



Virginia
Retirement
System®

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

AN INDEPENDENT AGENCY OF THE COMMONWEALTH OF VIRGINIA

VIRGINIA RETIREMENT SYSTEM
FINANCIAL AND STATISTICAL HIGHLIGHTS – ALL PENSION TRUST FUNDS

(EXPRESSED IN THOUSANDS)

	2025	2024	% Change
Activity for the Year:			
Contributions	\$ 4,689,899	\$ 4,561,988	2.80 %
Investment Income (Net of Investment Expenses)	\$ 11,472,420	\$ 9,813,050	16.91 %
Retirement Benefits	\$ 6,837,296	\$ 6,471,090	5.66 %
Refunds	\$ 127,972	\$ 121,455	5.37 %
Administrative and Other Expenses (Net of Miscellaneous Income)	\$ 64,826	\$ 64,703	0.19 %
Increase (Decrease) in Net Position Held in Trust for Pension Benefits	\$ 9,132,225	\$ 7,717,790	
Retirement Benefits as a Percentage of Contributions	145.8%	141.8%	
Retirement Benefits as a Percentage of Contributions and Investment Income	42.3%	45.0%	
Net Position Held in Trust for Benefits at Fiscal Year-End:			
Virginia Retirement System (VRS)	\$ 114,401,121	\$ 105,579,401	8.36 %
State Police Officers' Retirement System (SPORS)	\$ 1,254,189	\$ 1,160,537	8.07 %
Virginia Law Officers' Retirement System (VaLORS)	\$ 2,244,828	\$ 2,076,732	8.09 %
Judicial Retirement System (JRS)	\$ 765,921	\$ 717,164	6.80 %
Investment Performance*:			
One-Year Return on Investments	9.9%	9.9%	
Three-Year Return on Investments	8.6%	5.5%	
Five-Year Return on Investments	10.4%	8.7%	
Participating Employers:			
Counties/Cities/Towns	261	256	
Special Authorities	219	214	
School Boards**	142	142	
State Agencies	242	228	
Total Employers	864	840	2.86 %
Members/Retirees:			
Active Members	378,060	367,783	2.79 %
Retired Members	244,738	240,649	1.70 %

* Investment return calculations were prepared using a time-weighted return methodology based on market value and net of investment expenses.

** Of the 142 school boards, 131 also provide coverage for non-teacher employees.



Virginia Retirement System

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

VRS CODE OF ETHICS

The VRS Code of Ethics is built on our commitment to upholding the highest standards of integrity, ethical principles and professional conduct.

INTEGRITY

Integrity is the ability to act with honesty and be consistent in administering benefits and managing investments. Integrity serves as the foundation for building trust with the public, retirees, members and employers as we provide services.

ACCOUNTABILITY

Accountability is being responsible for decisions made, actions taken and assignments completed. Accountability reinforces our commitment to ethically perform our duties to meet the goals of the agency.

CONFIDENTIALITY

Confidentiality is exercising discretion and performing our ethical duty to protect the personal information of our members, retirees, beneficiaries and employers. We safeguard personal data and sensitive VRS information that is viewed, acquired or otherwise accessible during the course of VRS employment.

INCLUSIVITY

Inclusivity is embracing a diversity of thinking that helps us reach solutions that achieve excellence and meet the needs of our customers. We encourage an open work environment and an ethical culture in which colleagues are treated with respect and are free to raise issues or concerns without fear of retaliation.

AN INDEPENDENT AGENCY OF THE COMMONWEALTH OF VIRGINIA

This report was prepared by the financial, administrative and investment staff of the Virginia Retirement System.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to
Virginia Retirement System

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended
June 30, 2024

Christopher P. Morrell
Executive Director/CEO

**Certificate of Achievement for Excellence in Financial Reporting,
Annual Comprehensive Financial Report (Annual Report)**

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Virginia Retirement System for its *Annual Comprehensive Financial Report* for the fiscal year ended June 30, 2024. This was the 43rd consecutive year that VRS achieved this prestigious recognition.

To be awarded the certificate, a government unit must publish an easily readable and efficiently organized annual comprehensive report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The certificate is valid for a period of one year.

The VRS *Annual Comprehensive Financial Report* for fiscal year 2025 continues to conform to the Certificate of Achievement Program requirements and will be submitted to GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to
Virginia Retirement System

For its Annual Financial Report
For the Fiscal Year Ended
June 30, 2024

Christopher P. Morrell
Executive Director/CEO

**Award for Outstanding Achievement in Financial Reporting,
Popular Annual Financial Report**

The Government Finance Officers Association of the United States and Canada presented an Award for Outstanding Achievement in Financial Reporting to the Virginia Retirement System for its *Popular Annual Financial Report* for the fiscal year ended June 30, 2024. This was the ninth consecutive year of publication for which VRS was eligible to achieve this prestigious recognition.

To be awarded the certificate, a government unit must publish an easily readable and efficiently organized popular annual report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The certificate is valid for a period of one year.

The VRS PAFR for fiscal year 2025 continues to conform to the Certificate of Achievement Program requirements and will be submitted to GFOA to determine its eligibility for another certificate.



Public Pension Coordinating Council

**Public Pension Standards Award
For Funding and Administration
2025**

Presented to
Virginia Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of
National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Robert A. Wylie
Robert A. Wylie
Program Administrator

**Public Pension Coordinating Council Standards Award
for Funding and Administration**

VRS received the 2025 Standards Award for Funding and Administration from the Public Pension Coordinating Council in recognition of the agency's fulfillment of public pension standards. Developed by PPCC, these standards are the benchmark for measuring excellence in defined benefit plan administration. This is the agency's 22nd award from PPCC.

The purpose of the PPCC's awards program is to promote high professional standards for public employee retirement systems and publicly commend systems that adhere to these standards. The PPCC is a coalition of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems and the National Council on Teacher Retirement.

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Virginia
Retirement
System®

Introductory Section

Introductory Section

Chair's Letter

Board of Trustees

VRS Organization

Investment Advisory Committee

Defined Contribution Plans Advisory Committee

Executive Administrative Team

Executive Investment Team

Professional Consultants

Letter of Transmittal



December 15, 2025

**The Honorable Glenn Youngkin, Governor of Virginia,
Members of the General Assembly and Members of the Virginia Retirement System:**

The Virginia Retirement System has delivered benefits to the commonwealth's public employees since its establishment in 1942. Today, VRS is recognized as the 15th largest public or private pension fund in the United States and the 36th largest in the world, serving more than 860,000 members, retirees and beneficiaries with 864 participating employers across the state. Technologies have evolved and the groups we serve have increased over time, but VRS' dedication to service has remained steadfast.

SHAPING TOMORROW, TODAY

In an era of rapid change and growing expectations, VRS focuses its efforts on the customer experience. We are committed to delivering service that not only meets, but also consistently exceeds the needs of our constituents.

Our Board of Trustees and staff work diligently to uphold the VRS mission and vision. We share a common goal with participating employers, our valued stakeholders and third-party administrators—to help Virginia's public servants secure a rewarding retirement.

BUILDING A STRONG AND RESILIENT TRUST FUND

The VRS Trust Fund remains financially strong and well-positioned for the future. As a long-term investor, VRS is equipped to navigate evolving market conditions while funding more than \$6.8 billion in benefits annually to our retirees.

Our investment strategy is grounded in diversification. The Investments team focuses on identifying opportunities that deliver strong, long-term returns while carefully managing risk across the entire portfolio. Built to withstand market volatility and short-term economic shifts, the portfolio is structured to meet today's obligations and tomorrow's commitments. A portion of our investments are managed in-house, saving an estimated \$122.4 million annually in fees.

As a large investor, VRS is positioned to benefit from discounts on fees charged by external portfolio managers. Every dollar saved on investment fees is one less dollar required from member and employer contributions.

Each year, CEM Benchmarking, a leading data and insights firm, measures our investment and administrative operations compared to pension systems of comparable size and provides actionable insights. The report places VRS investment management in the favorable quadrant, signifying superior

performance at less cost than our peers. The Wilshire Trust Universe Comparison Service® also recognizes VRS' strong performance among its peers in generating more return at less risk.

