



Benefits and Actuarial Committee (B&A) Meeting

VRS, 1111 E. Main Street
3rd Floor Board Room
Thursday, 2/6/2025
11:00 AM - 12:00 PM ET

I. Welcome and Introductions

II. Approve Minutes

B&A Minutes 11.14.2024 final - Page 2

III. Overview of Cost-of-Living Increases

- **Action Items - 2025 COLAs Requiring Board Approval**

- i. **RBA: Approval of July 1, 2025 increase relating to VSDP creditable compensation and VSDP COLA.**

- RBA for VSDP COLA 2025 - Page 5*

- ii. **RBA: Approval of July 1, 2025 increase relating to VLDP creditable compensation.**

- RBA for VLDP COLA 2025 - Page 7*

- VRS COLAs 2025 - Page 8*

- VRS_ColaLetter_2025 - Page 22*

- Audit COLA Memorandum - signed - Page 26*

IV. Information Items

- **2025 COLAs called for under statute not requiring Board approval**

- COLA for service and disability retirees effective July 1, 2025.

- Group Life Insurance minimum life insurance amount effective July 1, 2025.

- Hazardous Duty Supplement effective July 1, 2025.

- **Pension Dashboard Update**

- B&A_Dashboard_2-6-25 Final - Page 31*

- **Experience Study Update**

V. Legislative Update

Committee and Board Legislation Update 2.6.25 - Page 51

VI. Other Business

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 Dossou, 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 Dossou 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

-
- 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.

Date

John M. Bennett, Chair
Benefits and Actuarial Committee



Approval of July 1, 2025, increase relating to VSDP creditable compensation and VSDP COLA.

Requested Action

Effective July 1, 2025, the following increases shall apply:

- The creditable compensation used in calculating the member's average final compensation at retirement shall be increased in the amount of 4.00% for a Plan 1, Plan 2, or Hybrid member who has been the recipient of long-term disability (LTD) benefits for at least one calendar year under the Virginia Sickness and Disability Program (VSDP); and
- A cost-of-living adjustment shall be applied to the net LTD benefit payment of 2.95% for Plan 1 members vested prior to January 1, 2013, or 2.48% for Plan 1 members not vested by January 1, 2013, and all Plan 2 and Hybrid members.

Description/Background

Code of Virginia § 51.1-1112(C) provides: "Creditable compensation during periods an employee receives long-term disability benefits shall (i) not include salary increases awarded during the period covered by long-term disability benefits and (ii) be increased annually by an amount recommended by the actuary of the Virginia Sickness and Disability Program and approved by the Board."

Code of Virginia § 51.1-1117(B) provides: "The average final compensation of any participating full-time employee taking a service retirement under any provision of this title shall be equal to his creditable compensation on the date of the commencement of the disability increased by an amount recommended by the program actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement."

Code of Virginia § 51.1-1128(B) provides the same requirement for participating full-time employees receiving supplemental (work-related) disability benefits: "The employee's average final compensation shall be equal to his creditable compensation on the date of the commencement of the disability increased by an amount recommended by the actuary of the Virginia Retirement System, and approved by the Board, from the date of the commencement of the disability to the date of retirement."

In accordance with these provisions, each year VRS requests that the plan actuary recommend the cost-of-living adjustment (COLA) to be applied to the benefit paid and to the creditable compensation of LTD recipients who have been receiving such benefits for at least one calendar year under VSDP.

In 2011, the Board amended the process for determining the COLA to be applied to the creditable compensation of LTD recipients for purposes of calculating service retirement. It is now based on the combined average increase in the pay rate for State, SPORS, and VaLORS VSDP members active at the beginning and the end of the most recent plan year before the date of determination of the COLA.

Rationale for Requested Action

Per the attached January 21, 2025, letter, the VRS plan actuary, Gabriel, Roeder, Smith & Company, observed increases in creditable compensation of 7.63% during fiscal year 2024 for members enrolled in

VSDP. Based on the recommendation from the plan actuary, and consistent with past practice, (i) the recommended increase in creditable compensation for purposes of service retirement from disability shall be 4.00%, and (ii) after offsets, the adjustment to the benefit payments of VSDP LTD recipients who have been receiving such payments for at least one calendar year is 2.95% for Plan 1 members vested as of January 1, 2013, and 2.48% for Plan 1 members not vested by January 1, 2013 and all Plan 2 and Hybrid members.

Authority for Requested Action

The Board’s authority for this action is contained in *Code of Virginia* §§ 51.1-1112, 51.1-1117, and 51.1-1128.

The above action is approved.

A. Scott Andrews, Chair
VRS Board of Trustees

Date



Approval of July 1, 2025, increase relating to VLDP creditable compensation.

Requested Action

Effective July 1, 2025, each recipient of LTD benefits under the Virginia Local Disability Program (VLDP) who has been receiving LTD benefits for at least one calendar year, and who ultimately retires directly from LTD, will have their creditable compensation at date of disability increased by an amount set by the Board to be used in determining the member's average final compensation for disability retirement. The recommendation applicable July 1, 2025, is an increase of 4.00% to be applied to a recipient's creditable compensation.

Description/Background

Code of Virginia § 51.1-1161(C) provides: "The average final compensation of any participating full-time employee taking a service retirement under any provision of this title shall be equal to his creditable compensation on the date of the commencement of the disability increased by an amount recommended by the program actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement."

Code of Virginia § 51.1-1169(C) provides: "The employee's average final compensation shall be equal to his creditable compensation on the date of the commencement of the disability increased by an amount recommended by the actuary of the Virginia Retirement System, and approved by the Board, from the date of the commencement of the disability to the date of retirement."

In accordance with these provisions, VRS requested that its actuary recommend the COLA to be applied to the creditable compensation of LTD recipients who have been receiving such benefits for at least one calendar year under VLDP.

Rationale for Requested Action

Per the attached January 21, 2025, letter, the VRS plan actuary, Gabriel, Roeder, Smith & Company, observed increases in creditable compensation of 9.05% during fiscal year 2024 for VLDP members. Based on the recommendation from the plan actuary, and consistent with past practice, the recommended increase in creditable compensation for purposes of service retirement from disability shall be 4.00%.

Authority for Requested Action

The Board's authority for this action is contained in *Code of Virginia §§ 51.1-1161 and 51.1-1169*.

The above action is approved.

A. Scott Andrews, Chair
VRS Board of Trustees

Date

Virginia Retirement System Cost-of-Living Adjustments (COLAs)

February 6, 2025



VRS COLAs



- Per § 51.1-166 of the *Code of Virginia*, VRS post-retirement supplements shall be determined annually by reference to the increase in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the United States Department of Labor.
- The percentages shall be based on the monthly averages and shall be the difference between (i) the average for the calendar year just ended and (ii) the average for the most recent calendar year used in the determination of the post-retirement supplements currently being paid.

Post-Retirement Supplement (COLA)

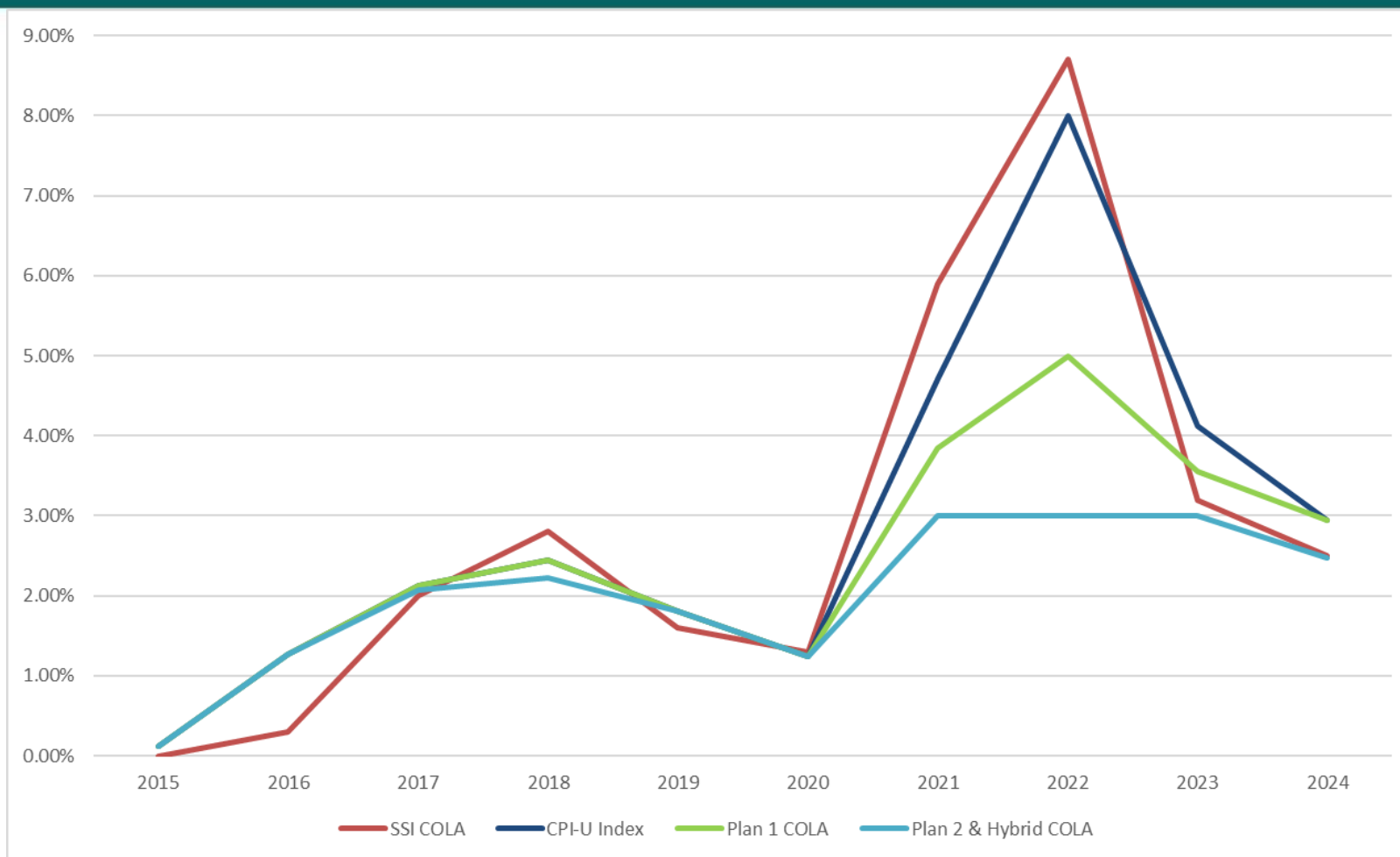


Calendar Year	COLA Index U.S. CPI-U	Annual growth rate	VRS COLA			
			Plan 1	Plan 2	Hybrid	Effective
2015	237.017	0.12%	0.12%	0.12%	0.12%	July 2016
2016	240.007	1.26%	1.26%	1.26%	1.26%	July 2017
2017	245.120	2.13%	2.13%	2.07%	2.07%	July 2018
2018	251.107	2.44%	2.44%	2.22%	2.22%	July 2019
2019	255.657	1.81%	1.81%	1.81%	1.81%	July 2020
2020	258.811	1.23%	1.23%	1.23%	1.23%	July 2021
2021	270.970	4.70%	3.85%	3.00%	3.00%	July 2022
2022	292.655	8.00%	5.00%	3.00%	3.00%	July 2023
2023	304.702	4.12%	3.56%	3.00%	3.00%	July 2024
2024	313.689	2.95%	2.95%	2.48%	2.48%	July 2025

- Plan 1 members receive 100% of the first 3% increase in CPI-U* and 50% of any increase between 3% and 7%, capped at 5%.
- Effective January 1, 2013, the COLA for Plan 2 and Hybrid members is 100% of first 2% increase in CPI-U and 50% of any increase between 2% and 4%, capped at 3%.

* United States Average Consumer Price Index for all items, all urban consumers, as published by the Bureau of Labor Statistics of the United States Department of Labor.

Comparison of Indices



- VRS COLAs are based on the average monthly CPI-U increase which was 2.95%.
- SSI COLA is based on different index and method and is determined in September rather than year end.
- The 2024 VRS COLA for Plan 1 of 2.95% is higher than the SSI COLA of 2.50%. The COLA for Plan 2 & Hybrid is 2.48%.

