16.37	4.91	9.57	10.67					
BlackRock LifePath Index 2070 Fund N	-3.06	-1.33	n/a	n/a	n/a	n/a	-1.18	0.06	9/27/24	570,936	0.1	0.1
Custom Benchmark	-2.85	-1.27	n/a	n/a	n/a	n/a	-1.36					
Individual Options												
BlackRock Short-Term Investment Fund W <sup>5</sup>	0.40	1.24	5.51	5.51	4.25	2.69	2.00	0.08	7/1/03	8,080,179	1.7	6.8
FTSE 3 Month Treasury Bill Index	0.39	1.23	5.45	5.45	4.05	2.54	1.79					
Yield as of 12/31/24: 4.60% <sup>6</sup>												
BlackRock U.S. Debt Index Fund M <sup>7</sup>	-1.70	-3.04	1.37	1.37	-2.34	-0.28	1.39	0.03	6/6/96	11,816,351	2.4	15.4
Bloomberg U.S. Aggregate Bond Index	-1.64	-3.06	1.25	1.25	-2.41	-0.33	1.35					
BlackRock U.S. TIPS Fund M <sup>8</sup>	-1.69	-2.90	2.02	2.02	-2.24	1.93	2.34	0.03	7/30/02	5,638,483	1.2	10.6
Bloomberg U.S. TIPS Index	-1.58	-2.88	1.84	1.84	-2.30	1.87	2.24					
BlackRock Equity Index Fund J <sup>9</sup>	-2.38	2.41	25.02	25.02	8.94	14.54	13.13	0.01	3/5/97	66,570,371	13.8	23.0
S&P 500 Index	-2.38	2.41	25.02	25.02	8.94	14.53	13.10					
BlackRock Russell 2500 Index Fund J <sup>10</sup>	-7.54	0.64	12.09	12.09	2.49	8.85	8.95	0.02	9/30/08	10,302,798	2.1	4.6
Russell 2500 Index	-7.54	0.62	12.00	12.00	2.39	8.77	8.85					
BlackRock MSCI ACWI ex-U.S. IMI Index Fund M <sup>11</sup>	-2.50	-7.66	5.09	5.09	0.51	4.20	5.13	0.07	2/28/11	17,565,442	3.6	14.8
MSCI ACWI ex-U.S. IMI Index	-1.97	-7.61	5.23	5.23	0.50	4.12	4.91					
BlackRock MSCI ACWI IMI Index Non-Lendable Fund M <sup>12</sup>	-2.87	-1.21	16.54	16.54	5.15	9.88	9.34	0.05	4/12/13	67,686,477	14.0	26.9
MSCI ACWI IMI Index	-2.69	-1.24	16.37	16.37	4.90	9.67	9.00					
TIAA Real Estate Account <sup>13</sup>	0.07	0.68	-4.12	-4.12	-3.59	0.93	3.24	1.02	10/2/95	12,011,245	2.5	22.9
Custom Composite Benchmark <sup>14</sup>	-0.41	0.33	0.33	0.33	-1.51	2.50	4.48					
TIAA Traditional Annuity RC <sup>15,16,17,18</sup>	0.38	1.14	4.66	4.66	4.54	4.23	4.20	--- <sup>21</sup>	8/1/05	39,938,501	8.3	25.2
Self-Directed Brokerage Account												
TIAA - Self-Directed Account	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7,811,333	1.6	0.9
Total										\$483,380,322		