The VRS Trust Fund reached a record high of \$128.6 billion as of June 30. The fiscal year return of 9.9% exceeded the 6.75% assumed rate of return, with all asset classes and programs reporting positive returns amid an uncertain market. The fund's total performance met or surpassed board-established custom benchmarks for the one-, five- and 10-year periods.

The investment team further refined its portfolio diversification strategy by adding a modest amount of leverage, increasing weight to fixed income, credit and cash assets and decreasing weight to public equity. Over the long term, this strategy enables VRS to balance risk without sacrificing expected returns.

Recently, the Board of Trustees approved a policy related to economic exposures in countries designated as U.S. foreign adversaries. The aim of the policy is to mitigate investment exposure to those countries where we believe investment risks are significantly higher than those being reflected by current markets or where international trade and investment are made more challenging by geopolitical concerns.

FUNDED STATUS OF VRS PLANS TRENDING UPWARD

An indicator of plan health is funded status. In the case of our two largest plans for teachers and state employees, funded status is above 85%. VRS is on a long-term trajectory toward being fully funded across all plans by 2043, provided actual plan experience aligns with our reasonable assumptions. These assumptions include assumed investment returns of 6.75% and inflation of 2.5%.

Significant progress has been made in reducing the unfunded liabilities through favorable market returns, cash infusions and steady contribution rates approved by the Governor and General Assembly in the past years. By reducing legacy unfunded liabilities, employer contribution rates can trend lower since two-thirds of the current employer rates go toward paying down these liabilities. We are grateful for the ongoing support of the Governor and General Assembly as we maintain focus on this long-term goal.

FOCUSING ON THE CUSTOMER EXPERIENCE

Today, VRS members have more options than ever to get the help they need when they need it. Delivering superior customer service is at the core of VRS' mission, and we have taken other steps in the past year to further enhance services:

- Opened a new counseling center in Henrico County, providing easier access for members, retirees and beneficiaries.
- Deployed a new call management system to ensure efficient call routing.
- Hired a customer experience manager to help us examine customer interactions and VRS systems, as we explore additional opportunities to innovate.

Our customer experience manager has been actively engaging with teams across the agency to gain a comprehensive understanding of our operations, evaluate existing processes and identify opportunities for enhancement.

VRS Counseling Center Moves to Henrico County

In November 2024, the VRS Counseling Center moved from downtown Richmond to Reynolds Crossing in western Henrico County. The new space offers convenient parking with proximity to public transportation and Interstate 64, allowing VRS to better serve members and retirees.

VRS' administrative and investment offices remain in downtown Richmond.



DELIVERING SERVICES EFFECTIVELY AND EFFICIENTLY

VRS members count on us to deliver their benefits. Our CEM benchmarking score for administration not only closely aligns with the customer service performance of our peer group but does so with significantly greater efficiency. We deliver comparable service quality at a much lower cost.

Our technology team is working to improve the efficiency and effectiveness of our business processes using secure and accessible technology platforms. Online security remains a top priority, and VRS is developing and enhancing our fraud protection infrastructure.

We have continued to grow our records management program by strengthening controls, streamlining operations and implementing new training initiatives. VRS also established a new data quality team to quickly identify and monitor critical data elements that are essential to our reporting processes.

ADVANCING DEFINED CONTRIBUTION PLANS

VRS completed a successful transition to Voya Financial as the new third-party administrator for defined contribution plans as of January 1. During the transition, 1.4 million accounts were transferred and reconciled, totaling \$8.6 billion in defined contribution account assets.

The Hybrid Retirement Plan, which combines a defined benefit component and a defined contribution component, is the largest active member plan with almost 200,000 members.

Since the hybrid plan was initiated in 2014, VRS has worked closely with its defined contribution plan record keepers to provide education and outreach to members and VRS-participating employers, with a focus on encouraging hybrid plan members to make voluntary contributions. Hybrid plan members now have a monthly option to change voluntary contributions, instead of quarterly.

Voya is an industry leader with an array of financial services. A new benefit for VRS members is the opportunity to receive professional investment advice from Voya's retirement advisors, in addition to financial planning assistance. Voya also offers online calculators, savings tools, a mobile app and educational resources to support retirement planning.

SERVING THOSE WHO SERVE OTHERS

In closing, I extend my thanks to the Governor and members of the General Assembly for continued support of our work on behalf of Virginia's public employees. That partnership, along with a commitment to funding contribution rates, ensures that VRS can fulfill its obligations to current retirees while also supporting those who are just beginning their careers in schools and communities throughout the commonwealth.

VRS has remained steadfast in its mission for more than eight decades. We are seeing the results of our sustained strategic effort that reflects the steady, deliberate work of strengthening our services and positioning the organization for long-term success.

This year, as in all others, our commitment to serving those who serve others has been our guiding principle. It is reflected in our disciplined financial stewardship, the strength of our operations and our continued dedication to delivering exceptional service. We take pride in upholding these values as we advance our mission and prepare for opportunities and challenges that lie ahead.

Sincerely,



A. Scott Andrews
Chair, Virginia Retirement System

Awards and Honors

- **Certificate of Transparency, National Conference on Public Employee Retirement Systems (NCPERS):** fostering an "atmosphere of openness" between public pension systems and the general population.
- **Certificate of Achievement for Excellence in Financial Reporting, Government Finance Officers Association (GFOA):** *VRS Annual Comprehensive Financial Report* for the fiscal year ended June 30, 2024; the 43rd consecutive award for VRS.
- **Award for Outstanding Achievement in Financial Reporting, GFOA:** *VRS Popular Annual Financial Report* for the fiscal year ended June 30, 2024; the ninth consecutive award for VRS.
- **Public Pension Standards Award for Funding and Administration, Public Pension Coordinating Council (PPCC):** the 22nd award for VRS.
- **2024 SWaM Award, Virginia Department of Small Business and Supplier Diversity:** VRS was honored as the agency with the highest spend percentage for service-disabled veteran-owned businesses in Virginia.
- **Philanthropy Excellence Award, Commonwealth of Virginia Campaign (CVC):** VRS ranked first among state agencies with 100-500 employees, with \$51,000+ raised in donations to the 2024 CVC Campaign.

Board of Trustees

COMPOSITION OF THE BOARD

Nine members serve on the VRS Board of Trustees. Their appointment is shared between the executive and legislative branches of state government. The Governor appoints five members, including the chair. The Joint Rules Committee of the Virginia General Assembly appoints four members. The General Assembly confirms all appointments.

Of the nine Board members, four must be investment experts, one must be experienced in employee benefit plans, one must be a local government employee, one must be an employee of a Virginia public institution of higher education, one must be a state employee and one must be a public school teacher. The public employee members may be either active or retired.



A. Scott Andrews, Chair

Northern Contours & Harvest Equity Investments
Employee Benefit Plans Professional
Appointed by Governor
Term Expires: 2/28/2027
As Chair: 2/28/2026
Committee Assignments: Administration, Finance & Talent Management (Chair), Audit & Compliance, Investment Policy (Chair)



J. Clifford Foster IV

Raymond James & Associates
Investment Professional
Appointed by Governor
Term Expires: 2/28/2030
Committee Assignments: Audit & Compliance, Investment Policy



Lawrence A. Bernert III, CFA, Vice Chair

Clearstead Advisory Solutions
Investment Professional
Appointed by Joint Rules Committee
Term Expires: 2/28/2029
Committee Assignments: Administration, Finance & Talent Management, Investment Policy



Susan T. Gooden, Ph.D.

