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## Minutes

A regular meeting of the Virginia Retirement System Board of Trustees was held on October 16, 2025, in Richmond, Virginia with the following members participating:

Board members:

A. Scott Andrews, Chaire

Lawrence Bernert, Vice Chaire

Hon. J. Brandon Bell, II (*attended remotely from Roanoke, VA under § 2.2-3708.3(B)(3)*)

John M. Bennette

J. Clifford Foster, IVe

Susan T. Gooden, Ph.D.e

Jessica L. Hoode

Hon. Matthew Jamese

Lindsey K. Pantelee

VRS Staff:

Patricia Bishop, Jennifer Schreck, Andrew Junkin, Advait Apte, Rory Badura, Parham Behrooz, Ty Bowers, Jessica Budd, Caroline Cardwell, Dorothy Chiddo, Michael Cooper, Perry Corsello, David Cotter, Sara Denson, Valerie Disanto, Curtis Doughtie, Laurie Fennell, Laura Fields, Antonio Fisher, Josh Fox, Katherine Grawe, JT Grier, Dane Honrado, KC Howell, Sandy Jack, Jennifer Kazzie, Mengting Kim, Kristina Koutrakos, Matt Lacy, Chung Ma, Scott Mootz, Walker Noland, Greg Oliff, Crystal Pate, Angela Payne, David Porter, Matt Priestas, Laura Pugliese, Gregory Salvati, Dan Schlusser, Michael Scott, Amethyst Sloane, Virginia Sowers, Larry Tentor, Leslie Weldon and Dan Whitlock.

Guests:

Jim Anderson, Craig Graby and Becky Stouffer, Gabriel, Roeder, Smith & Company; Jeremy Bennett, Virginia Association of Counties; Andrea Caretta, Tiffany Jacobs and Crystal Pate, Virginia Beach Public Schools; Donald Baylor, National Coalition of Public Safety Officers; Joe Ebisa, With Intelligence; Lisa Giaffo and Jason Kobilka, Osmosis; Jacob Hodges, Encore; Alexandra Jansson and Kimberly Sarte, Joint Legislative Audit and Review Commission; Kirk Jones, Communication Workers of America; Michael Martz, Richmond Times Dispatch; Elizabeth Myers, Office of the Attorney General; Ben Sheng, FundFire; Bea Snidow, Virginia Education Association; Darcy Song, Conexus Financial and Charity Zellmer, Chesapeake Public Schools.

The meeting convened at 1:00 p.m.

### Opening Remarks

Mr. Andrews called the meeting to order and welcomed everyone to the October 16, 2025, meeting of the Virginia Retirement System Board of Trustees. Mr. Andrews noted the meeting was being held in accordance with § 2.2-3708.3(B)(3) of the Code of Virginia and advised that no public comment would be accepted at the meeting. Members of the public who wish to submit comments may email the Board at [trustees@varetire.org](mailto:trustees@varetire.org) or by mail at P.O. Box 1200, Richmond, VA 23218.

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### **Approval of Minutes**

Following a motion by Dr. Gooden, and a second by Ms. Pantele, the VRS Board of Trustees unanimously approved the minutes from its September 25, 2025, meeting.

### **Report of the Chief Investment Officer**

Andrew Junkin, Chief Investment Officer, began his report with a market overview and discussed asset allocation, total fund performance and tracking error, concluding that risk measures are within Board-approved levels. Lastly, Mr. Junkin discussed the New Investments and Terminations Report, the DIME Quarterly Report and the External Manager Referral Quarterly Report.

### **Report of the Benefits and Actuarial Committee**

The VRS Board of Trustees received the report of the Benefits and Actuarial Committee following its meeting on October 15, 2025, and placed it on file.

#### APPROVAL OF MINUTES

The Committee approved the minutes of its June 9, 2025, meeting.