Footnotes >



- 1 If the fund was not in existence for 10 years, fund and corresponding benchmark returns shown represent performance from the since inception date.
- 2 Fund investment advisers may voluntarily agree to waive expenses. Expense waivers may be terminated at any time.
- 3 The BlackRock LifePath Index Funds N invest in the master LifePath Index Funds F. The inception dates shown reflect the inception date of the master LifePath Funds F. The inception dates for most LifePath Funds N were 8/15/17. The 2065 Fund's N inception date was 11/15/19, and the 2070 inception date was 10/04/2024. Returns prior to Funds' N inception dates are those of Funds F with deductions taken for Funds N investment management fees.
- 4 Benchmarks are calculated using blended returns of third-party indices that proportionately reflect the respective weightings of the Portfolios' asset classes. Weightings are adjusted quarterly to reflect the Portfolios' asset allocation shifts over time. Indices currently used to calculate the custom benchmarks are: Russell 1000 Index, Russell 2000 Index, MSCI ACWI Ex-U.S. IMI Net Dividend Return Index, Bloomberg U.S. Long Credit Bond Index, Bloomberg U.S. Intermediate Credit Bond Index, Bloomberg U.S. Long Government Bond Index, Bloomberg U.S. Intermediate Government Bond Index, Bloomberg U.S. Securitized: MBS, ABS, and CMBS Index, Bloomberg U.S. TIPS Index, FTSE EPRA/NAREIT Developed Index and the Bloomberg Commodity Index Total Return.
- 5 An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment it is possible to lose money by investing in the Fund.
- 6 The current yield more closely reflects the earnings of the Fund than the total net return information.
- 7 The BlackRock U.S. Debt Fund M invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund M was 7/20/12. Returns prior to Fund M's inception date are those of Fund F with deductions taken for Fund M's investment management fees.
- 8 The BlackRock U.S. Treasury Inflation-Protected Securities Fund M invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund M was 7/20/12. Returns prior to Fund M's inception date are those of Fund F with deductions taken for Fund M's investment management fees.
- 9 The BlackRock Equity Index Fund J invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund J was 3/20/17. Returns prior to Fund J's inception date are those of Fund F with deductions taken for Fund J's investment management fees.
- 10 The BlackRock Russell 2500 Fund J invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund J was 10/15/21. Returns prior to Fund J's inception date are those of Fund F with deductions taken for Fund J's investment management fees.
- 11 The BlackRock MSCI ACWI ex-U.S. IMI Index Fund M invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund M was 12/31/12. Returns prior to Fund M's inception date are those of Fund F with deductions taken for Fund M's investment management fees.
- 12 The BlackRock MSCI ACWI IMI Index Non-Lendable Fund M invests in the master Fund F. Inception dates for the master Fund F and Fund M are both 4/12/13.
- 13 Transfers out of the TIAA Real Estate Account (REA) are limited to one per quarter. Currently, these transfers do require a minimum transaction of at least \$1000 (except for systematic transfers, which must be at least \$100), or entire accumulation if less; however, this minimum may be reduced or eliminated in the future. Individual contract owners are limited from making transfers from making transfers into their account accumulation if, after giving effect to such transfer, the total value of such contract owner's Account accumulation (under all contracts issued to such contract owner) would exceed \$150,000.
- 14 Effective January 2014, the Custom Composite Index is 70% NCREIF Open End Diversified Core Equity (ODCE) Net Index, 20% Bloomberg 3-Month Treasury Bill Index, and 10% Dow Jones U.S. Select REIT Index. Prior periods include other representative indices. TIAA's investment management team does not manage its real estate portfolio to a specific published index benchmark. The Custom Composite Index represents a reasonable proxy of how TIAA allocates assets among real property, short-term investments, and REITs over time. The Virginia Retirement System anticipates that Fund returns may vary greatly from those of the Custom Composite Index. Benchmark returns are not available for months that do not end on a calendar quarter due to the fact that NCREIF ODCE Index returns are only published each calendar quarter.
- 15 Upon separation from service or retirement participants can convert their TIAA Traditional accumulation dollars amount to a lifetime income option or withdraw funds through a fixed period annuity ranging from five to 30 years or a Transfer Payout Annuity, which enables participants to move funds out of the TIAA Traditional Annuity in 7 annual installments for the Retirement Choice (RC) contract. Each installment includes a portion of principal and interest, based on the rate in effect when transfer or withdrawal funds are made. However, there are two exceptions to the payout installment. First, if the TIAA Traditional account balance is less than \$5,000, participants can transfer the total amount at any time following termination of employment, but only once during the life of the contract. Second, TIAA Traditional can be withdrawn or transferred to another company up to the full balance within 120 days following termination of employment, subject to 2.5% surrender charge. After the 120-day period, participants can withdraw funds only through a fixed period annuity ranging from five to 30 years or the Transfer Payout Annuity.
- 16 The TIAA Traditional Annuity RC contract has minimum guaranteed rate during the accumulation phase of 1% to 3% . The current minimum rate for the RC contract is 3%. Further, the TIAA Traditional Annuity RC contract applies to premiums deposited during the applicable calendar year and is guaranteed for 10 years, at which point the minimum rate for these premiums will be reset.
- 17 TIAA's annual credited rate on new money for the RC contract for the month of December was 5.50%.
- 18 The TIAA Traditional Annuity is not an investment for purposes of federal securities laws; it is a guaranteed insurance contract. Therefore, unlike a variable annuity or mutual fund, the TIAA Traditional Annuity does not include an identifiable expense ratio. Each premium allocated to the TIAA Traditional Annuity buys a definite amount of lifetime income for participants based on the rate schedule in effect at the time the premium is paid. In addition, the TIAA Traditional Annuity provides a guarantee of principle, a guaranteed minimum rate of interest and the potential for additional amounts of interest when declared by TIAA's Board of Trustees. Additional amounts, when declared, remain in effect for the "declaration year" that begins each March for the accumulating annuities and January for lifetime payout annuities. Additional amounts are not guaranteed for future years.
- 19 May not equal 100% due to rounding
- 20 The data reflects the percentage of participants who selected a particular investment option as of December 31, 2024. There were 5,838 (RC contract) participants as of December 31, 2024.
- 21 Effective July 2022, TIAA no longer provides an estimated expense ratio for its TIAA Traditional Annuity product.