Virginia Commonwealth University
Higher Education Employee
Appointed by Governor
Term Expires: 2/28/2029
Committee Assignments: Defined Contribution Plans Advisory (Chair), Investment Policy



The Hon. J. Brandon Bell II, CRPC

Bell Wealth Management, Inc.
Investment Professional
Appointed by Governor
Term Expires: 2/28/2026
Committee Assignments: Audit & Compliance (Chair), Investment Policy



Jessica L. Hood

Wise County and City of Norton
Commonwealth's Attorney's Office
Local Government Employee
Appointed by Governor
Term Expires: 2/29/2028
Committee Assignments: Benefits & Actuarial, Investment Policy



John M. Bennett

Virginia Commonwealth University (Retired)
State Government Employee
Appointed by Joint Rules Committee
Term Expires: 2/28/2026
Committee Assignments: Benefits & Actuarial (Chair), Administration, Finance & Talent Management, Investment Policy



The Hon. Matthew James

MJames Consulting LLC
Investment Professional
Appointed by Joint Rules Committee
Term Expires: 2/28/2029
Committee Assignments: Defined Contribution Plans Advisory (Vice Chair), Investment Policy



Lindsey K. Pantele

Henrico County Public Schools
Teacher Employee
Appointed by Joint Rules Committee
Term Expires: 2/28/2027
Committee Assignments: Benefits & Actuarial (Vice Chair), Investment Policy

VRS Organization

BOARD OF TRUSTEES



Patricia S. Bishop
Director



Andrew H. Junkin
Chief Investment Officer



Jennifer P. Schreck
Internal Audit Director

INVESTMENT ADVISORY COMMITTEE

Lawrence E. Kochard, Ph.D., Chair

Board Member, Advisor and Retired Chief Investment Officer,
Makena Capital Management

Term Expires: 2/16/2027

As Chair: 5/31/2027

Hance West, Vice Chair

Chief Investment Officer and Managing Director, Investure (Retired)

Term Expires: 12/31/2025

Eric Baggesen

Retired Chief Investment Officer,
Employees' Retirement System of Rhode Island
Managing Investment Director,
California Public Employees' Retirement System

Term Expires: 6/20/2027

Théodore Economou

Chief Investment Officer, Hereditas Group, (Switzerland) SA

Term Expires: 9/13/2026

Palmer P. Garson

Managing Director, Silvercrest Asset Management Group

Term Expires: 10/16/2026

Thomas S. Gayner

President and Chief Investment Officer, Markel Corporation

Term Expires: 2/19/2027

Nancy G. Leake

Advisory Partner, Partners Group (USA) Inc.

Term Expires: 12/31/2025

W. Bryan Lewis

Vice President and Chief Investment Officer,
United States Steel Corporation

Term Expires: 3/31/2026

Rod Smyth

Chief Investment Strategist, Riverfront Investment Group

Term Expires: 6/20/2027

DEFINED CONTRIBUTION PLANS ADVISORY COMMITTEE

Susan T. Gooden, Ph.D., Chair

Member, VRS Board of Trustees
Virginia Commonwealth University

Term Expires: 6/17/2027

The Hon. Matthew James, Vice Chair

Member, VRS Board of Trustees

MJames Consulting LLC

Term Expires: 6/17/2027

Monique G. Barnes

Budget Director, Henrico County Public Schools

Term Expires: 6/20/2026

Ravindra Deo

Executive Director, Federal Retirement Thrift Investment Board

Term Expires: 6/20/2026

Rebecca Fentress

Senior Director—Benefits, Capital One

Term Expires: 6/20/2027

C. Matt Harris

Deputy County Administrator for Finance and Administration,
Chesterfield County

Term Expires: 6/20/2026

Kate Jonas

Principal, Kate Jonas Group LLC—Advisory Firm

Term Expires: 6/20/2026

Brenda O. Madden

Senior Vice President and Human Resources Director,
Davenport & Company

Term Expires: 6/20/2026

September Sanderlin

Vice President for Talent Management & Culture,
Old Dominion University

Term Expires: 6/20/2027

Executive Administrative Team

Patricia S. Bishop

Director

Michael P. Cooper

Chief Operating Officer

Robert L. Irving

Director of Customer Services

Saundra M. Jack

Director of Policy, Planning and Compliance

LaShaunda B. King

Executive Assistant

Paula G. Reid

Director of Human Resources

Mark A. Rein

Chief Technology and Security Officer

Jennifer P. Schreck

Internal Audit Director

Virginia L. Sowers

Director of Strategic Communications

Leslie B. Weldon

Chief Financial Officer

Executive Investment Team

Andrew H. Junkin, CFA, CAIA

Chief Investment Officer

Chung S. Ma, CFA

Deputy Chief Investment Officer

John P. Alouf, CFA

Director, Private Equity

Parham M. Behrooz, CFA

Co-Director, Fixed Income Management

John T. Grier, CFA

Managing Director, Public Market Assets

Kenneth C. Howell, CFA

Managing Director, Private Market Assets

Ross M. Kasarda, CFA

Director, Diversifying Strategies

Kristina P. Koutrakos, CAIA

Director, Portfolio Strategy

Matthew L. Lacy, CFA

Director, Portfolio Integration

Curtis M. Mattson, CPA

Chief Administrative Officer

Scott M. Mootz, CFA

Director, Investment Sciences

Walker J. Noland, CFA

Director, Real Assets

B. Gregory Oliff Jr., CFA

Co-Director, Fixed Income Management

Daniel C. Schlusser, CFA

Director, Internal Equity Management

Daniel B. Whitlock, CFA, CAIA

Director, Global Equity

Steven M. Woodall, CFA, CAIA

Director, Credit Strategies

Professional Consultants

ACTUARY**Judith Kermans, EA, FCA, MAAA**

President & Chief Executive Officer,
Gabriel, Roeder, Smith & Company (GRS)

AUDITOR**Staci A. Henshaw, CPA**

Auditor of Public Accounts,
Commonwealth of Virginia

VRS DEFINED CONTRIBUTION PLANS**Adria Campbell**

Voya Financial

**COMMONWEALTH OF VIRGINIA
VOLUNTARY GROUP LONG TERM CARE
INSURANCE PROGRAM****Kathy Qualk**

Genworth Financial

LEGAL COUNSEL**Office of the Attorney General**

Commonwealth of Virginia

LIFE INSURANCE CARRIER**NaTosha D. Palmer**

Securian Financial

MASTER CUSTODIAN**Bank of New York Mellon****VIRGINIA SICKNESS AND DISABILITY
PROGRAM AND VIRGINIA LOCAL
DISABILITY PROGRAM****Jen Pardi-McCarthy**

Alight

Letter of Transmittal



Patricia S. Bishop, Director

P.O. Box 2500 • 1200 East Main Street
Richmond, Virginia 23218-2500
Toll-free: 888-827-3847 • TDD: 804-289-5919

December 15, 2025

To the Board of Trustees and Members of the Virginia Retirement System:

I am pleased to submit the *Annual Comprehensive Financial Report (Annual Report)* of the Virginia Retirement System (the System) for the fiscal year ended June 30, 2025. In addition to the Introductory Section, the System's *Annual Report* contains a Financial Section, Investment Section, Actuarial Section and Statistical Section. VRS' *Annual Report* for fiscal year 2025 has been prepared in accordance with Section 51.1-1003 of the *Code of Virginia* (1950), as amended, which requires every retirement system to publish an annual report, and Section 4-11.00 of Chapter 725 of the 2025 Virginia Acts of Assembly, which requires an annual detailed statement of financial condition. The report is delivered to the Governor, members of the Cabinet and the members of the Virginia General Assembly. The report is also available on the VRS website at varetire.org.

VRS Overview

Administration: VRS is an independent state agency. As provided under the *Constitution of Virginia*, VRS funds are separate from other state funds and can be used only to administer and pay benefits for members, retirees and beneficiaries. The Board of Trustees administers and is trustee of the funds of:

- the Virginia Retirement System Trust, including Plan 1, Plan 2, the defined benefit component of the Hybrid Retirement Plan, and Plan 1 and Plan 2 hazardous duty benefits for political subdivision employees;
- the State Police Officers' Retirement System Trust, including Plan 1 and Plan 2;
- the Virginia Law Officers' Retirement System Trust, including Plan 1 and Plan 2;
- the Judicial Retirement System Trust, including Plan 1 and Plan 2, and the defined benefit component of the Hybrid Retirement Plan for judges;
- the Virginia Sickness and Disability Program (VSDP) Trust for state employees, including VSDP long-term care;
- the Virginia Local Disability Program (VLDP) Trust for eligible school division and political subdivision employees, including VLDP long-term care;
- a disability retirement option for certain members not covered under VSDP or VLDP;
- the Hybrid 457 Deferred Compensation Plan;
- the Hybrid 401(a) Cash Match Plan;
- the Optional Retirement Plan for Political Appointees, the Optional Retirement Plan for School Superintendents and the Optional Retirement Plan for Higher Education (ORPHE);
- the Commonwealth of Virginia 457 Deferred Compensation Plan;
- the Virginia Cash Match Plan;

- the Virginia Supplemental Retirement Plan;
- the Group Life Insurance Program;
- the Retiree Health Insurance Credit Program; and
- the Line of Duty Death and Health Benefits Trust Fund.

