
Minutes

A regular meeting of the Benefits and Actuarial Committee was held on November 14, 2024, in Richmond, Virginia with the following members participating:

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

Board members participating:
Lawrence A. Bernert, III

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Nikolai Abaev, Rory Badura, Ty Bowers, Jeanne Chenault, Stephanie Conyers, Michael Cooper, David Cotter, Sara Denson, Andrew Feagans, Krystal Groff, Sandy Jack, Angela Payne, Virginia Sowers, Scott Weaver and Leslie Weldon.

Guests:

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

The meeting convened at 10:00 a.m.

Opening Remarks

Mr. Bennett called the meeting to order and welcomed everyone to the November 14, 2024, meeting of the Benefits and Actuarial Committee. Mr. Bennett took attendance with the following roll call:

Ms. Hood: Present.
Ms. Pantele: Present.
Mr. Bernert: 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 October 16, 2024, meeting.

GABRIEL, ROEDER, SMITH & COMPANY (GRS) 2024 ACTUARIAL VALUATION RESULTS FOR POLITICAL SUBDIVISION RETIREMENT PLANS, VIRGINIA LOCAL DISABILITY PROGRAM, LOCAL HEALTH INSURANCE CREDIT PLANS, AND LINE OF DUTY ACT FUND.

Mr. Bennett introduced Jim Anderson, Becky Stouffer and Kurt Dosson from the VRS plan actuary, Gabriel, Roeder, Smith & Company (GRS), who presented the June 30, 2024, actuarial valuations for the Political Subdivision Plans, the Virginia Local Disability Program (VLDP), the Local Health Insurance Credit (HIC) Plans and the Line of Duty Act (LODA) Fund. 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. Anderson advised that the investment gains from 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, but were partially offset by higher-than-expected cost-of-living increases and salary increases provided during the fiscal year. This resulted in an increase in funded status and decrease in the informational contribution rate for the political subdivision pension plans in aggregate.

Next, Ms. Stouffer delivered the OPEB results and noted the plans experienced larger increases in funded status due to favorable demographic experience and investment gains. In addition, the HIC plans for Constitutional Officers and Social Services employees received additional cash infusions to help pay down unfunded liabilities. Informational contribution rates trended lower for the OPEB plans compared to the 2023 rate-setting valuations.

Mr. Dosson provided an overview of the results for the LODA Fund. The LODA plan was established by the General Assembly as a pay-as-go plan that must collect the funds required to pay the benefits expected to be incurred over the coming year. These funds cover benefits to eligible employees, volunteers and family members of those disabled or killed in the line of duty. The informational premium rate is lower than the current LODA rate due in part to a change in methodology with respect to recognition of interest on employer contributions as well as favorable demographic experience. Future rates are still expected to increase due to increasing health care costs, an increasing number of beneficiaries and a static or decreasing number of full-time equivalent members over which to spread the premium costs.

Mr. Bennett thanked GRS for their presentation and noted GRS would deliver an abbreviated presentation to the full Board of Trustees at 1:00.

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 Political Subdivision Retirement Plans; the Health Insurance Credit (HIC) Plans for Political Subdivisions; the State-Funded HIC for Constitutional Officers, Social Services Employees, and Registrars; the Virginia Local Disability Program, including the Self-Funded Long-Term Care; and the Line of Duty Act Fund.

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 (i) Political Subdivision Retirement Plans; (ii) Health Insurance Credit (HIC) Plans for political subdivisions; (iii) State-Funded HIC for constitutional officers, social services employees, and registrars; (iv) Virginia Local Disability Program, including Self-Funded Long-Term Care; and (v) Line of Duty Act Fund.

Information Item

2025 B&A Committee Meeting Schedule:

Mr. Bennett noted the confirmed 2025 meeting schedule:

- February 5
- April 15

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- June 11
 - October 15
 - November 12

**The February 5, 2025, meeting was subsequently changed to February 6, 2025.*

Other Business

Lastly, Mr. Bennett noted the full Board of Trustees will meet at 1:00 following the conclusion of the B&A meeting.

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 11:25 a.m.

2/6/2025

Date



John M. Bennett, Chair
Benefits and Actuarial Committee