**Performance returns shown reflect all fund management fees and other investment related expenses, but do not reflect the TIAA annual administrative fee of \$28 (deducted at \$7.00 per quarter) which would further reduce the returns shown. Performance returns do not reflect redemption fees and/or surrender charges, if applicable.**

All calculations assume reinvestment of dividends and capital gains. All returns are calculated in U.S. dollars. Fund and benchmark returns are provided by TIAA and BlackRock. Although data is gathered from sources to be reliable, the Virginia Retirement System cannot guarantee completeness or accuracy.

Below benchmark return by 10 bps or more for index funds and capital preservation funds. Reasonable expectations due to impact of typical sources of tracking including fair value pricing for index funds.

Underperformance for an actively managed fund.

Excess over benchmark return by 10 bps or more for index funds and capital preservation funds. Reasonable expectations due to impact of typical sources of tracking including fair value pricing for index funds and the interest rate environment for capital preservation funds.

# Miscellaneous Items

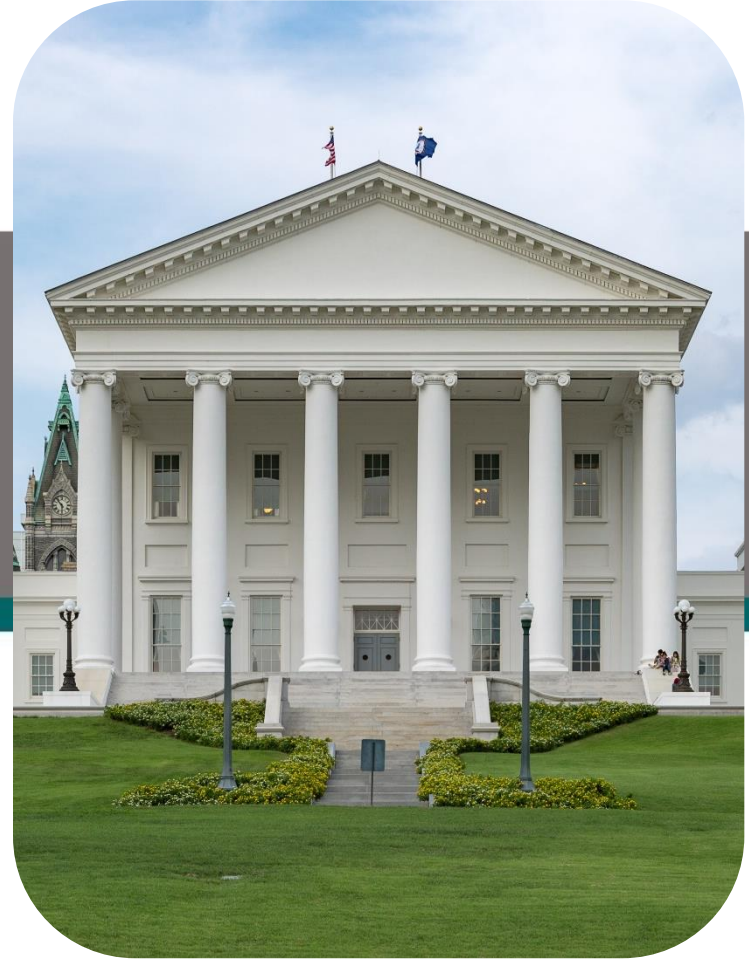
- Aon 2025 Investment Themes for Defined Contribution Plans Included in the Appendix
- DCIIA February 2025 Investment Menu Influences in Defined Contribution Plans Included in the Appendix