In addition, the Board administers or has substantial oversight responsibilities for the Benefit Restoration Plan, the Commonwealth of Virginia Voluntary Group Long Term Care Insurance Program, and the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund Program, as well as benefit eligibility determinations under the Line of Duty Act in Title 9.1 of the *Code of Virginia*.

The system also has full investment responsibility for other custodial funds, which include the Commonwealth Health Research Fund (CHRF), the Commonwealth's Attorneys Training Fund (CATF) and the VRS Investment Portfolio (VRSIP).

More than 800 employers participate in VRS on behalf of their employees. They include state agencies, public colleges and universities, school boards, political subdivisions and special authorities.

Fiduciary Responsibility of the Board

The VRS Board of Trustees (the Board) has full power to invest and reinvest the trust funds of the System.

To fulfill its responsibility, the Board has adopted various investment policies and guidelines. The Board's investment objective for the VRS portfolio is to maximize long-term investment returns while targeting an acceptable level of risk. Primary risk measures are volatility in the plan's assets, funded status and contribution rates. As set forth in Section 11 of Article X of the *Constitution of Virginia*, the funds of the retirement system shall be deemed separate and independent trust funds; shall be segregated from all other funds of the Commonwealth; and shall be invested and administered solely in the interests of members, retirees and beneficiaries. The Board retains a professional investment staff, as well as outside managers, to advise and assist in the implementation of these policies and objectives.

The assets of the System are invested in a prudent manner that is intended to provide for the adequate funding of VRS' pension liability. Section 51.1-124.30(C) of the *Code of Virginia* states that "... the Board shall invest the assets of the Retirement System with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims."

Accordingly, the Board must sufficiently diversify the portfolio to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so.

Accounting System and Internal Control

The financial statements included in the *Annual Report* for fiscal year 2025 are the responsibility of the System's management and have been prepared in accordance with generally accepted accounting principles (GAAP) for government accounting and reporting promulgated by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used in the preparation of the financial statements. Revenues are taken into account when they are earned and become measurable; expenses are recorded when the liabilities are incurred.

Investments are reported at fair value as determined by the System's master custodian. Capital assets are recorded at cost and depreciated over their estimated useful life.

Contributions to the System are based on the principle of level-cost funding and are developed using the entry age normal cost method, with current service financed on a current basis and prior service amortized over a 20-year closed period. In management's opinion, the financial statements fairly present the plan net position of the System at June 30, 2025, and the changes in its plan net position for the period then ended.

GASB Statement Number 34 requires the System to include additional information in the *Annual Report*. This information is provided in Management's Discussion and Analysis (MD&A) and includes an introduction as well as an overview and analysis of the System's financial activities for the current fiscal year and the two preceding years. The Letter of Transmittal is designed to complement and should be read in conjunction with the MD&A, found in the Financial Section immediately following the report of the independent auditor.

GASB Statement Number 67 focuses on financial reporting for state and local pension administrators and is addressed in the Financial Section. GASB Statement Number 68 establishes accounting and financial reporting requirements for state and local governments that provide their employees with pensions and prepare annual financial statements. To assist employers in meeting the GASB 68 standard, VRS developed a resource center available to employers via the VRS employers website. The online resources included GASB 68 audit opinions and disclosure guidance, contribution rates, valuation reports and GASB 67/68 guidance documents.

VRS Milestones (1908-Present)

- 1908** Retired Teachers Fund created.
- 1942** Virginia Retirement System (VRS) created for teachers and state employees.
- 1944** Political subdivisions have the option to join VRS.
- 1950** State Police Officers' Retirement System (SPORS) created.
- 1960** Group Life Insurance Program created.
- 1970** Cost-of-Living Adjustment (COLA) established; Judicial Retirement System (JRS) created.
- 1990** Health Insurance Credit for state retirees established.
- 1992** Health Insurance Credit for retired teachers and political subdivision employees established.
- 1995** Optional Group Life Insurance Program established.
- 1999** Virginia Sickness and Disability Program (VSDP) for state employees established; Virginia Law Officers' Retirement System (VaLORS) created.
- 2002** VSDP Long-Term Care Plan established.
- 2010** VRS Plan 2 implemented for members hired or rehired on or after July 1, 2010.
- 2012** General Assembly passed legislation creating a Hybrid Retirement Plan with implementation in 2014; Virginia Local Disability Program (VLDP) created as a benefit for political subdivisions and schools with implementation in 2014.

(Continued)

VRS Milestones (1908-Present)

2014 VRS implemented the Hybrid Retirement Plan, a combined defined benefit and defined contribution plan, for eligible members hired on or after January 1, 2014.

2015 VRS added a Roth option to the Commonwealth of Virginia 457 Deferred Compensation Plan and the General Assembly permitted school divisions the option to offer an employer-sponsored hybrid 403(b) plan for Hybrid Retirement Plan voluntary contributions.

2016 The enhanced myVRS was launched, increasing self-service functionality for members.

2017 Self-service purchase of prior service, enhanced security and features for retirees added to myVRS, along with tools to help college and university faculty members and political appointees compare retirement plan options and make their plan election online. Financial wellness program for members added to myVRS.

2020 In a nimble response to the global COVID-19 pandemic, VRS provided timely information to members, employers and retirees on subjects including financial matters, the CARES Act, market volatility and myVRS resources.

2021 VRS reached its long-held goal of online retirement, providing exceptional member service by leveraging technology to improve member outcomes. VRS also added online management of beneficiaries, direct deposit, health insurance credit and survivor accounts in myVRS. In addition, VRS received national recognition for its response to the pandemic.

2022 VRS observed its 80th anniversary of "Serving Those Who Serve Others."

2023 Following a \$750 million appropriation to the VRS trust fund in fiscal year 2022, the Governor and the Virginia General Assembly appropriated \$250 million in fiscal year 2023 to further reduce unfunded liabilities for VRS-administered retirement plans and other post-employee benefits.

2024 Over 10 years, the Hybrid Retirement Plan has grown to become the dominant plan with more than 183,000 members, approximately half of all active VRS members.

2025 The VRS Counseling Center moved from downtown Richmond to Reynolds Crossing in Henrico County, providing easier access for members, retirees and beneficiaries.

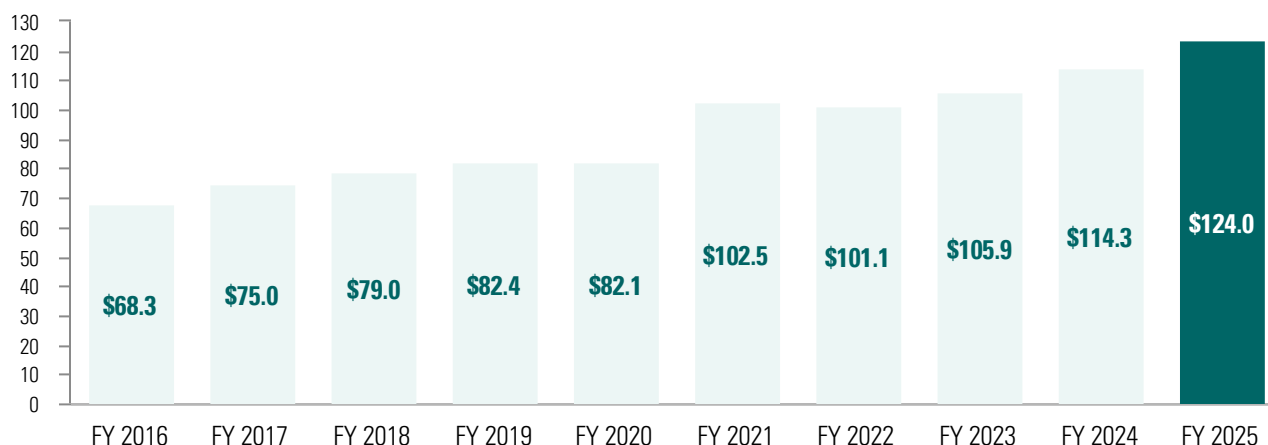
For other post-employment benefits (OPEBs), GASB Statement Number 74 focuses on financial reporting for state and local plan administrators and is also addressed in the Financial Section. GASB Statement Number 75 establishes accounting and financial reporting requirements for state and local governments that provide their employers with OPEB benefits and prepare annual financial statements. To assist employers in meeting the GASB 75 standard, VRS developed additional OPEB-specific resources for employers and added those resources to the VRS website. Those online resources included GASB 75 audit opinions and disclosure guidance, contribution rates, valuation reports and GASB 74/75 guidance documents.