- Code Sections 51.1-138.B, 51.1-206.B, and 51.1-217.B require that the supplement provided to hazardous duty employees be reviewed biennially, at which time it is to be increased by any applicable cost of living adjustments published by the Social Security Administration since the last applicable increase.
- The SSI COLA was 3.2% in 2023 and 2.5% in 2024, resulting in a biennial increase of 5.78%.
- The annual Hazardous Duty Supplement will increase from \$16,884 to \$17,856 effective July 1, 2025.

- Per § 51.1-1112(C), 51.1-1117(B) and 51.1-1128(B), Virginia Sickness and Disability Program (VDSP) creditable compensation is to be increased annually by an amount recommended by the program actuary and approved by the Board.
- VSDP creditable compensation is increased each year based on the combined average increase in the pay rate for State, SPORS and VaLORS VSDP members active at the beginning and the end of the most recent plan year before the date of determination of the COLA.

VSDP Increase in Creditable Compensation



Virginia Retirement System

VSDP Increase in Creditable Compensation for VRS Pension Benefit Purposes

Average pay increase from 2023 to 2024 for members active as of June 30, 2023 and June 30, 2024, and reported in VRS valuation data as participating in VSDP

Plan	June 30, 2023		June 30, 2024		Increase in Pay Rate
	Number Members	Annual Pay Rate	Number Members	Annual Pay Rate	
State	63,773	\$ 4,510,137,721	63,773	\$ 4,858,006,872	7.71%
VaLORS	5,552	\$ 298,602,667	5,552	\$ 318,241,286	6.58%
SPORS	<u>1,533</u>	<u>\$ 128,720,745</u>	<u>1,533</u>	<u>\$ 137,925,004</u>	7.15%
Total	70,858	<u>\$ 4,937,461,134</u>	70,858	<u>\$ 5,314,173,162</u>	7.63%

Increase in Total Annual Pay Rate (Not to Exceed 4.00%)

4.00%

- The annual COLA to be applied to a VSDP long-term disability claimant's creditable compensation may not exceed 4.00%.

VSDP Increase in LTD Benefit

- For members who have been the recipient of long-term disability (LTD) benefits for at least one year under the Virginia Sickness and Disability Program shall receive an increase in the net LTD benefit payment.
- For Plan 1 members vested prior to January 1, 2013 – 2.95% increase.
- For Plan 1 members not vested by January 1, 2013 and all Plan 2 and Hybrid members – 2.48% increase.

- Per § 51.1-1161(C) and 51.1-1169(C), Virginia Local Disability Program (VLDP) creditable compensation shall be increased by an amount recommended by the program actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement.
- Increases in VLDP creditable compensation will be computed each year based on the combined average increase in the pay rate for Teachers and Political Subdivisions participating in the Hybrid Retirement Plan active at the beginning and the end of the most recent plan year before the date of determination of the COLA.
- The increase is not applied on an annual basis, but is applied to a member's average final compensation if the member ends up taking a service retirement directly from long-term disability status.

VLDP Increase in Creditable Compensation



Virginia Retirement System VLDP Increase in Creditable Compensation for VRS Pension Benefit Purposes

Average pay increase from 2023 to 2024 for Hybrid Plan members active as of June 30, 2023 and June 30, 2024

Plan	June 30, 2023		June 30, 2024		Increase in Pay Rate
	Number Members	Annual Pay Rate	Number Members	Annual Pay Rate	
Teachers -Hybrid	62,281	\$ 3,277,727,755	62,281	\$ 3,584,736,270	9.37%
Political Subdivisions - Hybrid	<u>42,518</u>	<u>\$ 2,119,975,586</u>	<u>42,518</u>	<u>\$ 2,301,379,199</u>	8.56%
Total	104,799	\$ 5,397,703,342	104,799	\$ 5,886,115,468	9.05%

Increase in Total Annual Pay Rate (Not to Exceed 4.00%)

4.00%

- The annual COLA to be applied to a VLDP long-term disability claimant's creditable compensation may not exceed 4.00%.

- § 51.1-505(B) provides that the reduction in life insurance coverage shall not decrease the amount of life insurance on an employee to less than 25 percent of the amount of life insurance to which the initial reduction is applied.
- Effective July 1, 2014, for retirees with at least 30 years of creditable service, the reduction shall not decrease the amount of life insurance to less than \$8,000.
- The \$8,000 minimum coverage shall be increased by the same percentage as any annual post-retirement supplement for retirees, as calculated for employees hired on or after July 1, 2010, pursuant to § 51.1-166.

Group Life Insurance – Minimum Benefit

Calendar Year End	Plan 2 COLA	Group Life Minimum
2015	0.12%	\$8,010
2016	1.26%	\$8,111
2017	2.07%	\$8,279
2018	2.22%	\$8,463
2019	1.81%	\$8,616
2020	1.23%	\$8,722
2021	3.00%	\$8,984
2022	3.00%	\$9,254
2023	3.00%	\$9,532
2024	2.48%	\$9,768

Questions



January 21, 2025

Mr. Rory Badura, ASA, EA, FCA, MAAA
 Senior Staff Actuary
 Virginia Retirement System
 1200 E. Main Street
 Richmond, VA 23219

Re: Cost of Living Adjustments (COLA) Effective July 1, 2025

Dear Mr. Badura:

As requested, we have calculated the annual COLA called for under Virginia Code for the Virginia Retirement System (VRS), the Virginia Sickness and Disability Program (VSDP), the Virginia Local Disability Program (VLDP) and the Group Insurance Program, in particular, the Group Life Insurance (GLI).

The following table summarizes the adjustments recommended effective July 1, 2025. Those denoted in **bold** require action by the Board of Trustees to set the amount of adjustment.

COLA Type/Group	Required by Code	Adjustment Level Set by Board Resolution	July 1, 2025	
			Adjustment	Annual Amount
VRS Plan 1 (Vested as of 1/1/2013)	Yes	N/A	2.95%	N/A
VRS Plan 1 Non-Vested, Plan 2, and Hybrid Plan	Yes	N/A	2.48%	N/A
VSDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Yes	Yes	4.00%	N/A
VLDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Yes	Yes	4.00%	N/A
VSDP Plan 1 (Vested as of 1/1/2013) (Net LTD Benefit)	Yes	Yes	2.95%	N/A
VSDP Plan 1 Non-Vested, Plan 2, and Hybrid	Yes	Yes	2.48%	N/A
GLI Minimum Benefit (Applicable to employees with at least 30 years of creditable service)	Yes	N/A	2.48%	\$ 9,768
VRS Hazardous Duty Supplement	Yes	N/A	5.78%	\$17,856

Mr. Rory Badura
Virginia Retirement System
January 21, 2025
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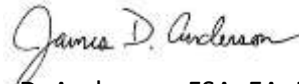
The COLA adjustments were calculated in accordance with the Virginia Code and our understanding of Board of Trustee Policies and Procedures, as adopted February 4, 2011. Refer to the enclosure for additional detail supporting the calculated COLA adjustments.

Please let us know if you have any questions.

Sincerely,
Gabriel, Roeder, Smith & Company



Rebecca L. Stouffer, ASA, FCA, MAAA



James D. Anderson, FSA, EA, FCA, MAAA

RLS/JDA:ah

Enclosure

cc: Sandy Jack, VRS



VRS, VSDP, VLDP, GLI COLA and Recommendations Effective July 1, 2025

COLA Type/Group	Brief Description	Code Section(s)	Average CPI-U		CPI-U Increase ¹	COLA Calculation		
			2023	2024		100% of First 3.00%	50% of Next 4.00%	COLA
VRS Plan 1 (Vested as of 1/1/2013)	100% of the CPI-U increase up to 3.00% plus 50% of the next 4.00%. Minimum COLA of 0.00%. Maximum COLA of 5.00%.	51.1-166.B.	304.702	313.689	2.95%	2.95%	0.00%	2.95%
VRS Plan 1 Non-Vested, Plan 2, and Hybrid Plan	100% of the CPI-U increase up to 2.00%, plus 50% of the next 2.00%. Minimum COLA of 0.00%. Maximum COLA of 3.00%.	51.1-166.B.	304.702	313.689	2.95%	2.00%	0.48%	2.48%
COLA Type/Group	Brief Description/Rationale ²	Code Section(s)	Creditable Compensation ³		% Increase in Pay	COLA Calculation		
			2023	2024		100% of First 4.00%		COLA
VSDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	As recommended by Cavanaugh Macdonald Consulting, LLC and adopted by the Board in 2011, the VSDP Creditable Compensation COLA is based on the increase in the pay rate for State, SPORS and VaLORS VSDP members active at the beginning and the end of the most recent plan year before the date of determination of the COLA. The COLA calculated in this manner may be modified to reflect extraordinary pay adjustments during a given year; however, is subject to the Maximum COLA. Maximum COLA of 4.00%.	51.1-1117.B. 51.1-1123.C. 51.1-1128.B.	\$4,937,461,134	\$5,314,173,162	7.63%	4.00%		4.00%
VLDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Apply approach similar to the "VSDP Creditable Compensation." The VLDP Creditable Compensation COLA was based on the increase in the pay rate for Hybrid Pension Plan members (of the Teacher Plan and non-hazardous duty Political Subdivisions) active at the beginning and the end of the most recent plan year before the date of determination of COLA. The COLA calculated in this manner may be modified to reflect extraordinary pay adjustments during a given year, subject to the VSDP maximum COLA level.	51.1-1161.C. 51.1-1169.C.	\$5,397,703,342	\$5,886,115,468	9.05%	4.00%		4.00%
COLA Type/Group	Brief Description/Rationale	Code Section(s)	Creditable Compensation		% Increase in Pay	COLA Calculation		
			2023	2024		100% of First 4.00%		COLA
VSDP Plan 1 (Vested as of 1/1/2013) (Net LTD Benefit)	As individuals in receipt of LTD benefits are akin to retirees receiving a retirement allowance, adjust the Net LTD benefit by 100% of the COLA for VRS Plan 1 (Vested as of 1/1/2013).	51.1-1112.C. 51.1-1125.C.						2.95%
VSDP Plan 1 Non-Vested, Plan 2, and Hybrid	As individuals in receipt of LTD benefits are akin to retirees receiving a retirement allowance, adjust the Net LTD benefit by 100% of the COLA for VRS Plan Non-Vested, Plan 2 and Hybrid Plan.	51.1-1112.C. 51.1-1125.C.						2.48%

¹ Increase in CPI-U is the ratio, or percentage change, of the current year CPI-U to prior year CPI-U index. By Code, the CPI-U index is defined as the calendar year average of the monthly CPI-U averages.

² The COLA maximum is not explicitly stated in the Request for Board Action (RBA) – 2011-02-04. Based upon a review of the 2022 Cost of Living Adjustments letter, dated January 20, 2022, and confirmation with the VRS staff, GRS understands that a maximum COLA of 4.00% is applicable under the current policies and procedures.

³ Creditable Compensation has been compiled from the data provided by the VRS for the June 30, 2023 and June 30, 2024 actuarial valuations.



VRS, VSDP, VLDP, GLI COLA and Recommendations Effective July 1, 2025 (Concluded)

COLA Type/Group	Brief Description	Code Section(s)	Adjusted Minimum Benefit Calculation		
			COLA	Before COLA	After COLA
GLI Minimum Benefit (Applicable to employees with at least 30 years of creditable service)	Minimum \$8,000 is indexed annually by 100% of the VRS COLA for Plan 1 Non-Vested, Plan 2, and Hybrid Plan.	51.1-505.B.	2.48%	\$9,532	\$9,768

COLA Type/Group	Brief Description	Code Section(s)	Social Security (SS) COLA		Biennial SS COLA Increase %	Adjusted Minimum Benefit Calculation		
			2023	2024		Before COLA (Monthly)	After COLA (Monthly)	After COLA (Annual)
VRS Hazardous Duty Supplement	Initial allowance equal to \$9,264, adjusted July 1, 2001, and biennially thereafter. Increase is based upon the increase in social security benefits in the interim.	51.1-138.B. 51.1-206.B. 51.1-217.B.	3.20%	2.50%	5.78%	\$1,407	\$1,488	\$17,856



MEMORANDUM

TO: Patricia S. Bishop, VRS Director

FROM: Jennifer P. Bell Schreck, VRS Internal Audit Director 

DATE: January 30, 2025

RE: Cost of Living Adjustments (COLAs)

Internal Audit has reviewed the amounts referred to as "Cost of Living Adjustments" as set forth in the attached letter and supporting table from VRS' actuary, Gabriel, Roeder, Smith & Company dated January 21, 2025.