#### GRS PRESENTATION OF THE 2025 ACTUARIAL VALUATION RESULTS FOR THE FIVE STATEWIDE RETIREMENT PLANS, GROUP LIFE INSURANCE, STATE AND TEACHER RETIREE HEALTH INSURANCE CREDIT, AND THE VIRGINIA SICKNESS AND DISABILITY PROGRAM (INCLUDES SELF-FUNDED LONG-TERM CARE)

Jim Anderson and Becky Stouffer from the VRS plan actuary, Gabriel, Roeder, Smith & Company (GRS), presented the June 30, 2025, actuarial valuations for the Five Statewide Retirement Plans, Group Life Insurance, the State and Teacher Health Insurance Credit, and the Virginia Sickness and Disability Program. The VRS actuary conducts annual valuations as of the close of the fiscal year (June 30). This year's valuation results will be used for rate-setting for fiscal years 2027 and 2028.

The valuation results incorporated recent changes for the quadrennial experience study that the Board approved during its April meeting. As discussed at that time, the changes in assumptions were expected to have only minor impacts on the developed employer contribution rates. In addition to assumption changes, the actual experience from the past year included higher than expected increases in salaries and cost-of-living adjustments (COLAs), which create actuarial losses. However, the investment return for the fund of 9.9% exceeded the long-term assumed rate of return of 6.75% for fiscal year 2025. The investment gains associated with the higher-than-expected investment return overshadowed the experience study changes and higher salaries and COLAs resulting in lower employer contribution rates for most plans and an increase in the funded status for all of the pension plans.

Recent legislation passed by the General Assembly places JRS members previously in the hybrid plan and future judges appointed on or after July 1, 2026, into Plan 2. Without this plan change the JRS contribution rate was expected to decrease to 24.31%. After reflecting the plan change the rate was 30.49% which was slightly less than prior biennium.

Plan	FY 2025/2026	FY 2027/2028
	Appropriation Act DB Only	VRS Board Certified Rates DB Only
<b>State</b>	12.52%	11.07%
<b>Teachers</b>	14.21%	12.20%
<b>SPORS</b>	31.32%	31.67%
<b>VaLORS</b>	24.60%	22.60%
<b>JRS</b>	30.67%	30.49%

System	2024	2025
	Funded Status Market Value Basis	Funded Status Market Value Basis
<b>PENSIONS</b>		
State	82.1%	85.4% e
Teachers	82.7%	85.5%
SPORS	73.0%	76.0%
VaLORS	74.3%	77.6%
Judicial	88.3%	90.5%
Total State-wide systems	82.2%	85.1%

The Other Post Employment Benefit plans (OPEBS) also benefited from the investment gains and had lower employer contribution rates and higher funded status for each of the plans.

Plan	FY 2025/2026	FY 2027/2028
	Appropriation Act	VRS Board Certified Rates
Group Life	1.18%	1.06%
HIC State	1.12%	0.70%
HIC Teachers	1.21%	0.88%
VSDP	0.50%	0.42%

System	2024	2025
	Funded Status Market Value Basis	Funded Status Market Value Basis
<b>OPEBS</b>		
Group Life	72.5%	78.0%
HIC State	35.8%	42.5%
HIC Teachers	22.0%	27.3%
VSDP	211.0%	260.1%

Mr. Anderson will also deliver an abbreviated version of their presentation to the full Board of Trustees on Thursday, October 16, 2025.

After Mr. Anderson delivered a presentation of the valuation results to the Board of Trustees, the Board considered the request for board action.

Upon a motion by Mr. Bennett, with a second by Mr. Foster, the VRS Board of Trustees approved the following action:

***Request for Board Action 2025-10-26: Certify the contribution rates for the Five Statewide Retirement Plans and associated OPEBs effective for FY 2027 and FY 2028.***

B&A Committee Meeting Schedule:

- November 12 at 10:00 a.m. (Local Valuations and Line of Duty Act)

Mr. Andrews thanked Mr. Bennett for his report.

#### **Report of the Director**

Ms. Bishop, Director, began her report with an update on the agency road map for FY 2025, noting all projects are progressing and are expected to be accomplished as planned.

Ms. Bishop then provided the following updates to the Board:

- VRS was recognized with the Award for Outstanding Achievement in Popular Annual Financial Reporting for the *Popular Annual Financial Report (PAFR)*. It is the 9<sup>th</sup> consecutive award for the VRS PAFR from the Government Finance Officers Association.
- Presentations were delivered at the Virginia Governmental Employees Association (VGEA) and the Virginia Retired Teachers Association (VRTA) in September to provide stakeholders with VRS information and updates. In addition, Ms. Bishop delivered an update on VRS to the Senate Finance and Appropriations Committee at their meeting in Portsmouth on October 14, 2025.
- A preview of upcoming board and committee meetings was provided.