The System's management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits that are likely to be derived from that control. The internal control system includes the organizational plan; the appropriate segregation of duties and responsibilities and sound practices in the performance of duties; and personnel with capabilities commensurate with their responsibilities.

PLAN NET POSITION RESTRICTED FOR BENEFITS

AS OF JUNE 30

(EXPRESSED IN BILLIONS)



The System also has an internal audit program that reports to the Audit Committee of the Board of Trustees, and the budget for the System's administrative expenses is approved by the Board and appropriated by the Virginia General Assembly.

The retirement funds held by the System are constitutionally established as independent trust funds dedicated to the exclusive benefit of its members, retirees and beneficiaries. In management's opinion, the internal controls in effect during the fiscal year ended June 30, 2025, adequately safeguard the System's assets and provide reasonable assurance regarding the proper recording of financial transactions.

Funding

PENSION PLANS

Calculations for the System's defined benefit pension plans for financial reporting purposes were made in accordance with Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The most recent valuation for this presentation was prepared as of June 30, 2025. The total pension liability was determined based on the actuarial valuation as of June 30, 2024, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

Based on these calculations, the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 85.75% for the VRS State Plan, 86.37% for the VRS Teacher Plan and 95.36% for the aggregate total of the VRS Political Subdivision Plans. For the SPORS, VaLORS and JRS plans, the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 77.05%, 78.39% and 89.83%, respectively.

This compares to opening plan fiduciary net position as a percentage of the total pension liability at June 30, 2024, for the VRS State Plan, the VRS Teacher Plan and the aggregate total of the VRS Political Subdivision Plans, of 83.45%, 84.52% and 92.41%, respectively. For SPORS, VaLORS and JRS, the percentage of total pension liability was 74.34%, 75.70% and 88.35%, respectively, at June 30, 2024. Further information on this valuation is included in the Financial Section and the Actuarial Section.

Contributions for fiscal year 2025 were based on the June 30, 2023, actuarial valuation. In accordance with Section 51.1-145 of the *Code of Virginia*, the General Assembly funded 100% for the VRS State Plan, 100% for the VRS Teacher Plan, 100% for the SPORS and JRS Plans, and 107.8% for the VaLORS plan of the

VRS Board-certified rates for fiscal year 2025. Retirement contribution rates are discussed in further detail in the Financial Section.

OPEB PLANS

Calculations for the System's Other Post-Employment Benefit (OPEB) plans for financial reporting purposes were made in accordance with Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*. The most recent valuation for this presentation was prepared as of June 30, 2025. The total OPEB liability was determined based on the actuarial valuation as of June 30, 2024, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

Based on these calculations, the plan fiduciary net position as a percentage of the total OPEB liability was 78.30% for the Group Life Insurance Fund, 42.19% for the state employee Health Insurance Credit, 27.18% for the teacher employee Health Insurance Credit, 69.03% for the aggregate total of the VRS political subdivision plans for Health Insurance Credit, 41.12% for the state-funded Health Insurance Credit for constitutional officers, 49.80% for the state-funded Health Insurance Credit for social services employees, and 74.66% for the state-funded Health Insurance Credit for Registrars. In addition, the plan fiduciary net position as a percentage of the total OPEB liability was 234.55% for the Disability Insurance Program and 1.29% for the Line of Duty Act plan. The Virginia Local Disability Program plans for teachers and political subdivisions were 97.27% and 128.96%, respectively.

This compares to the opening plan fiduciary net position as a percentage of the total OPEB liability at June 30, 2024, of 73.41% for the Group Life Insurance Fund, 35.17% for the state employee Health Insurance Credit, 21.82% for the teacher employee Health Insurance Credit, 62.13% for the aggregate total of the VRS political subdivision plans for Health Insurance Credit, 34.54% for the state-funded Health Insurance Credit for constitutional officers, 42.72% for the state-funded Health Insurance Credit for social services employees and 56.77% for the state-funded Health Insurance Credit for registrars. In addition, the plan fiduciary net position as a percentage of the total OPEB liability was 204.38% for the Disability Insurance Program and 1.22% for the Line of Duty Act Program. The Virginia Local Disability Program plans for teachers and political subdivisions were 107.03% and 129.49%, respectively. Further information on this valuation is included in the Financial Section and the Actuarial Section.

Contributions for fiscal year 2025 were based on the June 30, 2023, actuarial valuation. In accordance with Section 51.1-145 of the *Code of Virginia*, the General Assembly funded 124% for the HIC for state employees, 117% for HIC teachers, 113% for HIC constitutional officers, 142% for HIC social services, 188% for HIC registrars, and 100% for all other OPEB plans of the VRS Board-certified rates for fiscal year 2025. Rates are not applicable for the Line of Duty Act Program. Contribution rates for each of these OPEB plans are discussed in further detail in the Financial Section.

Investments

At June 30, 2025, the total value of the VRS managed investment portfolio was \$128.6 billion, an increase from the investment balance of \$116.5 billion at June 30, 2024. The increase was due to increased investment and contribution activity. The Fixed Income, Real Assets, Public Equity, Credit Strategies and Diversifying Strategies portfolio returns exceeded their benchmarks this year.

The System's net position restricted for benefits at June 30, 2025, totaled \$124.0 billion, representing an increase from the net position of \$114.3 billion as of June 30, 2024. For the fiscal year ended June 30, 2025, the VRS total fund returned 9.9%, ahead of the custom benchmark's 9.7% and comfortably above the 6.75% long-term assumed rate of return.

Information regarding the investment professionals who provide services for the VRS Investment Pool for the pension and OPEB plans can be found on pages 181 through 183 in the Investment Section. The schedule of public equity commissions and investment expenses is located on page 180.

Additional information on the System's investment policies and strategies as well as the portfolio's composition and investment return information is included in the Investment Section.

Legislative Updates

During the 2025 session, the Virginia General Assembly enacted the following bills that affect the Virginia Retirement System.

2025 BILLS

VRS-Related Bills

HOUSE BILL 1705: DISABILITY BENEFITS FOR CERTAIN EMERGENCY DISPATCHERS. Beginning July 1, 2026, emergency dispatchers who are not members of the Hybrid Retirement Plan will become participants in the Virginia Local Disability Program (VLDP) for hybrid plan members, or the comparable disability program provided by their employer. Employers will cover the costs required for funding dispatchers' participation in the disability program. Dispatchers in service before July 1, 2025, will be given a one-time opportunity to elect to remain in their existing disability program. They will have until March 31, 2026, to make their election.

VaLORS-Related Bills

SENATE BILL 1201: VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM; CONSERVATION OFFICERS BECOME MEMBERS OF VaLORS. Extends membership in the Virginia Law Officers' Retirement System (VaLORS) to conservation officers of the Department of Conservation and Recreation. VaLORS membership applies only to service earned starting July 1, 2025.

APPROPRIATION ACT, ITEM 129(B): VaLORS; VIRGINIA SCHOOL FOR THE DEAF AND BLIND MAY ESTABLISH CAMPUS POLICE DEPARTMENT. Authorizes the Virginia School for the Deaf and the Blind to establish a campus police department. If a campus police department is established, the school's campus police officers will be covered under VaLORS.