In conducting our review, we independently recalculated the "Cost of Living Adjustments" using data and procedures provided by management and the actuary, while confirming certain external components associated with such calculations. We also examined the Code of Virginia sections referred to in the actuary's letter and supporting table.

Based upon our review, we found the "Cost of Living Adjustments" in the above referenced letter and table to be valid and accurate, based on the data provided, subject to the assumptions included therein with respect to increases in the VSDP LTD benefit, VSDP creditable compensation and VLDP creditable compensation, where the amounts are not specified by statute, but instead are to be recommended by the actuary and approved by the Board.

Please let me know if you have any questions. I ask that you share this information with the Benefits and Actuarial Committee.

Attachment



January 21, 2025

Mr. Rory Badura, ASA, EA, FCA, MAAA
 Senior Staff Actuary
 Virginia Retirement System
 1200 E. Main Street
 Richmond, VA 23219

Re: Cost of Living Adjustments (COLA) Effective July 1, 2025

Dear Mr. Badura:

As requested, we have calculated the annual COLA called for under Virginia Code for the Virginia Retirement System (VRS), the Virginia Sickness and Disability Program (VSDP), the Virginia Local Disability Program (VLDP) and the Group Insurance Program, in particular, the Group Life Insurance (GLI).

The following table summarizes the adjustments recommended effective July 1, 2025. Those denoted in **bold** require action by the Board of Trustees to set the amount of adjustment.

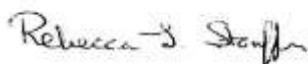
COLA Type/Group	Required by Code	Adjustment Level Set by Board Resolution	July 1, 2025	
			Adjustment	Annual Amount
VRS Plan 1 (Vested as of 1/1/2013)	Yes	N/A	2.95%	N/A
VRS Plan 1 Non-Vested, Plan 2, and Hybrid Plan	Yes	N/A	2.48%	N/A
VSDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Yes	Yes	4.00%	N/A
VLDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Yes	Yes	4.00%	N/A
VSDP Plan 1 (Vested as of 1/1/2013) (Net LTD Benefit)	Yes	Yes	2.95%	N/A
VSDP Plan 1 Non-Vested, Plan 2, and Hybrid	Yes	Yes	2.48%	N/A
GLI Minimum Benefit (Applicable to employees with at least 30 years of creditable service)	Yes	N/A	2.48%	\$ 9,768
VRS Hazardous Duty Supplement	Yes	N/A	5.78%	\$17,856

Mr. Rory Badura
Virginia Retirement System
January 21, 2025
Page 2

The COLA adjustments were calculated in accordance with the Virginia Code and our understanding of Board of Trustee Policies and Procedures, as adopted February 4, 2011. Refer to the enclosure for additional detail supporting the calculated COLA adjustments.

Please let us know if you have any questions.

Sincerely,
Gabriel, Roeder, Smith & Company



Rebecca L. Stouffer, ASA, FCA, MAAA



James D. Anderson, FSA, EA, FCA, MAAA

RLS/JDA:ah

Enclosure

cc: Sandy Jack, VRS



VRS, VSDP, VLDP, GLI COLA and Recommendations Effective July 1, 2025

COLA Type/Group	Brief Description	Code Section(s)	Average CPI-U		CPI-U Increase ¹	COLA Calculation		
			2023	2024		100% of First 3.00%	50% of Next 4.00%	COLA
VRS Plan 1 (Vested as of 1/1/2013)	100% of the CPI-U increase up to 3.00% plus 50% of the next 4.00%. Minimum COLA of 0.00%. Maximum COLA of 5.00%.	51.1-166.B.	304.702	313.689	2.95%	2.95%	0.00%	2.95%
COLA Type/Group	Brief Description	Code Section(s)	Average CPI-U		CPI-U Increase ¹	COLA Calculation		
VRS Plan 1 Non-Vested, Plan 2, and Hybrid Plan	100% of the CPI-U increase up to 2.00%, plus 50% of the next 2.00%. Minimum COLA of 0.00%. Maximum COLA of 3.00%.	51.1-166.B.	304.702	313.689		2.95%	2.00%	0.48%
COLA Type/Group	Brief Description/Rationale ²	Code Section(s)	Creditable Compensation ³		% Increase in Pay	COLA Calculation		
VSDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	As recommended by Cavanaugh Macdonald Consulting, LLC and adopted by the Board in 2011, the VSDP Creditable Compensation COLA is based on the increase in the pay rate for State, SPORS and VaLORS VSDP members active at the beginning and the end of the most recent plan year before the date of determination of the COLA. The COLA calculated in this manner may be modified to reflect extraordinary pay adjustments during a given year; however, is subject to the Maximum COLA. Maximum COLA of 4.00%.	51.1-1117.B. 51.1-1123.C. 51.1-1128.B.	\$4,937,461,134	\$5,314,173,162		7.63%	4.00%	
COLA Type/Group	Brief Description/Rationale	Code Section(s)	Creditable Compensation		% Increase in Pay	COLA Calculation		
VLDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Apply approach similar to the "VSDP Creditable Compensation." The VLDP Creditable Compensation COLA was based on the increase in the pay rate for Hybrid Pension Plan members (of the Teacher Plan and non-hazardous duty Political Subdivisions) active at the beginning and the end of the most recent plan year before the date of determination of COLA. The COLA calculated in this manner may be modified to reflect extraordinary pay adjustments during a given year, subject to the VSDP maximum COLA level.	51.1-1161.C. 51.1-1169.C.	\$5,397,703,342	\$5,886,115,468		9.05%	4.00%	
COLA Type/Group	Brief Description/Rationale	Code Section(s)				COLA Calculation		
VSDP Plan 1 (Vested as of 1/1/2013) (Net LTD Benefit)	As individuals in receipt of LTD benefits are akin to retirees receiving a retirement allowance, adjust the Net LTD benefit by 100% of the COLA for VRS Plan 1 (Vested as of 1/1/2013).	51.1-1112.C. 51.1-1125.C.						2.95%
COLA Type/Group	Brief Description/Rationale	Code Section(s)				COLA Calculation		
VSDP Plan 1 Non-Vested, Plan 2, and Hybrid	As individuals in receipt of LTD benefits are akin to retirees receiving a retirement allowance, adjust the Net LTD benefit by 100% of the COLA for VRS Plan Non-Vested, Plan 2 and Hybrid Plan.	51.1-1112.C. 51.1-1125.C.						2.48%

¹ Increase in CPI-U is the ratio, or percentage change, of the current year CPI-U to prior year CPI-U index. By Code, the CPI-U index is defined as the calendar year average of the monthly CPI-U averages.

² The COLA maximum is not explicitly stated in the Request for Board Action (RBA) – 2011-02-04. Based upon a review of the 2022 Cost of Living Adjustments letter, dated January 20, 2022, and confirmation with the VRS staff, GRS understands that a maximum COLA of 4.00% is applicable under the current policies and procedures.

³ Creditable Compensation has been compiled from the data provided by the VRS for the June 30, 2023 and June 30, 2024 actuarial valuations.

VRS, VSDP, VLDP, GLI COLA and Recommendations Effective July 1, 2025 (Concluded)

COLA Type/Group	Brief Description	Code Section(s)	Adjusted Minimum Benefit Calculation		
			COLA	Before COLA	After COLA
GLI Minimum Benefit (Applicable to employees with at least 30 years of creditable service)	Minimum \$8,000 is indexed annually by 100% of the VRS COLA for Plan 1 Non-Vested, Plan 2, and Hybrid Plan.	51.1-505.B.	2.48%	\$9,532	\$9,768

COLA Type/Group	Brief Description	Code Section(s)	Social Security (SS) COLA		Biennial SS COLA Increase %	Adjusted Minimum Benefit Calculation		
			2023	2024		Before COLA (Monthly)	After COLA (Monthly)	After COLA (Annual)
VRS Hazardous Duty Supplement	Initial allowance equal to \$9,264, adjusted July 1, 2001, and biennially thereafter. Increase is based upon the increase in social security benefits in the interim.	51.1-138.B. 51.1-206.B. 51.1-217.B.	3.20%	2.50%	5.78%	\$1,407	\$1,488	\$17,856



VRS Pension Dashboard

VRS Benefits and Actuarial Committee

February 6, 2025

Presented by Rory J. Badura, VRS Senior Actuary

Agenda

- Key Indicators
- Pension Dashboard
- Observations
- Next Steps



Key Indicators



- Various values exist which can provide insights into the financial health of a pension plan.
- Key indicators typically reviewed at fiscal year-end:
 - Funded status
 - Unfunded liabilities
 - Employer contribution rates
 - Gain/loss analysis
 - Salary Increases
 - Payroll growth
 - Membership levels

Key Indicators

Key indicators, measured during the fiscal year, can provide insight into expectations for upcoming valuation:

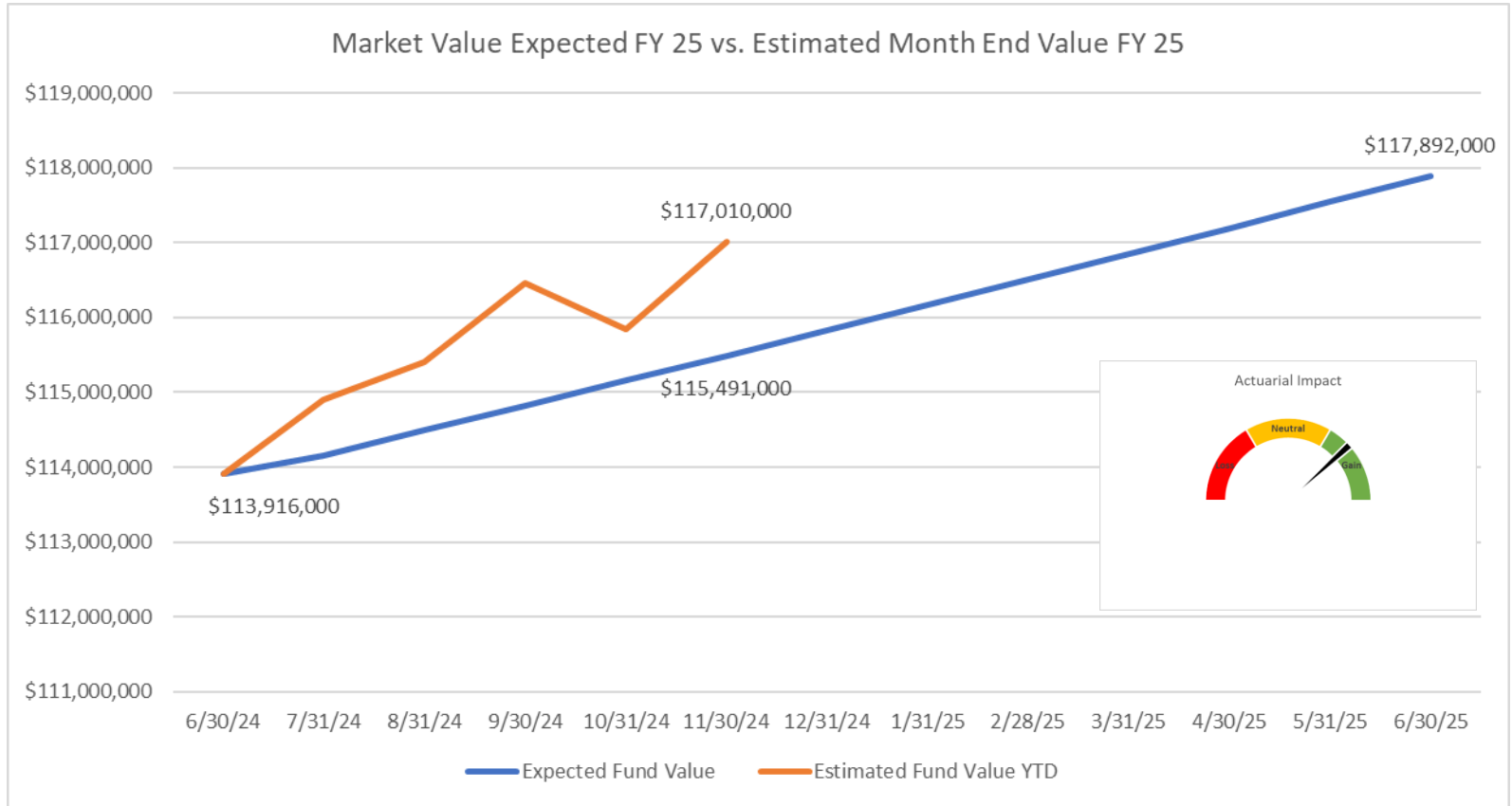
- Investment return year-to-date
- Inflation year-to-date
- Fund cash flow – monthly actual vs. expected
- Unrecognized investment gains and losses – Actuarial Value Assets vs. Market Value of Assets