Thank you!



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# 2025 Legislation\*



- The General Assembly convened on January 8.
- The General Assembly adjourned on February 22.
- The General Assembly is scheduled to reconvene on April 2 for the “veto session.”

# 2025 VOLSAP Bill

Bill Number	Patron	Description
SB 934	Craig	<p>Provides that any funds or other property held or payable to a member of the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund that have remained unclaimed for more than five years after such member's forfeiture of his membership or the dissolution of a volunteer emergency medical services agency or volunteer fire department shall be presumed abandoned for the purposes of the Virginia Disposition of Unclaimed Property Act.</p> <p>Passed both chambers.</p>

# 2025 VRS-Related Bills

## VaLORS

Bill Number	Patron	Description
SB 1201	Deeds	<p>Extends membership in the Virginia Law Officers' Retirement System (VaLORS) to conservation officers of the Department of Conservation and Recreation. The bill provides that such membership would apply only to service earned on or after July 1, 2025.</p> <p>Passed both chambers.</p>



# 2025 VRS-Related Bill

## Purchase of Prior Service

Bill Number	Patron	Description
HB 1830	Simonds	<p>Requires each school board to adopt a policy that requires the school board to approve unpaid educational leave for school board employees who are state employee association officers and for at least two school board employees who are local employee association officers for a maximum of four years per officer. The bill permits employee association officers approved for such leave to purchase service credit with the Virginia Retirement System for such period of leave.</p> <p>Passed both chambers.</p>



# 2025 VRS-Related Bills

## VLDP

Bill Number	Patron	Description
HB 1705	Bulova	<p>Requires that, beginning July 1, 2026, emergency dispatchers who are not members of the hybrid retirement program become participants in the disability program for hybrid retirement plan members. The employers of such dispatchers shall provide the costs required for funding participation in such program.</p> <p><i>Item 484 #1c: \$76,000 NGF in FY 25 and \$685,400 NGF in FY 2026 for implementation of HB 1705, HB 1815/SB1142, and SB 950.</i></p> <p>Passed both chambers.</p>

Bill Number	Patron	Description
SB 950	McDougle	<p>The House substitute provides that judges appointed or elected to an initial term on or after July 1, 2026 will be placed in Plan 2 and judges who were appointed or elected to an initial term on or after July 1, 2014 but before July 1, 2026 will stop accruing benefits in the Hybrid Retirement Plan and begin accruing benefits in Plan 2 for service earned on or after July 1, 2026.</p> <p>Under current law, the service retirement allowance for judges appointed or elected to an original term commencing on or after January 1, 2014, are determined under hybrid retirement plan.</p> <p><i>Item 484 #1c: \$76,000 NGF in FY 25 and \$685,400 NGF in FY 2026 for implementation of HB 1705, HB 1815/SB1142, and SB 950.</i></p> <p>House substitute passed both chambers.</p>