JRS-Related Bills

SENATE BILL 950: JUDICIAL RETIREMENT SYSTEM; SERVICE RETIREMENT ALLOWANCE FOR CERTAIN JUDGES. Provides that judges appointed or elected to an original term on or after July 1, 2026, will be under VRS Plan 2. The bill also provides that the service retirement allowance for service rendered on or after July 1, 2026, by judges appointed or elected to an original term on or after January 1, 2014, will be determined under Plan 2.

For judges who were appointed between July 1, 2014, and June 30, 2026, contributions in the Hybrid Retirement Plan will not be moved. Rather, the benefits will be layered, similar to how judges with prior VRS service have benefits calculated.

VOLSAP-Related Bills

SENATE BILL 934: UNCLAIMED VOLUNTEER FIREFIGHTERS' AND RESCUE SQUAD WORKERS' SERVICE AWARD FUNDS. 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 the member's forfeiture of membership or the dissolution of the volunteer EMS agency or volunteer fire department shall be presumed abandoned for the purposes of the Virginia Disposition of Unclaimed Property Act.

LODA-Related Bills

HOUSE BILL 1815 AND SENATE BILL 1142: LINE OF DUTY ACT BENEFITS FOR CAMPUS AND PRIVATE POLICE OFFICERS. Provides employees of contributing nonprofit private institutions of higher education and contributing private police departments, as defined in the bill, with the benefits granted to employees of participating employers under the Line of Duty Act (LODA).

Membership

MEMBER AND RETIREE HIGHLIGHTS. The total VRS membership increased from 832,614 members, retirees and beneficiaries in fiscal year 2024 to 861,171 in fiscal year 2025, representing an increase of 3.43%. The following are highlights from the fiscal year:

- The number of active VRS members increased 2.79%, from 367,783 to 378,060.
- The number of retirees and beneficiaries increased 1.70%, from 240,649 to 244,738.
- VRS paid \$6,837.3 million in retirement benefits during fiscal year 2025, compared to \$6,471.1 million in retirement benefits in fiscal year 2024.
- The number of inactive and deferred members increased 6.33%, from 224,182 to 238,373.
- A total of 94,194 members held accounts through the Commonwealth of Virginia Deferred Compensation Plan at the end of the fiscal year. Of these participants, 76,089 received a cash match through the Virginia Cash Match Plan.

The Customer Experience

During the fiscal year, the VRS Customer Relations Department launched a new call management system aimed at increasing service efficiency and responsiveness. Key features include advanced call routing and support for text and SMS communication. These enhancements have reduced customer wait times and provided the department with real-time customer satisfaction data, enabling more informed decision-making.

To further improve access to services for members and retirees, the Member and Retiree Counseling Center opened a new location in Henrico County. This facility offers convenient parking and is easily accessible via public transportation and I-64. A small counseling office in downtown Richmond remains operational.

VRS also welcomed a new Customer Experience Manager to lead ongoing customer experience enhancements. This manager collaborates across all agency units to identify, implement and evaluate opportunities to maximize the customer experience at every stage of the customer journey. These initiatives reflect VRS' commitment to providing a seamless, high-quality customer experience across all touchpoints.

AIMING FOR EXCELLENCE. VRS personnel continued to meet or exceed target goals for operational measures, as the following highlights show:

OPERATIONAL MEASURES	TARGET	FY 2025 RESULT
Timeliness of Monthly Financial Account Reconciliations	98.00% or more of monthly financial control reconciliations completed by the last business day of the following month.	100.00% of monthly financial control reconciliations completed by the last business day of the following month.
Timeliness of Response to Messages Received by the Customer Counseling Center	The average response time is 0.50 business days.	The average response time is 0.40 business days.
Timeliness of Monthly Retirement Disbursements	100.00% of monthly retirement disbursements processed no later than the first business day of the month.	100.00% of monthly retirement disbursements processed no later than the first business day of the month.
Timeliness of Service Retirements Processed	98.00% of service retirements processed so that retiring members are set up to receive retirement benefits on the first retirement payment date for which they are eligible.	99.72% of service retirements processed so that retiring members are set up to receive retirement benefits on the first retirement payment date for which they are eligible.
Accuracy of Disability Retirements Processed	99.00% of disability retirements processed for which the corresponding benefit payment correctly reflects the member's service record.	100.00% of disability retirements processed for which the corresponding benefit payment correctly reflects the member's service record.
Timeliness of Employer Contribution Confirmations	99.00% of employer contribution confirmation snapshots are completed by the end of the month in which they are due.	99.93% of employer contribution confirmation snapshots are completed by the end of the month in which they are due.
Average Abandoned Call Rate	The number of abandoned calls is less than 7.00% of the total calls received by the CCC.	6.91% of calls were abandoned.
Planned IT System Availability	Critical business systems are available 99.50% of the time during periods of planned availability.	Critical business systems are available 99.96% of the time during periods of planned availability.
Employee Professional Development	90.00% of eligible full-time VRS administration employees receive at least 10 hours of professional development.	94.00% of eligible full-time VRS administration employees receive at least 10 hours of professional development.

Counseling, Education and Communications

In addition to these achievements, VRS staff provided counseling, education, workshops and training opportunities for members and employers throughout the state during fiscal year 2025:

- The **VRS Customer Contact Center** answered 233,752 calls and provided 13,587 email responses.
- The **Retirement Outreach Counseling Team** conducted 251 statewide retirement education sessions, including presentations, videoconferences and webinars, with a total of 8,091 attendees, visited 10 conferences with 2,025 attendees and participated in 101 benefit fairs attended by more than 8,800 active members. The team counseled 3,855 members, both in-person in our counseling center and virtually, a 40% increase over fiscal year 2024. This increase is attributed to efficient productivity and appointment management, added staff members and moving to a new location while maintaining walk-in services at our previous location. Outreach field representatives counseled 3,444 members in the field across Virginia and virtually, for a total of 7,299 member counseling sessions — an increase of 1,615

sessions over the previous fiscal year. In addition, the team completed 1,024 manual benefit estimate calculations.

- The **Hybrid Retirement Plan Counseling Team** conducted 24 Hybrid Plan Features & Benefits presentations with MissionSquare Retirement from July through December 2024, attended by 328 members. With the record keeper transition to Voya Financial in January 2025, an updated presentation was created and renamed “Understanding the Hybrid Retirement Plan”; 25 presentations were conducted by VRS Hybrid Retirement Plan counselors and attended by 398 Hybrid Retirement Plan members. There were 765 virtual counseling sessions and 287 in-person field appointments. Hybrid plan member counselors participated in 81 benefit fairs with 18,960 attendees. The team completed 61 manual benefit estimate calculations for hybrid plan members and responded to 1,590 hybrid plan member emails and 1,776 employer emails.
- The **Education and Training Team** provided 16 e-courses for employers, with 1,581 views and 1,038 completions; eight virtual training classes with 338 attendees; and 13 employer webinars with 226 attendees. For members, the team offered eight hybrid plan videos with 10,784 views and 4,993 completions; 18 myVRS videos with 17,123 views and 5,548 completions; and eight videos on special topics with 2,865 views and 728 completions.
- **Employer Relationship Managers** continued to conduct employer roundtables and employer site visits with a focus on the full scope of VRS products and services. In total, they conducted 74 employer site visits and 64 employer roundtables, with 1,831 participants (representing 609 employers) in attendance, and offered technical assistance and guidance to 669 new benefit administrators at participating employers.
 - Employer Relationship Managers coordinated nine actuarial studies, processed 16 new coverage items and added three new employers.
 - They assisted eight employers electing enhanced benefits for hazardous duty employees; six employers electing the enhanced retirement multiplier for hazardous duty employees; two employers electing the Group Life Insurance Program; one employer electing the Commonwealth of Virginia 457 Deferred Compensation Plan; two state agencies joining VaLORS for their firefighters and conservation officers; and one community college joining VaLORS for its campus police officers.
 - During the fiscal year, they implemented 221 critical shortage teacher, 65 critical shortage bus driver, 50 retired school security officer and five specialized student support positions through their continuing administration of the critical shortage program.
- **EDGE (Empower, Develop, Grow and Engage)**, our agency-wide, comprehensive professional development and training initiative, offered 60 courses with 925 enrollments during its second year. During the fiscal year, VRS awarded the first group of seven EDGE Level I Certifications, implemented Level II Certification criteria and aligned courses with employee engagement survey feedback.
- **Digital communications** remained a priority during fiscal year 2025. The communications team produced 21 videos, a 200% increase from the previous year’s total of seven. Videos received 40,093 views across all platforms, demonstrating the impact of strategic storytelling.
 - VRS had more than 4,000 LinkedIn followers as of June 30, 2025. In its second year, VRS’ YouTube channel grew to 424 subscribers at year-end, reflecting steady audience growth and engagement.
 - VRS’ three digital online newsletters – *Employer Update*, *Member News* and *Retiree News* – achieved an average open rate of 53% in fiscal year 2025, above the industry benchmark of 47%.