Actuarial Measures Key Indicators

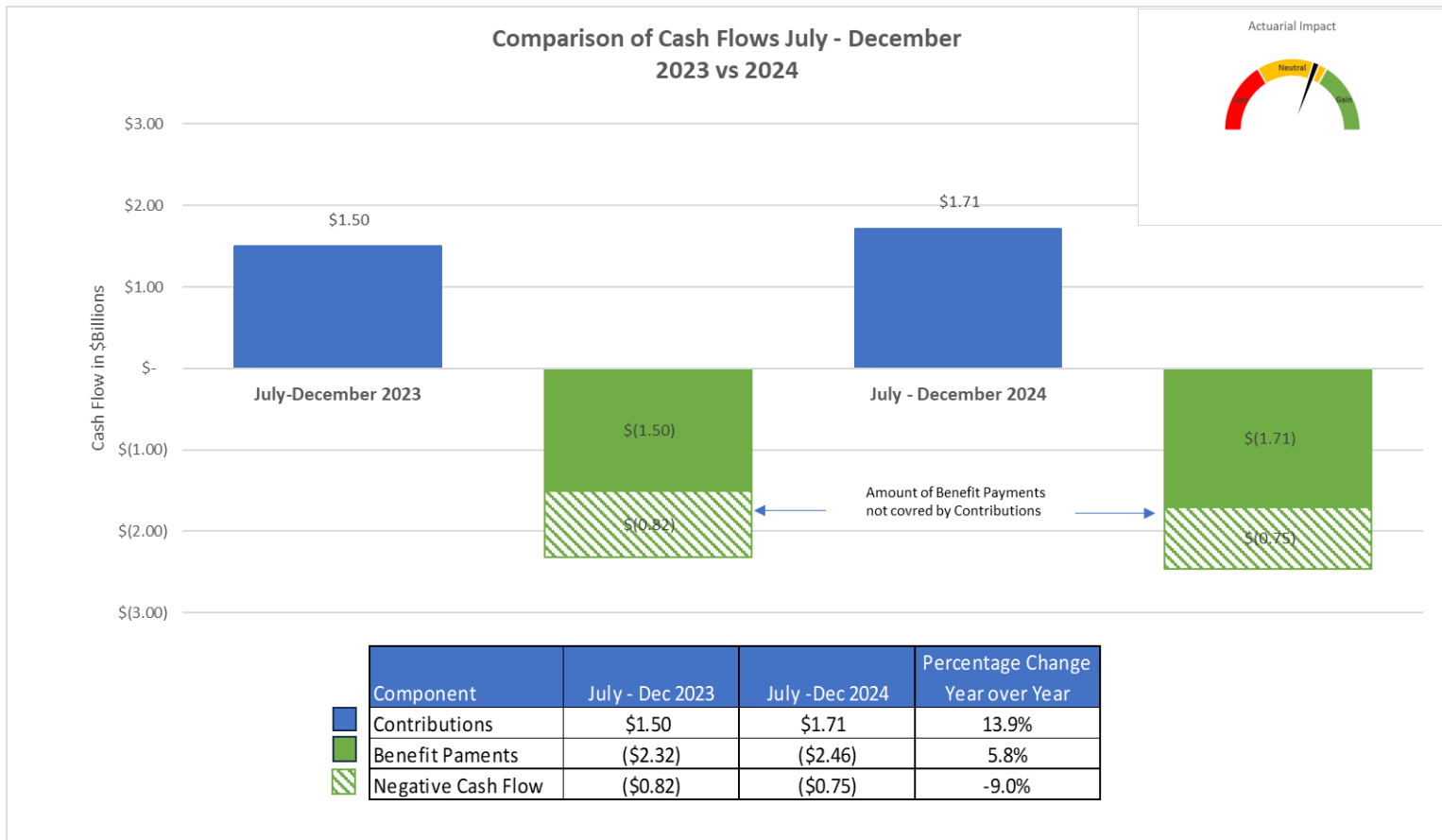


Fund Market Value Actual vs Expected – FY 2025



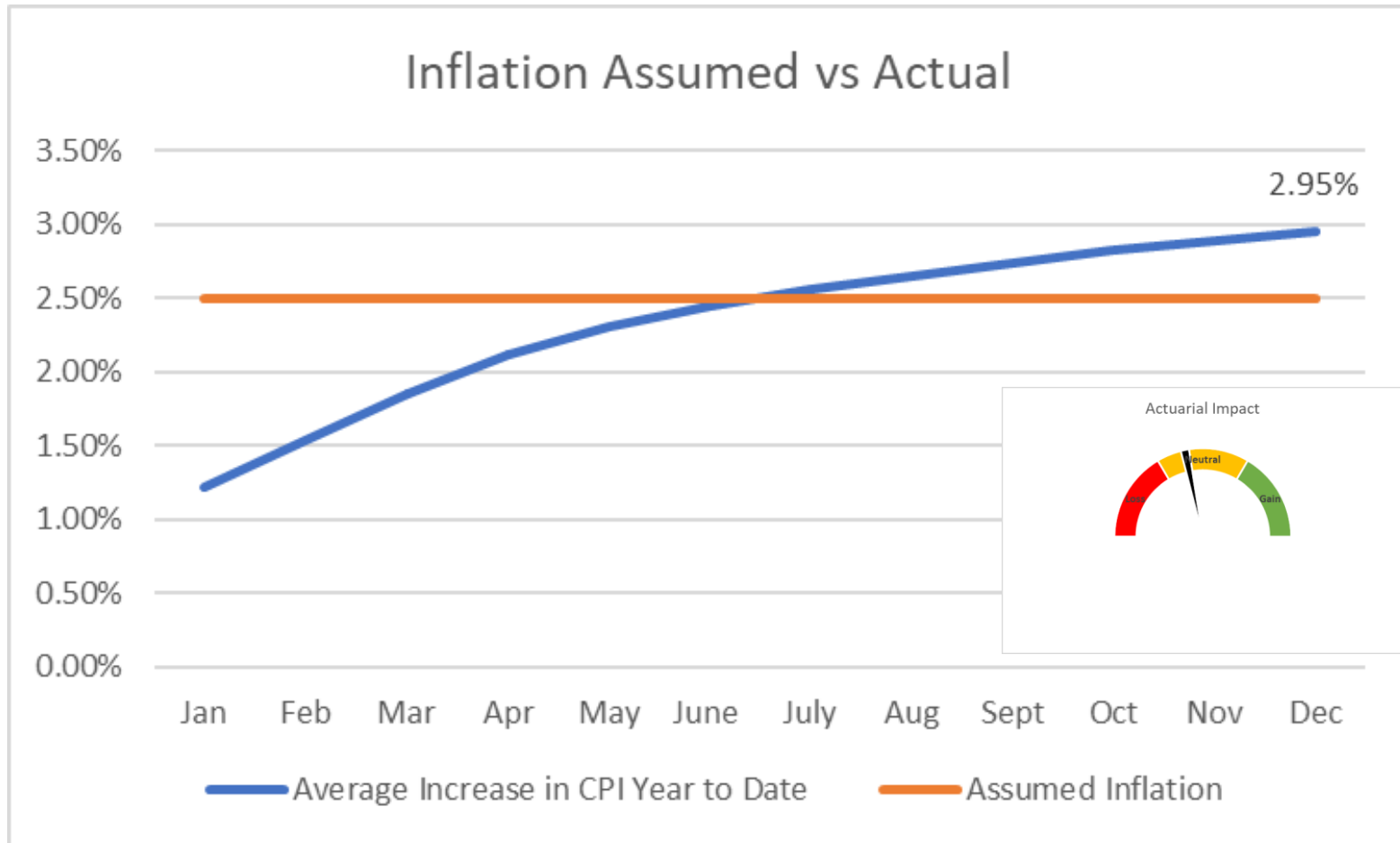
- Through first five months of FY 2025 the estimated fund value is trending higher than expected based on an assumed rate of return of 6.75%.
- Expected Fund Value is based on assumed monthly cash flows (contributions minus benefit payments) as well as assumed investment earnings of 6.75% per annum.
- Estimated Fund Value is reported by VRS investment team as of most recent audited month end.

Pension Cash Flow - Current Year vs Prior Year



- Pension cash flow for first six months of Fiscal year 2025 is slightly less negative than was observed in first six months of Fiscal year 2024.
- Increase in contributions is outpacing increase in benefit payments. Higher salaries and increase in covered lives likely helping to collect more contributions on lower rates.

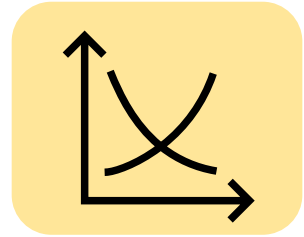
Inflation – Average Increase in CPI Year to Date



Pension Dashboard – Historical Measures

▪ Economic Factors

- Actual vs. expected investment return
- VRS COLAs – actual vs. expected



▪ Pension Liabilities and Contribution Rates

- Unfunded liabilities
- Funded status
- Contribution rate detail



▪ Member Information

- Active headcounts
- Retiree headcounts
- Average salary increases
- Average age at retirement



Pension Dashboard – Pension Liabilities & Rates

State Plan

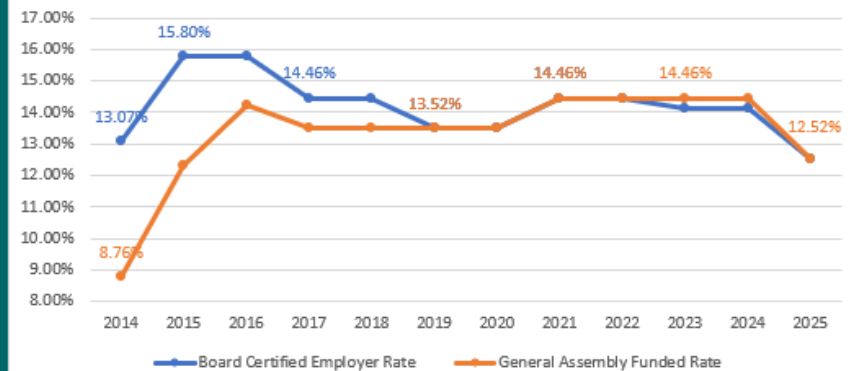
Unfunded Liabilities on a Market Value of Asset Basis

State Plan Unfunded Liabilities on Market Value Basis



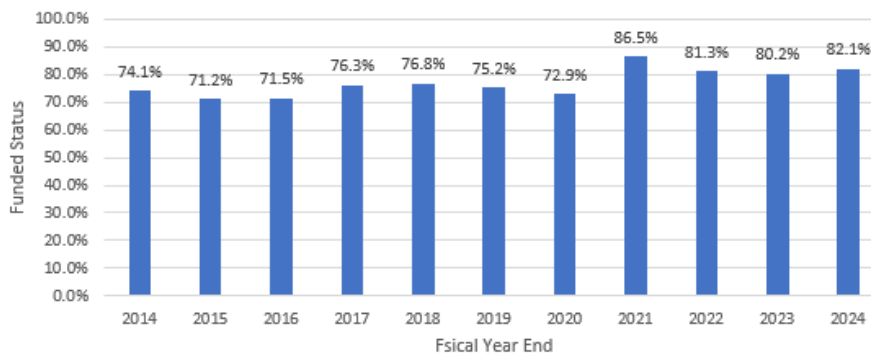
Contribution Rates - Board Certified vs General Assembly Funded