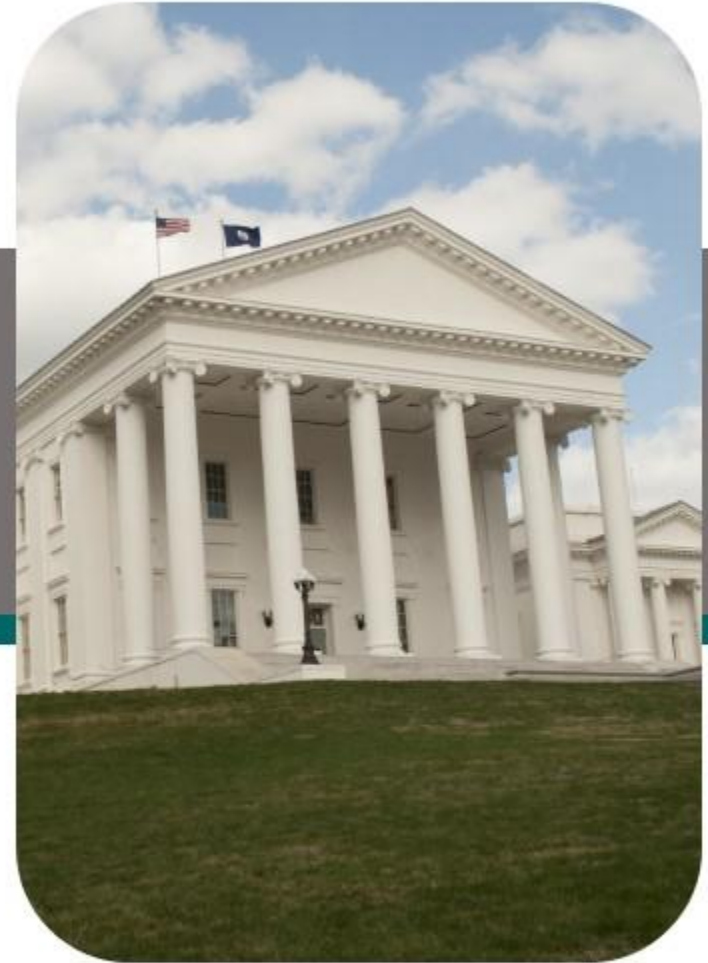
# 2025 LODA Bills

Bill Number	Patron	Description
HB 1815	Campbell	Provides employees of contributing nonprofit private institutions of higher education and contributing private police departments with the benefits granted to employees of participating employers under the Line of Duty Act. Provides that implementation costs can be charged on a pro rata basis to these new participating entities.  <i>Item 484 #1c: \$76,000 NGF in FY 25 and \$685,400 NGF in FY 2026 for implementation of HB 1705, HB 1815/SB1142, and SB 950.</i>  Passed both chambers.
SB 1142	Obenshain	