#### **Other Business**

Lastly, Mr. Andrews confirmed the following meeting schedule:

- Investment Advisory Committee – November 5 at 9:00 a.m.
- Benefits and Actuarial Committee – November 12 at 10:00 a.m.
- Board of Trustees – November 13 at 1:00 p.m.

#### **Adjournment**

There being no further business and following a motion by Mr. Bernert, with a second by Dr. Gooden, the VRS Board of Trustees agreed to adjourn the meeting at 1:41 p.m.

  
Chair

  
Secretary

## Report

The Benefits and Actuarial Committee met on October 15, 2025, and took up the following matters:

### APPROVAL OF MINUTES

The Committee approved the minutes of its June 9, 2025, meeting.

### GRS PRESENTATION OF THE 2025 ACTUARIAL VALUATION RESULTS FOR THE FIVE STATEWIDE RETIREMENT PLANS, GROUP LIFE INSURANCE, STATE AND TEACHER RETIREE HEALTH INSURANCE CREDIT, AND THE VIRGINIA SICKNESS AND DISABILITY PROGRAM (INCLUDES SELF-FUNDED LONG-TERM CARE)

Jim Anderson and Becky Stouffer from the VRS plan actuary, Gabriel, Roeder, Smith & Company (GRS), presented the June 30, 2025, actuarial valuations for the Five Statewide Retirement Plans, Group Life Insurance, the State and Teacher Health Insurance Credit, and the Virginia Sickness and Disability Program. The VRS actuary conducts annual valuations as of the close of the fiscal year (June 30). This year's valuation results will be used for rate-setting for fiscal years 2027 and 2028.

The valuation results incorporated recent changes for the quadrennial experience study that the Board approved during its April meeting. As discussed at that time, the changes in assumptions were expected to have only minor impacts on the developed employer contribution rates. In addition to assumption changes, the actual experience from the past year included higher than expected increases in salaries and cost-of-living adjustments (COLAs), which create actuarial losses. However, the investment return for the fund of 9.9% exceeded the long-term assumed rate of return of 6.75% for fiscal year 2025. The investment gains associated with the higher-than-expected investment return overshadowed the experience study changes and higher salaries and COLAs resulting in lower employer contribution rates for most plans and an increase in the funded status for all of the plans.

Recent legislation passed by the General Assembly places JRS members previously in the hybrid plan and future judges appointed on or after July 1, 2026 into Plan 2. Due to this change, the JRS plan saw a significant increase in the employer rate effective July 1, 2026.

Plan	FY 2025/2026	FY 2027/2028
	Appropriation Act DB Only	VRS Board Certified Rates DB Only
State	12.52%	11.07%
Teachers	14.21%	12.20%
SPORS	31.32%	31.67%
VaLORS	24.60%	22.60%
JRS	30.67%	30.49%

The Other Post Employment Benefit plans (OPEBS) also benefited from the investment gains and had lower employer contribution rates and higher funded status for each of the plans.

Plan	FY 2025/2026	FY 2027/2028
	Appropriation Act	VRS Board Certified Rates
Group Life	1.18%	1.06%
HIC State	1.12%	0.70%
HIC Teachers	1.21%	0.88%
VSDP	0.50%	0.42%

Mr. Anderson will also deliver an abbreviated version of their presentation to the full Board of Trustees on Thursday, October 16, 2025.

Following some discussion, the Committee recommended approval of the following action to the full Board of Trustees:

***Request for Board Action:*** *Certify the contribution rates for the Five Statewide Retirement Plans and associated OPEBs effective for FY 2027 and FY 2028.*

B&A Committee Meeting Schedule:

- November 12 at 10:00 a.m. (Local Valuations and Line of Duty Act)

Submitted to the Board of Trustees on October 16, 2025.



John M. Bennett, Chair  
Benefits and Actuarial Committee