State Plan Board Certified Employer Rates vs General Assembly Funded Rates



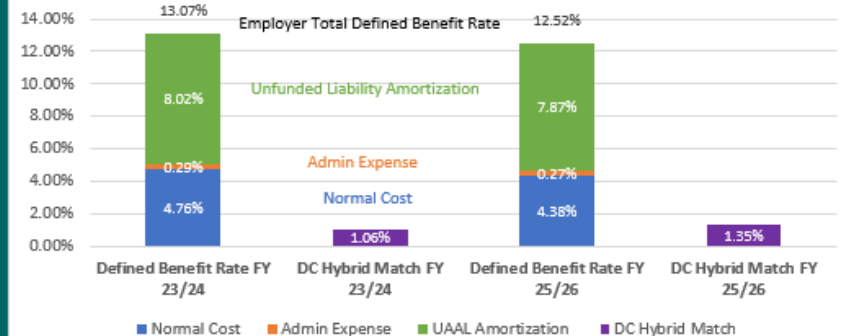
Funded Status Market Value Basis

State Plan Funded Status on Market Value Basis



Contribution Rate Detail

State Plan Comparison of Board Certified Rates Last Two Rate Setting Periods



Pension Dashboard – Pension Liabilities & Rates

Teacher Plan

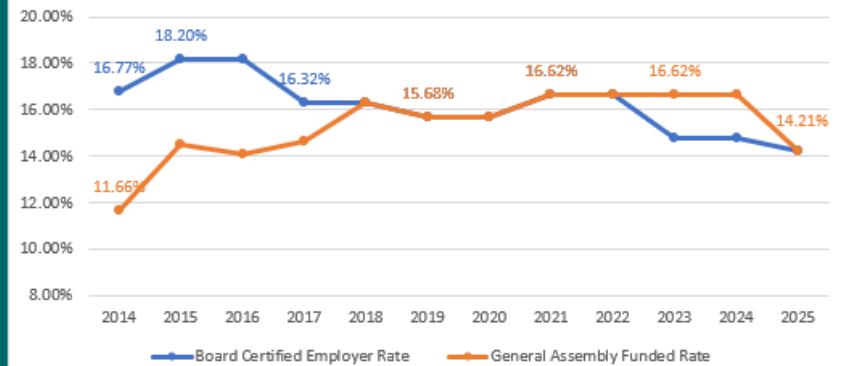
Unfunded Liabilities on a Market Value of Asset Basis

Contribution Rates - Board Certified vs General Assembly Funded

Teacher Plan Unfunded Liabilities on Market Value Basis



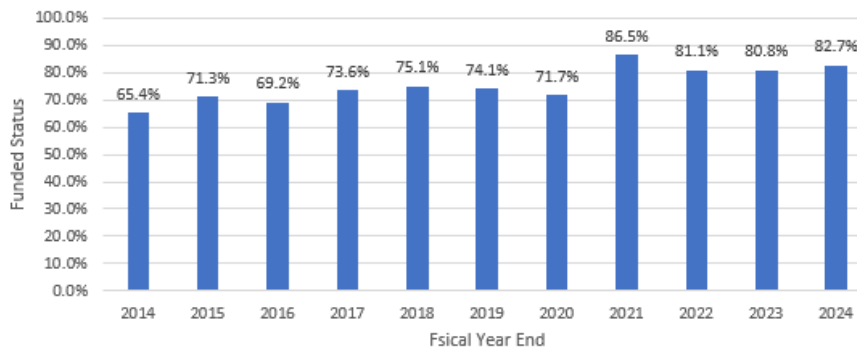
Teacher Plan Board Certified Employer Rates vs General Assembly Funded Rates



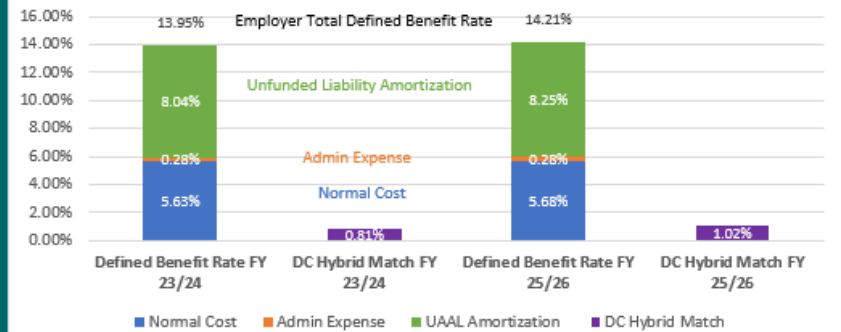
Funded Status Market Value Basis

Contribution Rate Detail

Teacher Plan Funded Status on Market Value Basis

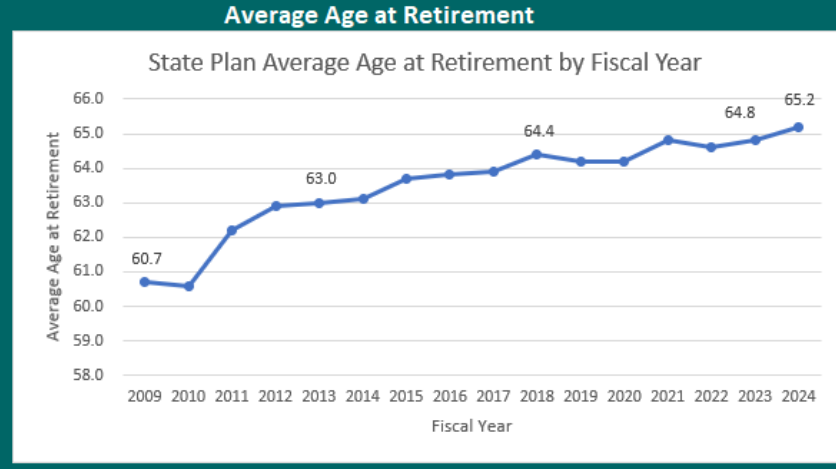
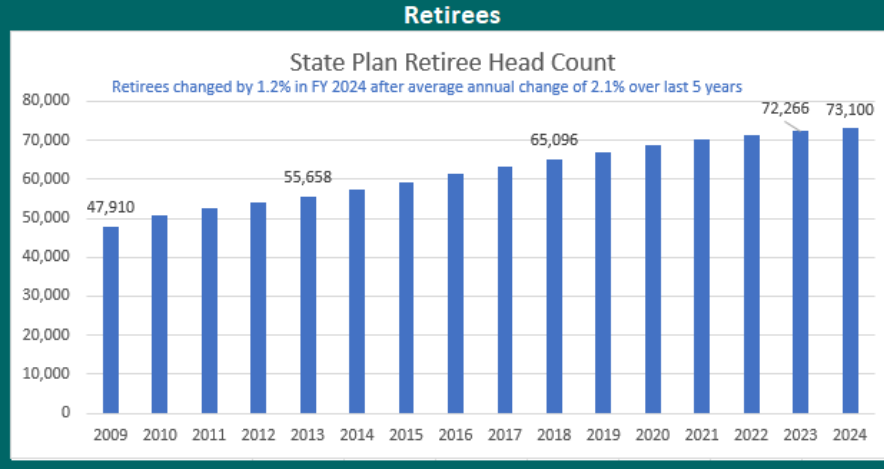
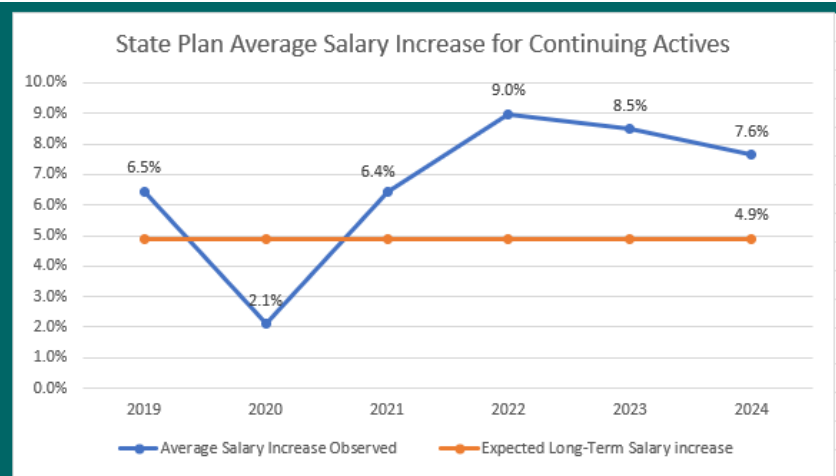
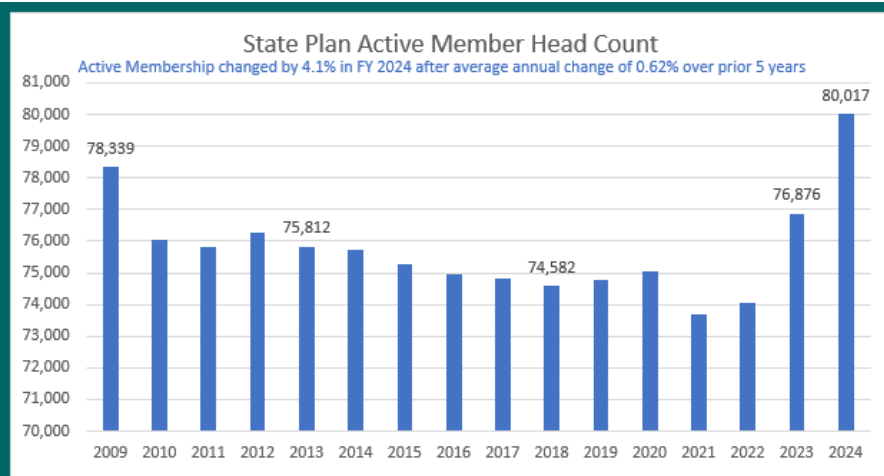