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# Budget Amendments



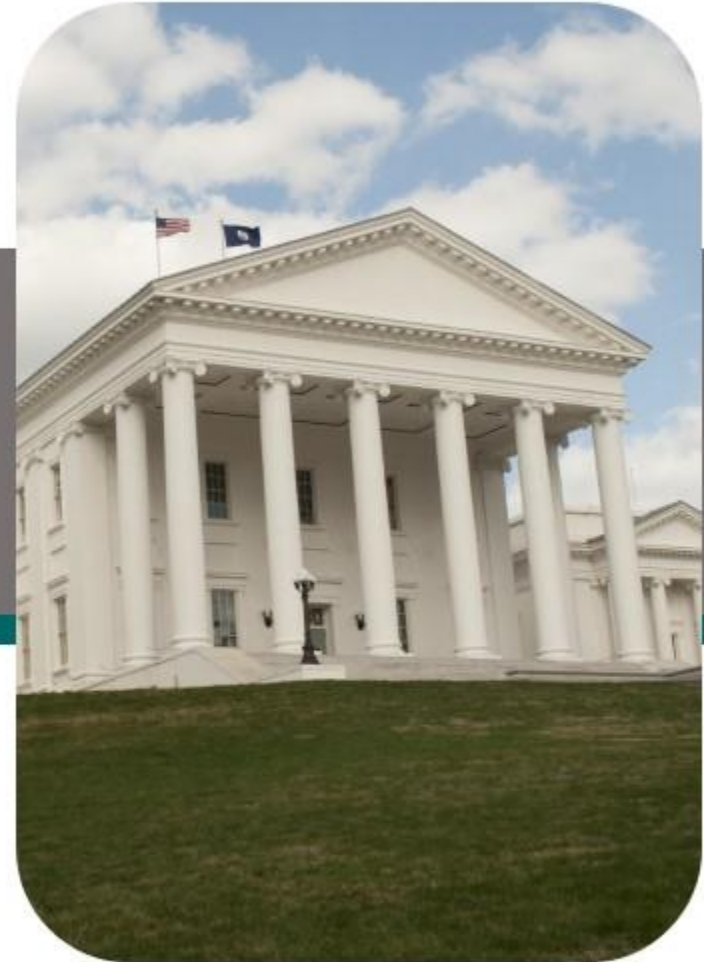
# 2025 Budget Amendments

Bill Number	Description
Item 74 #2c	<p>DHRM's biennial report on employee compensation shall include an evaluation of total compensation, including retirement benefits, for VaLORS members. The report will be with support of VRS.</p> <p>DHRM and VRS will complete an analysis to determine if the elimination of the defined benefit plan has affected recruitment and retention of state employees.</p> <p>DHRM will solicit separately from VRS an assessment of whether the elimination of the defined benefit plan has affected recruitment and retention of teachers.</p>
Item 469 #1c	<p>Provides a one-time bonus of 1.5% for executive branch employees, higher education employees and state supported local positions. Bonus provided on June 16, 2025. For executive branch employees, they must have a rating of at least contributor in the last year to receive the bonus.</p>



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# Failed Legislation



# 2025 VRS-Related Bills - Failed

## Local Hazardous Duty Bills

Bill Number	Patron	Description
HB 1564	Cherry	Allows local governments to provide enhanced retirement benefits for hazardous duty service to full-time salaried 911 dispatchers. Such enhanced retirement benefits apply only to service earned on or after July 1, 2026, but allows an employer, to provide such enhanced retirement benefits for service earned as a full-time salaried 911 dispatcher before July 1, 2026, in addition to service earned on or after that date. Delayed effective date of July 1, 2026.
HB 1619	Clark	
SB 1083	Perry	
SB 1088	Jordan	
SB 1156	Obenshain	
HB 2194	McQuinn	Permits political subdivisions participating in VRS to provide retirement benefits comparable to the benefits provided to state police officers to juvenile detention specialists. The bill applies only to service earned on or after July 1, 2026, but allows an employer, as that term is defined in relevant law, to provide such enhanced retirement benefits for service earned as a full-time juvenile detention specialist before July 1, 2026, in addition to service earned on or after that date. The bill has a delayed effective date of July 1, 2026.

# 2025 VRS-Related Bills - Failed

## Local Hazardous Duty Bills

Bill Number	Patron	Description
HB 2579/HB 2581	Cardoza	Allows local governments to provide enhanced retirement benefits for hazardous duty service to (i) full-time salaried 911 dispatchers, (ii) full-time animal control officers, and (iii) sworn municipal park rangers qualifying as conservators of the peace. The bill provides that enhanced retirement benefits apply only to service earned in such positions on or after July 1, 2026, but allows an employer to provide such enhanced retirement benefits for service earned in such positions before July 1, 2026, in addition to service earned on or after that date.
HB 1812 SB 1396	Campbell Head	Adds full-time animal control officers to the list of local employees eligible to receive enhanced retirement benefits for hazardous duty service for service earned in such positions on or after July 1, 2026. Under current law, localities may provide such benefits to first responders, including firefighters and emergency medical technicians, and certain other hazardous duty positions. The bill has a delayed effective date of July 1, 2026.



# 2025 VRS-Related Bills- Failed

## VaLORS

Bill Number	Patron	Description
HB 1563	Cherry	Extends membership in the Virginia Law Officers' Retirement System (VaLORS) to emergency dispatchers who are employed by the Department of State Police, Capitol Police, and agencies whose law-enforcement officers are eligible for membership in VaLORS. The bill has a delayed effective date of July 1, 2026, and provides that such membership would apply only to service earned on or after July 1, 2026.

