
Minutes

A regular meeting of the Benefits and Actuarial Committee was held on June 12, 2024, in Richmond, Virginia with the following members participating:

John M. Bennett, Chair
Jessica L. Hood

Board members participating:

Hon. J. Brandon Bell, II (*remotely from Roanoke, VA in accordance with 2.2-3708.3(B)(3)*)

VRS Staff:

Patricia Bishop, Jennifer Schreck, Rory Badura, Judy Bolt, Jeanne Chenault, Sara Denson, Krystal Groff, Sandy Jack, Angela Payne and Scott Weaver.

Guests:

Jamie Bitz, Joint Legislative Audit and Review Commission.

The meeting convened at 1:00 p.m.

Opening Remarks

Mr. Bennett called the meeting to order and welcomed everyone to the June 12, 2024, meeting of the Benefits and Actuarial Committee. Mr. Bennett noted the meeting was being held in accordance with § 2.2-3708.3(B)(3) of the *Code of Virginia*, and took attendance with the following roll call:

Ms. Hood: Present.

Senator Bell: Present.

Mr. Bennett: Present.

Approval of Minutes

Upon a motion by Ms. Hood, with a second by Mr. Bennett, the Committee approved the minutes of its February 7, 2024, meeting.

Election of Committee Vice Chair

Next, Mr. Bennett opened the floor for nominations for Committee Vice Chair. Following Ms. Hood's recommendation and a motion by Senator Bell, the Committee unanimously approved the nomination of Lindsey K. Pantele to continue serving as Vice Chair.

Committee Charter Review

Next, Sandy Jack, Director of Policy, Planning and Compliance, provided an overview of the recommended changes to the Committee Charter that will provide additional clarity and reflect associated changes since the last review. Ms. Jack advised VRS staff periodically reviews all charters to ensure each accurately describes the appropriate duties and procedures, as well as reflects best practices for current board governance.

Mr. Bennett thanked Ms. Jack for her presentation.

Following a motion by Ms. Hood and a second by Senator Bell, the Committee approved the recommended changes to the Benefits and Actuarial Committee Charter, and recommended approval to the Administration, Finance and Talent Management Committee and the full Board of Trustees.

Information Items

Optional Form Study

Rory Badura, Senior Staff Actuary, provided an update on the Optional Form Study to the Committee. Mr. Badura advised that the adjustment factors used to determine optional forms of payment are being updated to reflect changes in assumptions that have occurred since the factors were last updated. The updated factors will better align with the current funding assumptions and will provide a slightly better outcome for members who elect an optional form of payment. There will be minimal impacts to the plans as the factors are designed to be cost neutral to the plan. Impacts to members selecting an optional form of payment will vary based on the option elected and the age at retirement. Mr. Badura noted the *Code of Virginia* provides that actuarial equivalent tables should be used to determine optional forms of payment, but does not specify or require that assumptions used to develop such tables be on the same basis as those used for computing contribution rates.

Mr. Badura advised the new optional form factors will affect retirements after December 31, 2024, and will be reviewed as part of the quadrennial experience study beginning in Spring 2029. Staff will be working over the next few months to implement the new tables in VRS systems, as well as communicating the upcoming changes to VRS members.

Pension Dashboard

Next, Mr. Badura provided an overview and status update on the development of a VRS Pension Dashboard that will consolidate historical measures, display trend information of key indicators and provide monthly updates of economic and cash flow measures that indicate expectations for upcoming valuation results.

The dashboard will allow access to various pension and OPEB plan measures associated with plan liabilities, employer costs, plan cash flows and demographic information. The dashboard will include historical information, some year-to-date measures for monthly monitoring, and forecasting. Mr. Badura noted that this was a work in progress and will start with common key indicators but will be expanded to include additional demographic measures in the near future.

Mr. Badura advised next steps include converting to Power BI for internal access and exploring options to provide access to VRS Board members.

Mr. Bennett thanked Mr. Badura for his presentations.

2024 B&A Committee Meeting Schedule:

Mr. Bennett reviewed the Committee meeting schedule:

- October 16 at 1:00 p.m.
- November 14 at 10:00 a.m.

Other Business

Lastly, Ms. Bishop thanked Mr. Badura and Ms. Denson for their hard work on the development of the pension dashboard and updating the optional form factors. An abbreviated presentation of the Optional Form Study will be included in the June Board of Trustees meeting.

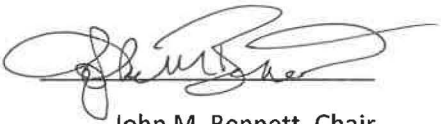
Adjournment

Upon a motion by Ms. Hood, with a second by Mr. Bell, the Committee agreed to adjourn the meeting.

There being no further business, the meeting concluded at 2:06 p.m.

10/16/24

Date



John M. Bennett, Chair
Benefits and Actuarial Committee