Teacher Plan Comparison of Board Certified Rates Last Two Rate Setting Periods



Pension Dashboard – Member Information

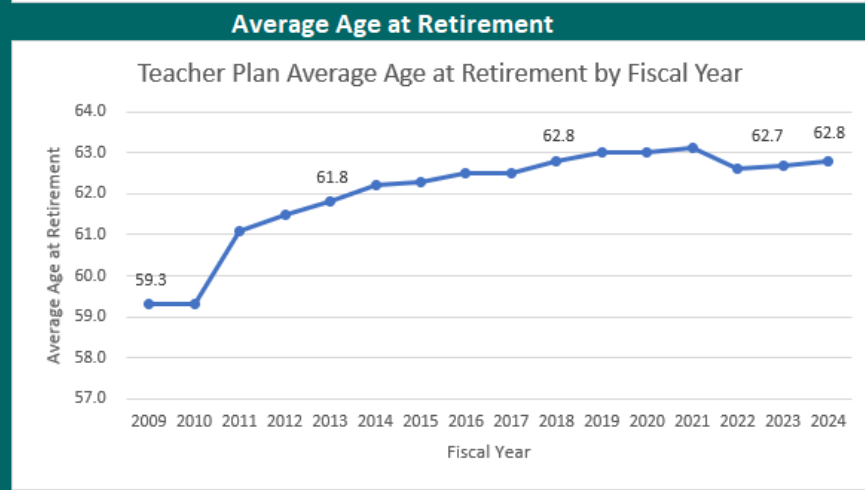
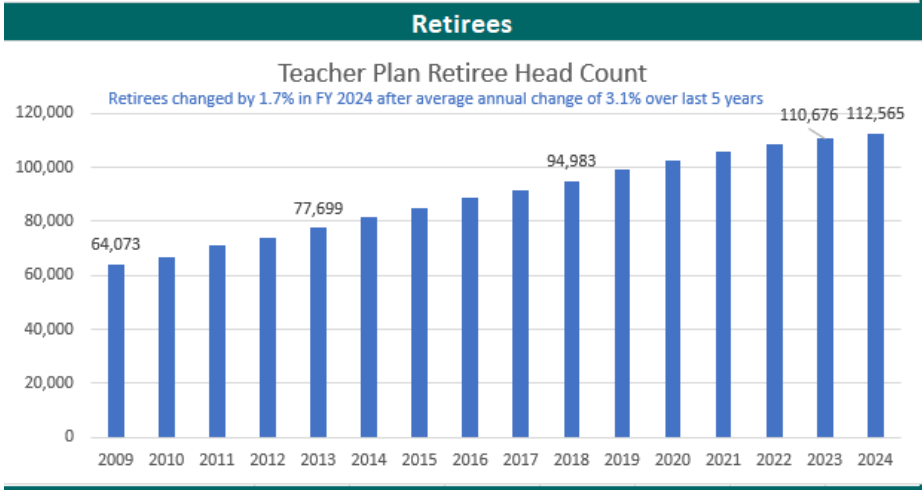
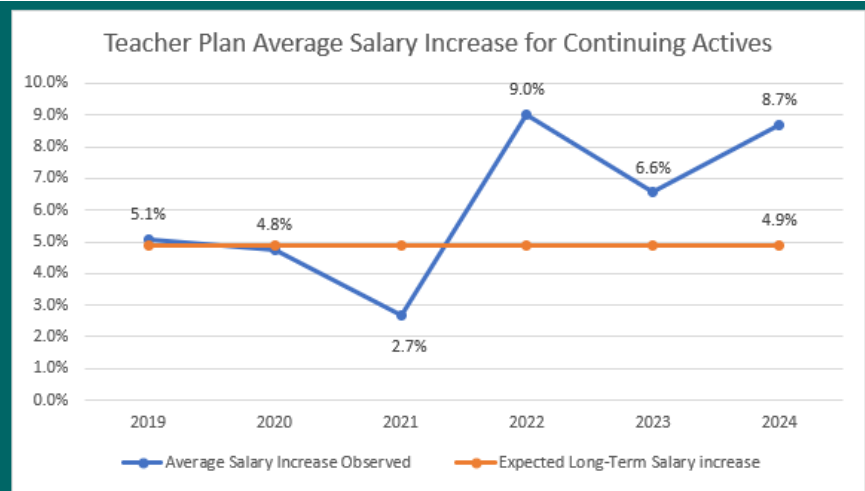
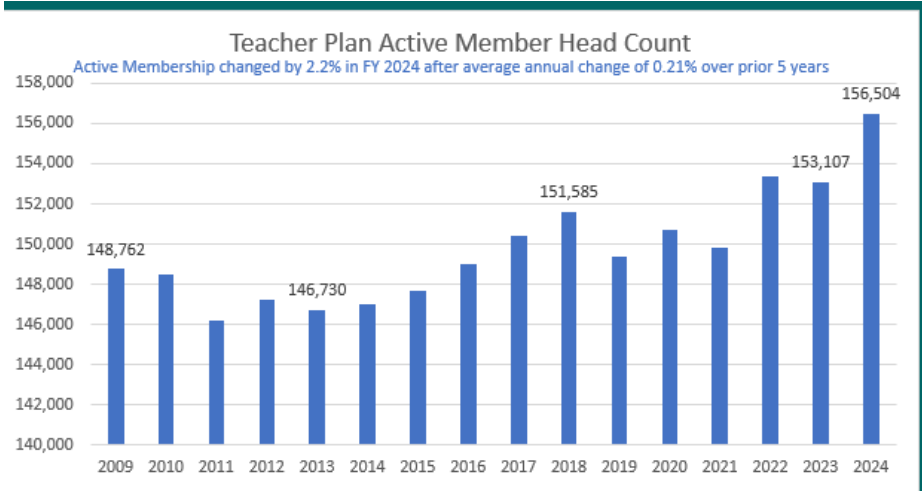
State Plan



* Expected long-term salary increase will change slightly each valuation based on demographics of the group.

Pension Dashboard – Member Information

Teacher Plan

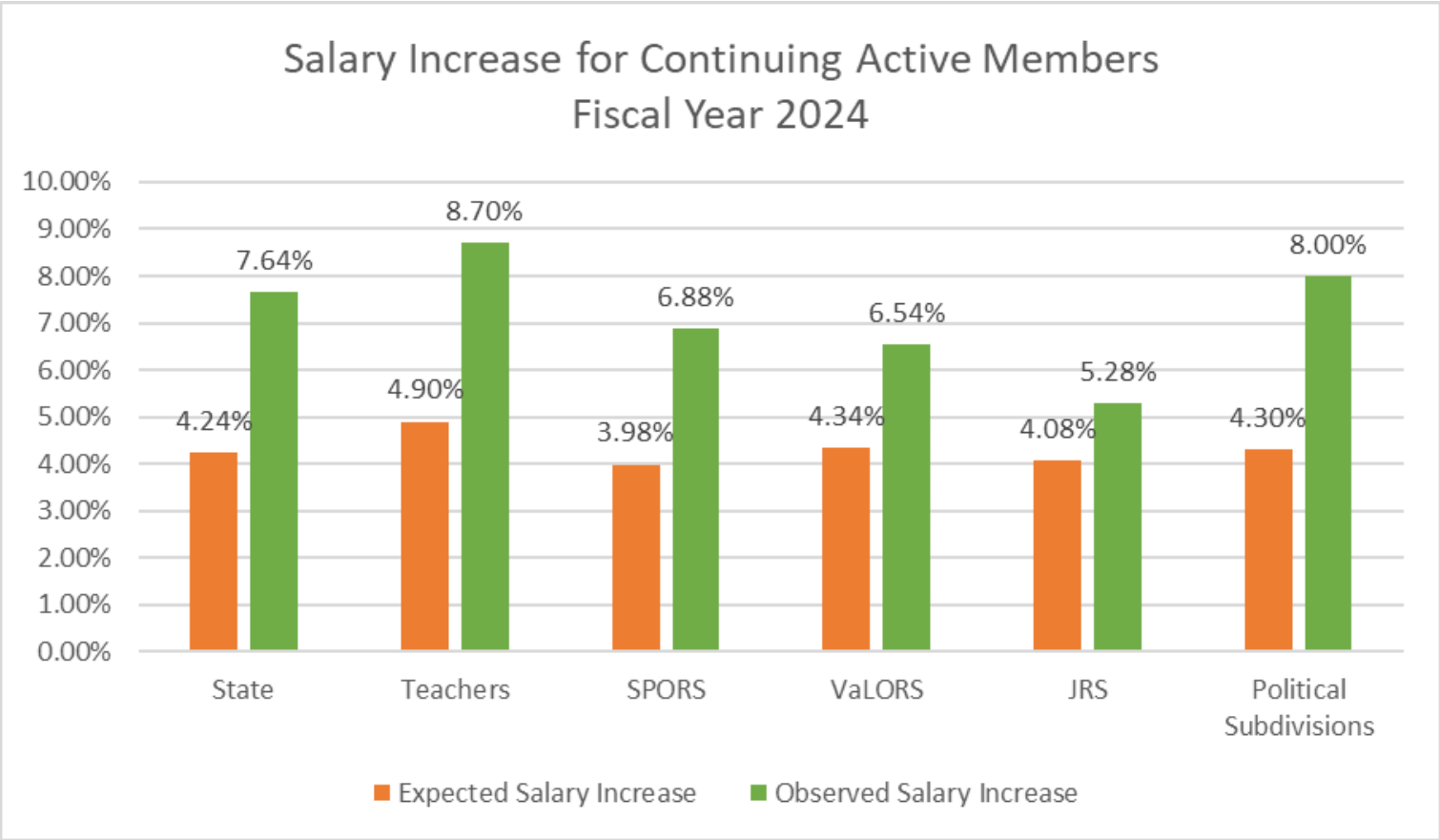


* Expected long-term salary increase will change slightly each valuation based on demographics of the group.