# 2025 VRS-Related Bills – Failed

## VaLORS

Bill Number	Patron	Description
HB 2315	Davis	Changes the age through which a retired law-enforcement officer covered under the Virginia Law Officers' Retirement System is entitled to receive an additional retirement allowance from the law-enforcement officer's sixty-fifth birthday to retirement age as defined by the Social Security Act. This change aligns the additional allowance with that currently provided under the State Police Officers' Retirement System.

# 2025 VRS-Related Bills - Failed

## SPORS

Bill Number	Patron	Description
HB 1592	Pugh Kent	Provides membership in the State Police Officers' Retirement System (SPORS) to conservation police officers in the Department of Wildlife Resources for service earned on or after July 1, 2026. The bill directs the Virginia Retirement System (VRS) to assess the administrative and financial impacts of the bill and provide recommendations for implementing the bill to the General Assembly no later than November 1, 2025. Except for the assessment and recommendations to be made by VRS, the provisions of the bill have a delayed effective date of July 1, 2026.
SB 928	Stuart	
SB 1224	Deeds	

# 2025 VRS-Related Bills - Failed

## Weighted Service

Bill Number	Patron	Description
HB 2070	Grant	Provides that a member of the Virginia Retirement System shall be eligible for additional years of service credit for service earned as a teacher in the field of career and technical education. The amount of service credit earned shall be (i) for service earned as a member who is more than 45 years old but less than 55 years old at the time of such service, such service shall be multiplied by the weighted years of service factor of 2.0 and (ii) for service earned as a member who is more than 55 years old at the time of such service, such service shall be multiplied by the weighted years of service factor of 2.5.

# 2025 LODA Bills - Failed

Bill Number	Patron	Description
HB 2363	Wilt	Allows the Department of Corrections to designate employees to have the same power as a sheriff or a law-enforcement officer for the purpose of enforcing the criminal laws of the Commonwealth. Under current law, the Department can designate such employees with internal investigations authority to have such law-enforcement powers in the investigations of allegations of criminal behavior affecting the operations of the Department.
HB 2204 SB 1195	McQuinn Deeds	Provides that if a deceased person, as that term is defined in the Line of Duty Act, died as a result of certain cancers within 10 years from his date of retirement, his beneficiary shall be entitled to the payment of certain benefits. Under current law, such beneficiary shall be entitled to such payment if the deceased person's death (i) arose out of and in the course of his employment or (ii) was within five years from his date of retirement.

# 2025 VRS-Related Bills - Failed

## LODA

Bill Number	Patron	Description
SB 1286	Durant	Adds auxiliary police officers and volunteer deputy sheriffs to the list of individuals eligible for benefits under the Line of Duty Act.

# 2025 VRS-Related Bills - Failed

## LODA/VaLORS

Bill Number	Patron	Description
HB 2447	O'Quinn	Adds the State Fire Marshal and personnel of the Virginia Department of Fire Programs who, as a regular component of their official duties, are exposed to hazards or threats to their life and health to the lists of those eligible for benefits under the Line of Duty Act and for membership in the Virginia Law Officers' Retirement System.

# 2025 VRS-Related Bills – Failed

## Return to Work

Bill Number	Patron	Description
HB 1986	Lovejoy	Allows a retired law-enforcement officer to return to work full time as a law-enforcement officer and continue to receive his pension under the Virginia Retirement System. Such person shall be required to have a break in service of at least six calendar months before reemployment. The bill has a delayed effective date of January 1, 2026.



# 2025 VRS-Related Bills - Failed

## Return to Work

Bill Number	Patron	Description
SB 1292	Durant	Allows a retired sworn law-enforcement officer who returns to employment in a regional criminal justice academy to continue receiving his service retirement allowance. Such employment shall not increase, decrease, or affect in any way his retirement benefits before, during, or after such employment. Under current law, a retired law-enforcement officer may return to full-time employment without impact on his retirement benefits only if he is employed as a school security officer. The bill has a sunset date of July 1, 2028.

# 2025 VRS-Related Bills - Failed

## LODA/VaLORS Bills

Bill Number	Patron	Description
SB 797	Head	Permits the Board of Visitors of the Virginia School for the Deaf and the Blind to establish a campus police department, in compliance with the provisions of law relating to campus police departments established by institutions of higher education, and to employ campus police officers therein.
HB 2507	Runion	