- The VRS website (varetire.org) received 1.5 million total visits. myVRS, the secure online member account portal, continued to be a top destination with 4.4 million visits.
- Website accessibility continued to surpass the government industry standard with a new average score of 89%.

Innovations

In fiscal year 2025, VRS successfully completed more than 19 critical projects that enhanced agency-wide security, efficiency, productivity and connectivity through cross-departmental collaboration.

A major milestone was the replacement of the agency's legacy network with a secure internet and private access solution built on industry-leading, cloud-based technology. This next-generation platform offers secure connectivity, comprehensive administrative oversight and a significantly improved user experience.

As part of the rollout, VRS integrated a remote support component, enabling service desk personnel to securely troubleshoot and resolve issues on any system or device, regardless of location. This capability has dramatically increased both the speed and effectiveness of support.

In support of system reliability and risk reduction, VRS launched a comprehensive discovery, management and remediation platform. This solution enhances system visibility and helps minimize downtime.

Process automation was expanded across multiple business units using a new technology solution and a secure electronic signature platform. These tools have improved operational efficiency and aligned with VRS' broader business objectives. Additionally, the agency adopted a best-practices framework for application lifecycle management.

Several agency-wide technology deployments, including an updated operating system, also contributed to substantial cost savings and operational improvements:

- A new mobile phone plan generating over \$70,000 in annual savings.
- The replacement of the agency's legacy voice system, simplifying support operations and reducing complexity, yielding an additional \$30,000 in annual savings.
- The implementation of chat, SMS and intelligent call routing capabilities at the customer contact center, integrated into the new voice platform.

To improve visitor management and security, VRS introduced a digital sign-in system at building entrances. This system provides real-time analytics and generates printable visitor badges to streamline check-ins.

To meet legislative requirements, the myVRS Navigator platform was updated to support changes related to the health insurance credit and the Virginia Law Officers' Retirement System (VaLORS). The agency also conducted several successful proofs of concept exploring the use of artificial intelligence and machine learning technologies.

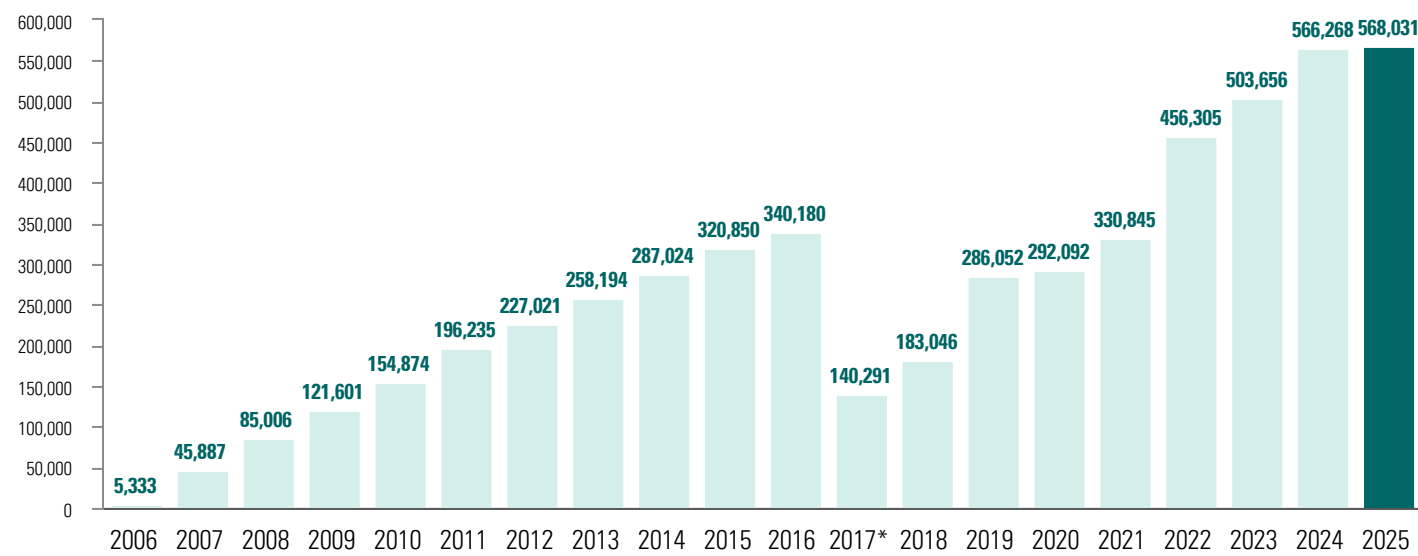
VRS formalized a technology governance program to ensure long-term scalability and fiscal responsibility. This program includes an architectural review committee, change management board and a project management organization, each focused on maintaining cost efficiency in the face of rising security tool expenditures.



The secure online **myVRS** system continues to attract users. During the fiscal year, myVRS continued to serve as a valuable resource for members and retirees:

- The cumulative number of user registrations as of June 30, 2025, was 568,031.
- In fiscal year 2025, there were 29,588 member and 4,517 retiree registrations.
- There was a total of 4,761 online retirements in fiscal year 2025, an increase over the 4,258 online retirement applications received in fiscal year 2024.
- Members continue to take advantage of the myVRS Retirement Planner and Benefit Estimator to plan their futures and adjust their savings goals, creating 228,373 retirement plans and 619,331 benefit estimates in fiscal year 2025.
- In fiscal year 2025, 2,295 retirees used the health insurance credit feature, 22,249 designated beneficiaries and 6,670 updated direct deposit information online.

myVRS USERS



* First-time and returning users of myVRS were required to register with enhanced security features in fiscal year 2017.

The **myVRS Financial Wellness** program, now in its ninth year, continues to help members make informed decisions on personal financial matters and spending wisely now while saving for the future. VRS’ nationally recognized program provides a customized customer experience, consistent with industry best practices for engaging users, in collaboration with our partner iGrad.

There were approximately 4,985 new registrations in myVRS Financial Wellness during fiscal year 2025, with 937 users completing the “Your Money Personality” assessment. A total of 2,447 users completed financial wellness checkups. Overall, myVRS Financial Wellness had 76,902 total platform users and logged 78,596 sessions during the fiscal year.

VRS’ partnership with the Department of Human Resources Management continued with monthly promotions included in each issue of its financial wellness program email to state employees. “What to Know When Buying a Car,” a video promoted in the state’s DHRM newsletter, received 27,428 views. “Getting Started with Budgeting” had 4,345 views and “Renting vs. Buying a Home: Key Factors to Consider” had 4,002 views.

Acknowledgments

In an increasingly dynamic and complex environment, VRS remains steadfast in its commitment to exceptional customer service, efficient benefits delivery and sound financial stewardship. Our mission is rooted in understanding and addressing the evolving needs of those we serve, and we prioritize a personalized approach that builds trust, enhances satisfaction and strengthens our relationships with members, retirees and beneficiaries.

Guided by an unwavering focus on fiscal responsibility, we consistently pursue opportunities to streamline operations, reduce administrative overhead and improve service delivery through strategic use of technology. These efforts support the effective allocation of resources and the long-term sustainability of our mission without compromising service quality.