Observations

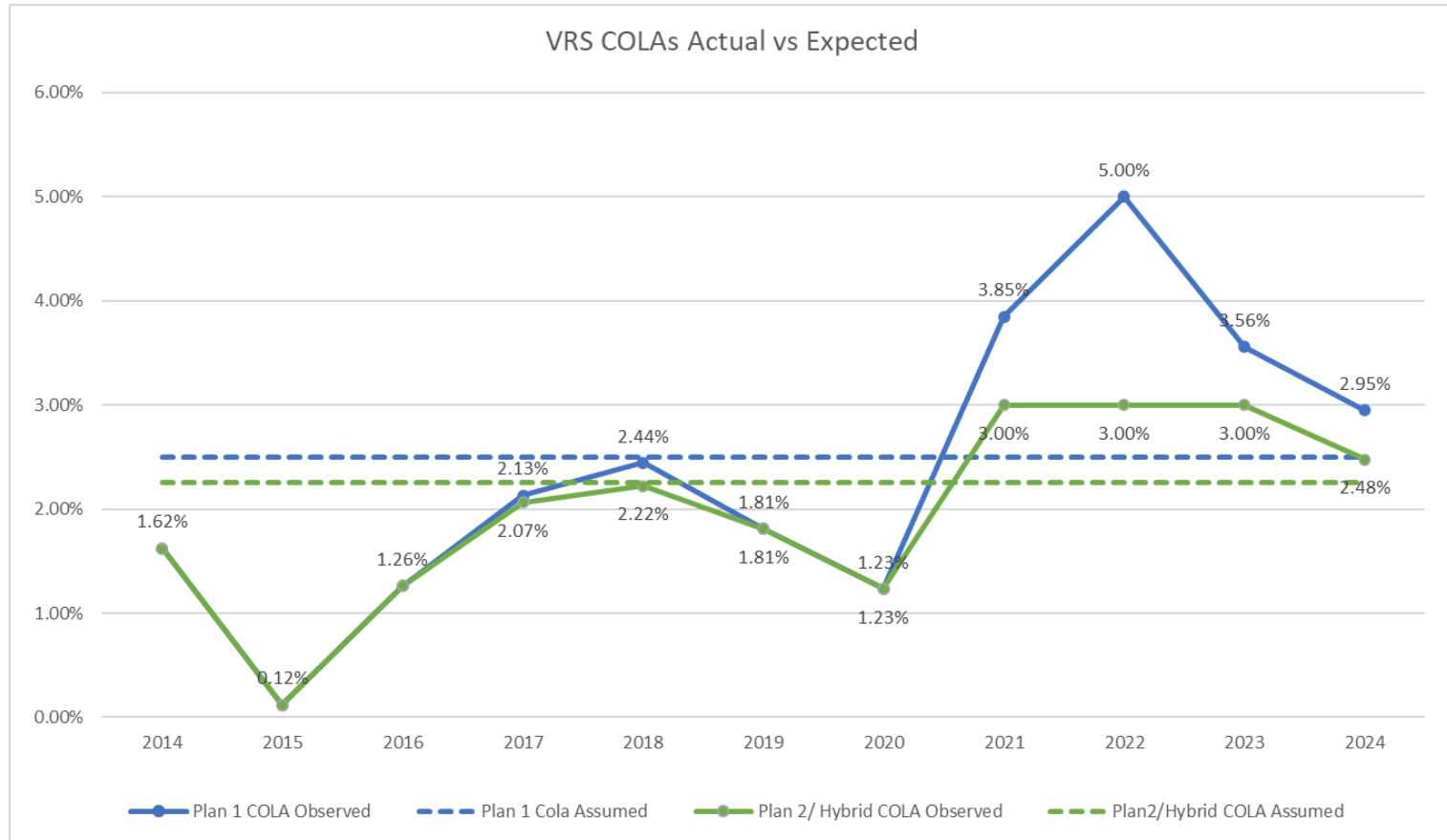


Salary Increases



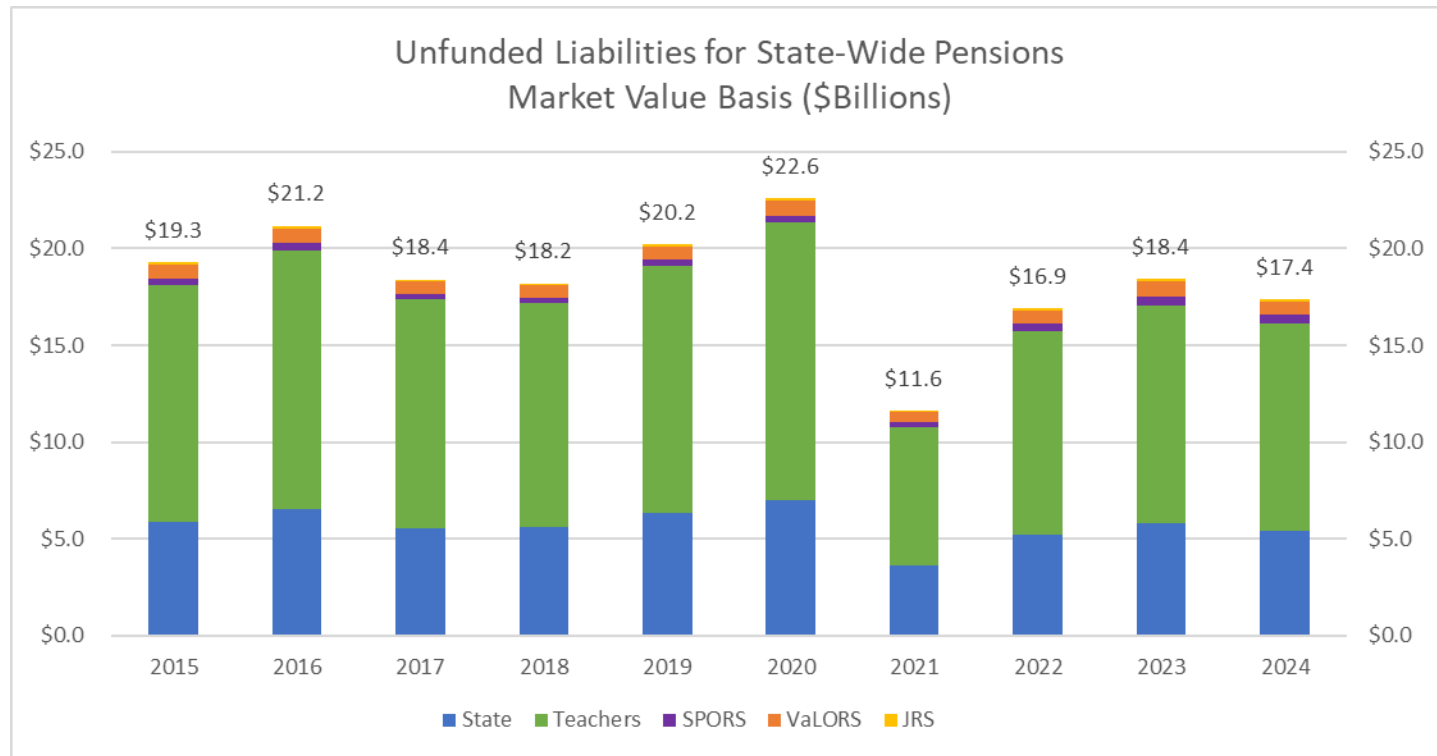
- Continue to see higher than expected salary increases
- Causes increase in liabilities and normal cost
- Will be reviewed during experience study

Inflation



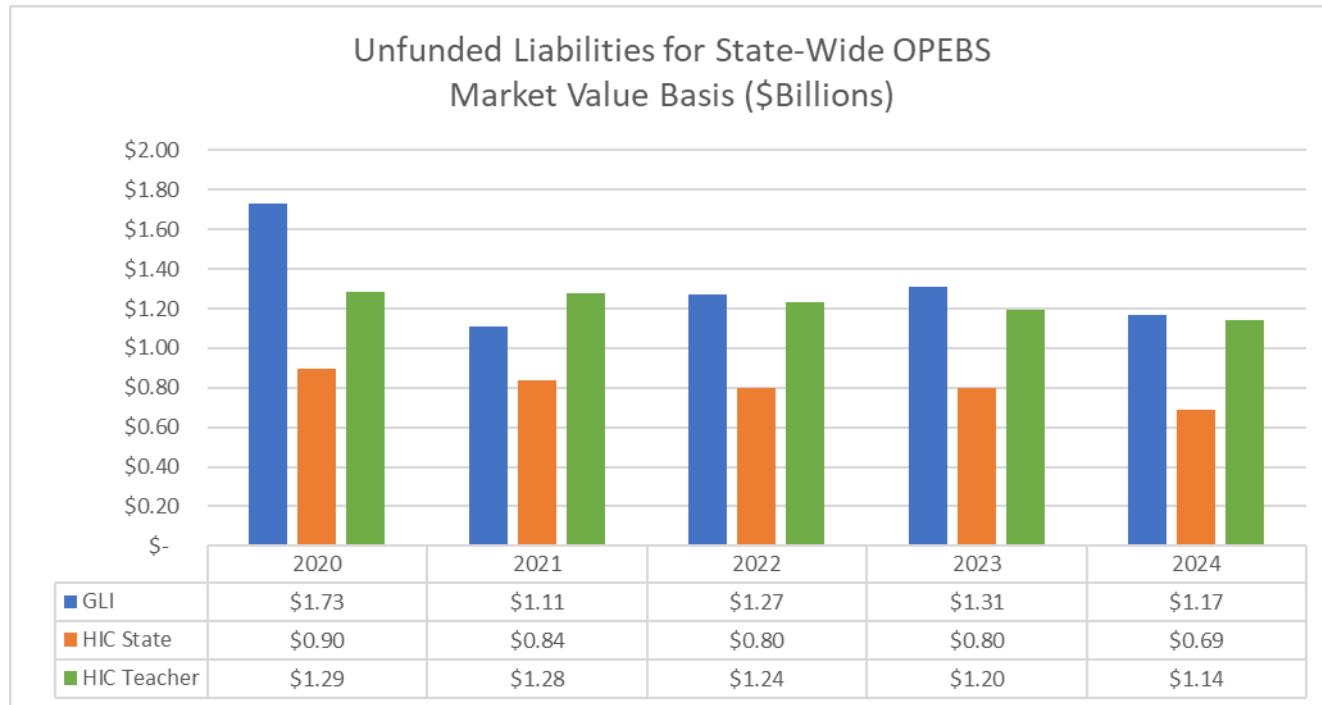
- Continue to see higher than expected inflation
- Causes increase in liabilities
- Will be reviewed during experience study

Unfunded Liabilities - Pensions



- Assume covered payroll increases by 3.0% per year
- Used in developing the amortization of unfunded rate

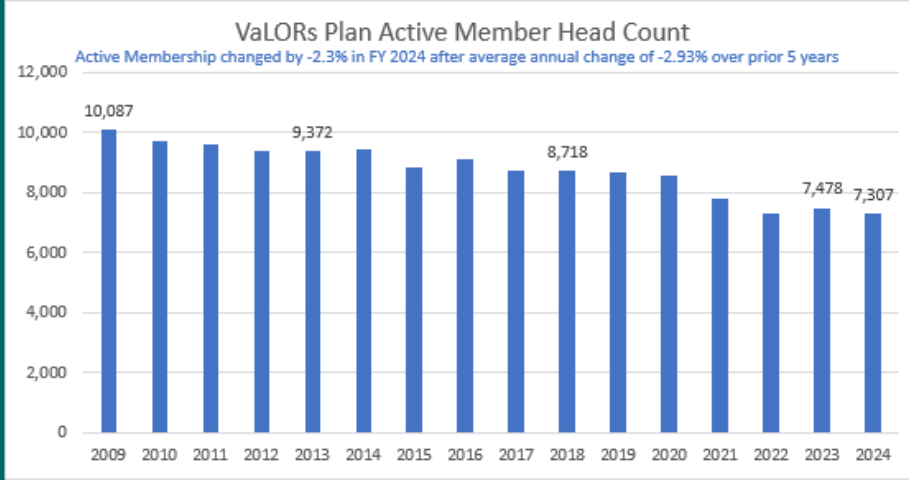
Unfunded Liabilities - OPEBS



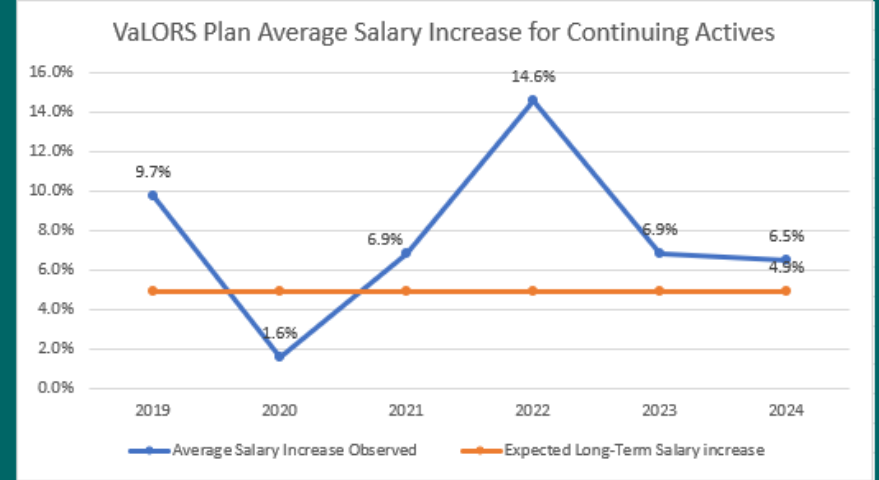
- Assume covered payroll increases by 3.0% per year
- Used in developing the amortization of unfunded rate

VaLORS Plan

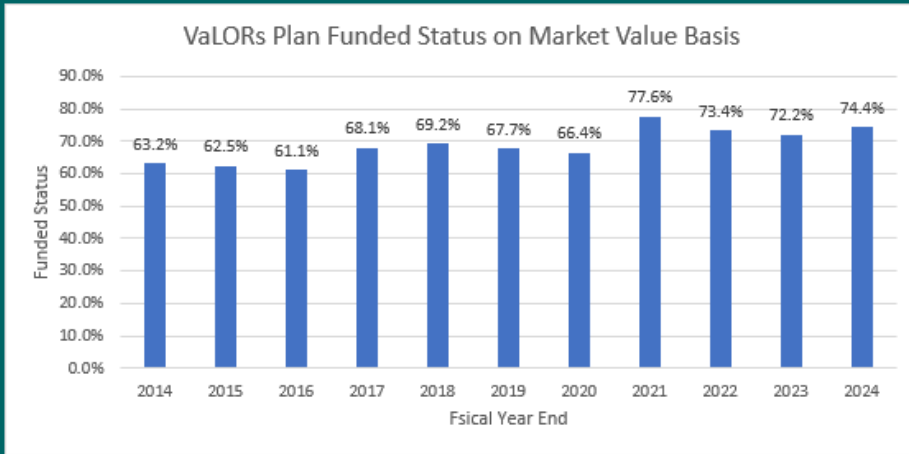
Active Membership



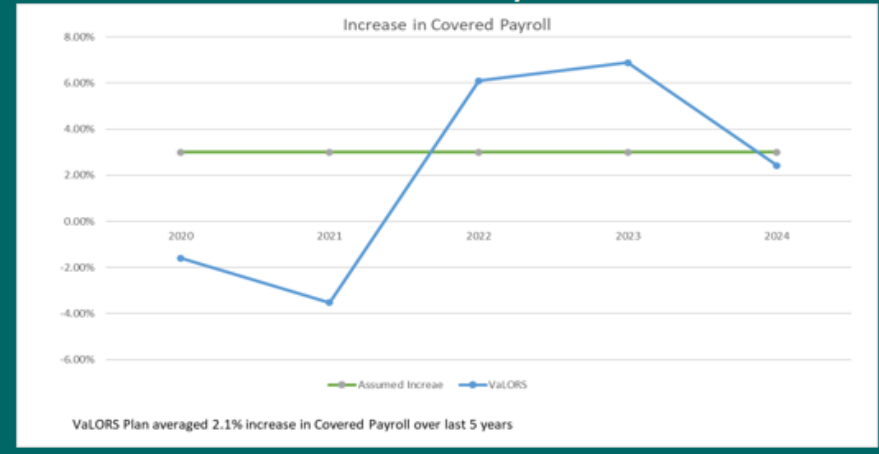
Average Salary Increases for Continuing Actives



Funded Status Market Value Basis



Increases in Covered Payroll



- Decreasing covered population
- Covered payroll below expectations
- Funded status below most other Statewide plans

Next Steps:

- Continue development of measures
- Convert to Power BI for internal access
- Explore access to dashboard for VRS Board members



2025 Legislation*



- The General Assembly convened on January 8. Due to the water situation, the General Assembly only took up procedural matters on the first day and then adjourned until Monday, January 13.
- So far, all of the original dates for session remain the same with one exception. The prefiling deadline for bills was extended to Monday the 13th.
- Crossover- when most bills from the originating chamber can only be heard in the opposite chamber- began **February 5**. Other than the Budget Bills, bills that have not cleared the originating chamber before then will not pass.
- Committees must complete their work on their Budget Bills by February 6.
- The General Assembly is scheduled to adjourn 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	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.

