
Minutes

A regular meeting of the Benefits and Actuarial Committee was held on October 16, 2024, in Richmond, Virginia with the following members participating:

John M. Bennett, Chair
Lindsey K. Pantele, Vice Chair
Jessica L. Hood

Board members participating:
Hon. Matthew James

VRS Staff:

Patricia Bishop, Jennifer Schreck, Andrew Junkin, Nikolai Abaev, Rory Badura, Judy Bolt, Ty Bowers, Jessica Budd, Jeanne Chenault, Michael Cooper, Sara Denson, Andrew Feagans, Antonio Fisher, Krystal Gröff, Robert Irving, Sandy Jack, Angela Payne, Virginia Sowers and Leslie Weldon.

Guests:

Jim Anderson, Becky Stouffer and Kurt Dossou, Gabriel, Roeder, Smith and Company (GRS).

The meeting convened at 1:00 p.m.

Opening Remarks

Mr. Bennett called the meeting to order and welcomed everyone to the October 16, 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.
Delegate James: Present.
Ms. Pantele: Present.
Mr. Bennett: Present.

Approval of Minutes

Upon a motion by Ms. Pantele, with a second by Ms. Hood, the Committee approved the minutes of its June 12, 2024, meeting.

GABRIEL, ROEDER, SMITH & COMPANY (GRS) 2024 ACTUARIAL VALUATION RESULTS FOR FIVE STATEWIDE RETIREMENT PLANS, GROUP LIFE INSURANCE, STATE AND TEACHER RETIREE HEALTH INSURANCE CREDIT, AND VIRGINIA SICKNESS AND DISABILITY PROGRAM (INCLUDES SELF-FUNDED LONG-TERM CARE).

Mr. Bennett introduced Jim Anderson, Becky Stouffer and Kurt Dossou from the VRS plan actuary, Gabriel, Roeder, Smith & Company (GRS), who presented the June 30, 2024, 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 (VSDP). The VRS actuary conducts annual valuations as of the close of the fiscal year (June 30). In odd-numbered years, the valuations are used to establish

employer contribution rates. The results in even-numbered years are shared with the Board of Trustees to inform the Board of any emerging trends or indications of the magnitude and direction of contribution rates.

Mr. Dosson advised the market value return for the total fund of 9.9% exceeded the long-term assumed rate of return of 6.75% for fiscal year 2024. The investment gains were nearly offset by higher-than-expected cost-of-living increases and salary increases provided during the fiscal year.

The funded status continues to trend upwards for all plans, although, the state-wide health insurance credit plans are still well below healthy funded status levels.

The informational contribution rates trended lower for all plans with the exception of SPORS and VaLORS, which increased slightly from the last rate-setting valuation. VaLORS had a decrease in active headcount which led to a smaller payroll over which to spread costs which contributed to the higher employer rate. The SPORS rate was relatively flat year over year. The rates generally trended lower for the OPEB plans due to favorable demographic experience to go along with the investment gains. In addition, the HIC State plan received a cash infusion to help pay down unfunded liabilities.

Lastly, Ms. Stouffer noted the Quadrennial Experience Study will take place in Spring 2025, and any updated assumptions will be presented for the next rate-setting valuation.

Mr. Bennett thanked GRS for their presentation and noted GRS would deliver an abbreviated presentation to the full Board of Trustees on October 17.

Following a motion by Ms. Pantele, with a second by Ms. Hood, the Committee recommended approval of the following action to the full Board of Trustees:

RBA: Accept the Plan Actuary's Valuations as of June 30, 2024, for the Five Statewide Retirement Plans, Group Life Insurance, Health Insurance Credit Plans for State and Teachers, and the Virginia Sickness and Disability Program.

Request for Board Action: The Virginia Retirement System Board of Trustees accepts the June 30, 2024, Actuarial Valuations conducted by the VRS plan actuary, Gabriel, Roeder, Smith & Company, for the Five Statewide Retirement Plans, Group Life Insurance, the Health Insurance Credit Plans for both State and Teachers, and the Virginia Sickness and Disability Program.

Information Item

2024 B&A Committee Meeting Schedule:

Mr. Bennett advised the Committee will next meet on November 14 at 10:00 a.m. to receive the valuations for the political subdivision plans, the Virginia Local Disability Plan, and the Line of Duty Act fund.

Other Business

Lastly, Mr. Bennett noted the full Board of Trustees will meet October 17, 2024, at 1:00 p.m.

Adjournment

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

There being no further business, the meeting concluded at 2:19 p.m.

11/14/2024

Date



John M. Bennett, Chair
Benefits and Actuarial Committee