2025 VRS-Related Bills

VaLORS

Bill Number	Patron	Description
HB 1825	Orrock	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. <i>The introduced budget included \$610,000 for contributions rates. Item 361 #1s reduces VaLORS contributions required based on adjusted staffing data.</i>
SB 1201	Deeds	

2025 VRS-Related Bills

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. <i>Item 116 #1s provides \$75,000 for the Secretary of Education to review the feasibility of VSDB establishing a campus police department. It requires that the report include a list of past and current staff who would be eligible for VaLORS and LODA if a campus police department is established. The review must be completed by August 15, 2025.</i>
HB 2507	Runion	

2025 VRS-Related Bill

Purchase of Prior Service

Bill Number	Patron	Description
HB 1830	Simonds	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.

2025 VRS-Related Bills

Return to Work

Bill Number	Patron	Description
SB 1292	Durant	<p>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.</p> <p><i>Item 484 #2s includes NGF implementation costs for this and other VRS Senate bills.</i></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 #1h includes NGF implementation costs for this and HB 1815.</i></p>

Bill Number	Patron	Description
SB 950	McDougle	<p>Provides that a judge appointed or elected to an original term commencing on or after July 1, 2026, who was at least 55 years old at the time he was appointed or elected to such original term, shall have his service retirement allowance determined under the provisions of the Virginia Retirement System that apply to a judge appointed or elected to an original term prior to January 1, 2013, and who was vested on or before January 1, 2013. 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 #2s includes NGF implementation costs for this and other VRS Senate bills.</i></p>

2025 LODA Bills

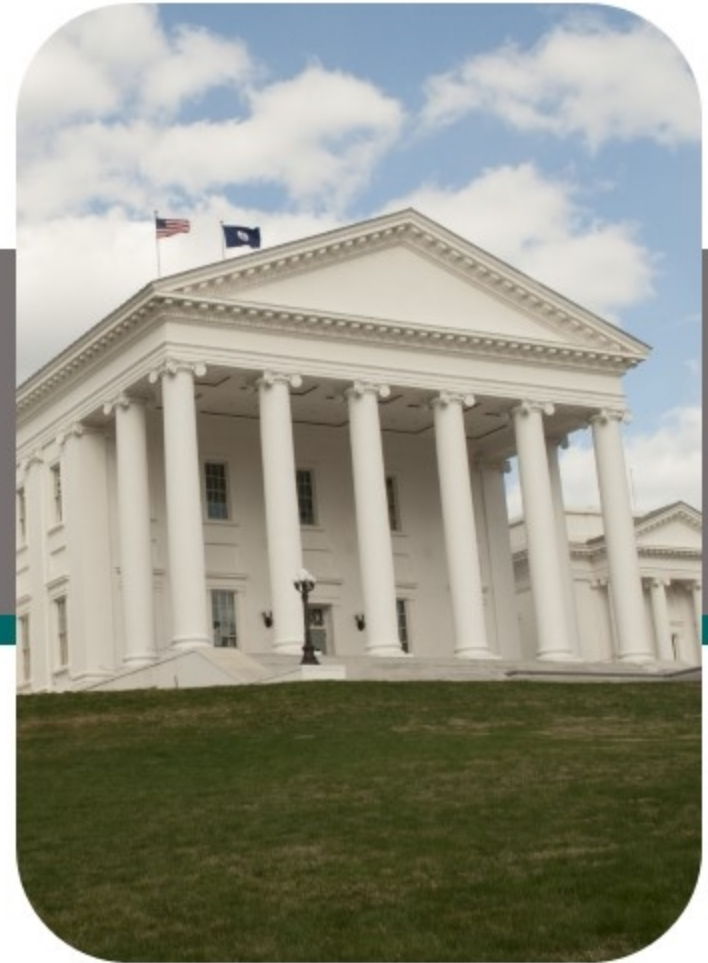
Bill Number	Patron	Description
HB 1815	Campbell	Provides employees of contributing nonprofit private institutions of higher education and contributing private police departments with the benefits granted to employees of participating employers under the Line of Duty Act. <i>Item 484 #1h includes NGF implementation costs for this and HB 1705. However, both bills now require each contributing nonprofit private institution of higher education to pay its pro rata share of the initial costs to implement the bill, as determined by the Virginia Retirement System.</i> <i>Item 484 #2s includes NGF spending authority for implementation of this and other VRS Senate bills.</i>
SB 1142	Obenshain	

2025 LODA Bills

Bill Number	Patron	Description
HB 2204	McQuinn	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.
SB 1195	Deeds	

Item 484 #2s includes NGF implementation costs for this and other VRS Senate bills.

Budget Amendments



2025 Committee Budget Amendments



Bill Number	Description
Item 74 #1h	Directs DHRM, with assistance from VRS, to convene a workgroup to evaluate total compensation, including retirement benefit for law enforcement officers covered under VaLORS. The report shall be issued by October 1, 2025.
Item 484 #1s	This amendment directs the Virginia Retirement System to coordinate with the Department of Education, the Department of Human Resource Management, the Virginia Association of Counties, Virginia Municipal League, the Virginia School Boards Association, and stakeholders for state and local government employees to determine whether the elimination of the traditional Virginia Retirement System defined benefit pension has affected the Commonwealth and localities' ability to retain state and local government employees, including but not limited, to teachers. The report is due by December 1, 2025.
Item 1 #3s	Provides funding for SB 1219, establishing the Legislator Compensation Commission, to be formed every four years to review the salaries, expense allowances, retirement benefits, and other compensation received by members of the General Assembly.

2025 Committee Budget Amendments



Bill Number	Description
Item 469 #2h	Provides \$100,000,000 from the general fund to reduce the unfunded liability in the state employee retiree health credit program.
Item 470 #1s	Contingently reserves \$500 million from any FY 2025 surplus after any constitutionally mandated deposit to the Rainy Day Fund for VRS retirement plans and other post-employment benefits. In priority order, it provides up to \$250 million towards the unfunded liability of VRS retirement plans and \$250 million toward other post-employment benefits.

2025 Committee Budget Amendments

Bill Number	Description
Item 125 #10h	Increases the Literary Fund amount designated for teacher retirement costs in the first year to \$50 million and in the second year to \$150 million, resulting in general funds savings of \$100 million over the biennium.
Item 125 #7s	Provides \$35 million from the Literary Fund to support teacher retirement, supplanting general fund dollars.

2025 Committee Budget Amendments

Salary Actions

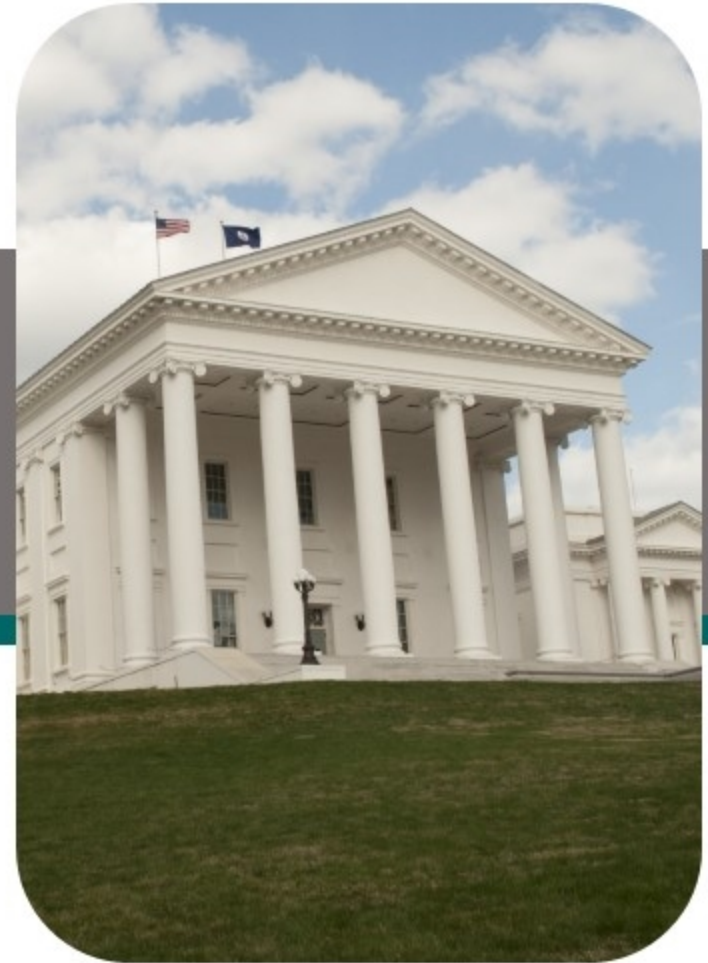
Bill Number	Description
Item 469 #1h	Provides a 1% bonus for state employees and state-supported local employees payable in the December 1, 2025 paycheck.
Item 469 #1s	Provides a 1.5% bonus for state employees and state-supported local employees payable in the June 16, 2025 paycheck.
Item 125 #8h	Provides a \$1,000 bonus on September 1, 2025 for state-supported instructional and support positions. Does not require a local match.
Item 125 #5s	Provides a \$1,000 bonus for teachers by June 1, 2025.
Item 471 #2h	Increases minimum wage to \$13.50 an hour starting January 1, 2026.
Item 1 #2s	Provides full benefits for a second legislative aide position beginning in FY 2026, including health care and retirement.

2025 Committee Budget Amendments



Bill Number	Description
Item 471 #3h	Provides funding to support HB 2764 in FY 2026 to allow collective bargaining for state employees related to wages, hours, and other terms and conditions of employment.
Item 4-14 #6s	Language to amend § 65.2-107 to provide PTSD coverage up to 104 weeks instead of 52 weeks under Workers' Compensation for law-enforcement officers and firefighters.

Governor's Appointments

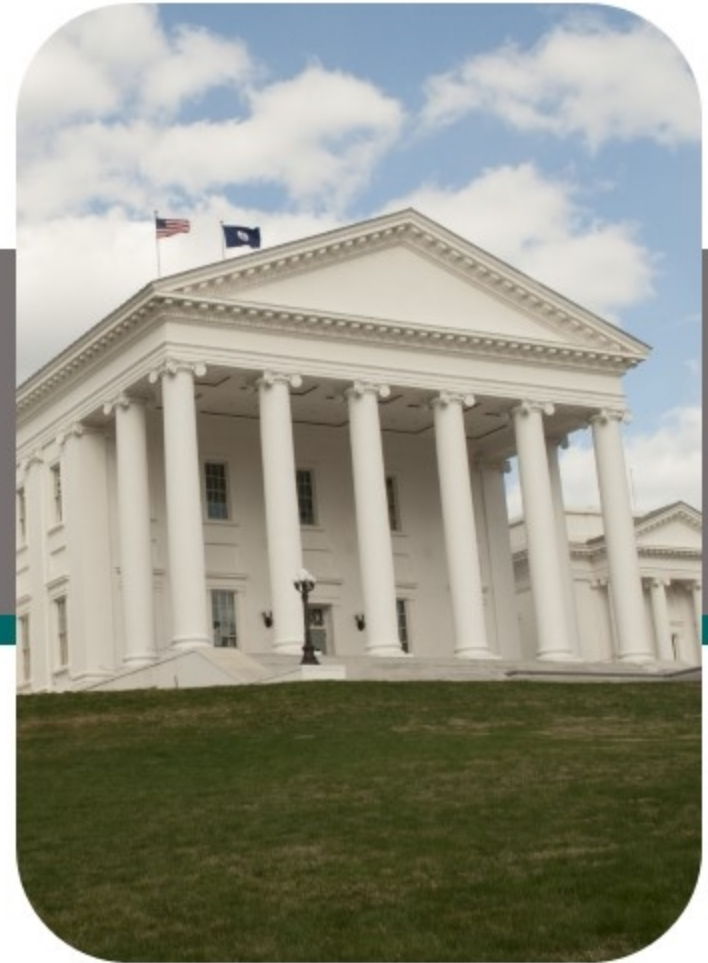


2025 Governor's Appointments



Bill Number	Patron	Description
SJ 273	Rouse	<p>Confirming the following appointments:</p> <p>A. Scott Andrews to a two-year term as chair on the Virginia Retirement System Board of Trustees beginning March 1, 2024.</p> <p>Susan Gooden to a five-year term on the Virginia Retirement System Board of Trustees beginning on March 1, 2024.</p>

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.
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 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.
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.

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.