We recognize that informed decision-making is essential to financial well-being. To that end, VRS invests in education and communication initiatives that empower members to better understand their benefits and plan for their futures with confidence. Through technology, we have developed adaptable resources and counseling programs tailored to individual needs, designed to simplify complex topics and promote financial literacy.

Together, these initiatives form the foundation of a forward-looking operational framework focused on accountability, innovation and member service excellence. We are proud of our progress and remain committed to continuous improvement, always keeping the member experience at the forefront.

We extend our sincere appreciation to all who contribute to VRS' continuity and stability: our dedicated staff, the Board of Trustees, valued business partners and participating employers. We are especially grateful to Governor Glenn Youngkin and the members of the General Assembly for their continued leadership and commitment to the financial security of our members, retirees and beneficiaries.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patricia S. Bishop", written in a cursive style.

Patricia S. Bishop

Director



Virginia
Retirement
System®

Financial Section

Financial Section

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements:

VRS Statement of Fiduciary Net Position: Defined Benefit Pension Trust Funds, Other Employee Benefit Trust Funds and Other Custodial Plans

VRS Statement of Changes in Fiduciary Net Position: Defined Benefit Pension Trust Funds, Other Employee Benefit Trust Funds and Other Custodial Plans

VRS Combining Statement of Fiduciary Net Position

VRS Combining Statement of Changes in Fiduciary Net Position

VRS Statement of Fiduciary Net Position: Defined Benefit Pension Trust Funds

VRS Statement of Changes in Fiduciary Net Position: Defined Benefit Pension Trust Funds

VRS Combining Statement of Fiduciary Net Position: Other Employee Benefit Trust Funds

VRS Combining Statement of Changes in Fiduciary Net Position: Other Employee Benefit Trust Funds

Retiree Health Insurance Credit Combining Statement of Fiduciary Net Position

Retiree Health Insurance Credit Combining Statement of Changes in Fiduciary Net Position

VLDP Combining Statement of Fiduciary Net Position

VLDP Combining Statement of Changes in Fiduciary Net Position

Notes to Financial Statements

Schedule of Employers' Net Pension Liability by System and Plan

Schedule of Actuarial Methods and Significant Assumptions: Pension Plans

Schedule of Impact of Changes in Discount Rate: Pension Plans

Schedule of Participating Employers: OPEB Plans

Schedule of Employers' Net OPEB Liability by Program and Plan

Schedule of Actuarial Methods and Significant Assumptions: OPEB Plans

Schedule of Impact of Changes in Discount Rate: LODA Plan

Schedule of Impact of Changes in Health Care Trend Rate: LODA Plan

Schedule of Impact of Changes in Discount Rate: Non-LODA OPEB Plans

Required Supplementary Schedule of Changes in Employers' Net Pension Liability: VRS State

Required Supplementary Schedule of Changes in Employers' Net Pension Liability: VRS Teacher

Required Supplementary Schedule of Changes in Employers' Net Pension Liability: VRS Political Subdivisions

Required Supplementary Schedule of Changes in Employers' Net Pension Liability: SPORS

Required Supplementary Schedule of Changes in Employers' Net Pension Liability: VaLORS

Required Supplementary Schedule of Changes in Employers' Net Pension Liability: JRS

Required Supplementary Schedule of Employer Contributions: Pension Plans

Required Supplementary Schedule of Investment Returns

Required Supplementary Schedule of Changes in Employers' Net OPEB Liability and Related Ratios

Required Supplementary Schedule of Employer Contributions: OPEB Plans

Schedule of Fiduciary Net Position: Other Custodial Plans

Schedule of Changes in Fiduciary Net Position: Other Custodial Plans

Schedule of Investment Expenses

Schedule of Administrative Expenses

Schedule of Professional and Consulting Services



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

December 15, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Trustees
Virginia Retirement System

Patricia S. Bishop
Director, Virginia Retirement System

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Virginia Retirement System (System), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of June 30, 2025, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

Relationship to the Commonwealth of Virginia

As discussed in Note 1, the basic financial statements of the System are intended to present the financial position and the changes in financial position of only that portion of the aggregate remaining fund information of the Commonwealth of Virginia that is attributable to the transactions of the System. They do not purport to, and do not, present fairly the Commonwealth of Virginia's overall financial position as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Correction of 2024 Financial Statements

As discussed in Note 1 of the accompanying financial statements, the fiscal year 2024 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matter

Report on Summarized Comparative Information

We have previously audited the System's 2024 financial statements, and we expressed an unmodified audit opinion on the respective financial statements in our report dated December 11, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived, except where revised to correct securities lending amounts as discussed in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements: Management's Discussion and Analysis on pages 35 through 45 and the Schedules of Changes in Employers' Net Pension Liability, Schedule of Employer Contributions for Pension Plans, Schedule of Investment Returns, Schedules of Changes in Employers' Net Other Post-Employment Benefit (OPEB) Liability and Related Ratios, and Schedule of Employer Contributions for Other Post-Employment Benefit (OPEB) Plans on pages 121 through 160. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The accompanying supplementary information, such as the Schedule of Fiduciary Net Position for Other Custodial Plans, Schedule of Changes in Fiduciary Net Position for Other Custodial Plans, and Schedules of Investment Expenses, Administrative Expenses, and Professional and Consulting Services, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Fiduciary Net Position for Other Custodial Plans, Schedule of Changes in Fiduciary Net Position for Other Custodial Plans, and Schedules of Investment Expenses, Administrative Expenses, and Professional and Consulting Services are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Financial and Statistical Highlights for All Pension Trust Funds and the Introductory, Investment, Actuarial, and Statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 15, 2025, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. We anticipate releasing that report in January 2026. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Staci A. Henshaw

AUDITOR OF PUBLIC ACCOUNTS

EMS/clj

The Virginia Retirement System (the System) administers pension and other employee benefit plans for approximately 861,171 members, retirees and beneficiaries. The purpose of the Financial Section is to present the plans' net position and changes in net position for the fiscal year through the audited Basic Financial Statements. In support of this information, the Financial Section includes Management's Discussion and Analysis of activity affecting the plans and the operations of the System during the current and previous fiscal years. It also includes the Notes to Financial Statements, providing additional detail about the statements, as well as required schedules and supplemental items regarding historical information and the administration of the plans.

Management's Discussion and Analysis (Unaudited)

Management's Discussion and Analysis provides highlights of the funding of the plans and the performance and operations of the System for the fiscal year ended June 30, 2025. The information provided in the Introductory, Investment, Actuarial and Statistical sections complements this discussion.

The System administers two defined benefit retirement benefit structures, Plan 1 and Plan 2, and a hybrid retirement benefit structure. While all of the following systems have employees with Plan 1 and Plan 2 benefits, only the VRS and JRS systems have employees with hybrid benefits. All of these systems are defined as pension trust funds:

- Virginia Retirement System (VRS) for state employees, teachers, other eligible school division employees, employees of participating political subdivisions and other qualifying employees.
- State Police Officers' Retirement System (SPORS) for state police officers.
- Virginia Law Officers' Retirement System (VaLORS) for non-local government Virginia law officers other than state police officers.
- Judicial Retirement System (JRS) for judges of state courts of record, state district courts and other qualifying employees.

The System also administers the Group Life Insurance Fund, Retiree Health Insurance Credit Fund, a Disability Insurance Trust Fund for state employees, a Disability Insurance Trust Fund for

local government employees and the Line of Duty Act Trust Fund. All of these funds are defined as other employee benefit trust funds. Both the pension and other employee benefit trust funds are classified as fiduciary funds.

The system also has full investment responsibility for other custodial funds, which include the Commonwealth Health Research Fund (CHRF), the Commonwealth's Attorneys Training Fund (CATF), the Volunteer Firefighters' and Rescue Squad Workers' Service Award Program (VolSAP) and the VRS Investment Portfolio (VRSIP).

FINANCIAL HIGHLIGHTS

- The combined total net position of the trust funds restricted for benefits was \$124.0 billion at June 30, 2025, representing an increase of \$9.8 billion, or 8.5%, from the net position as of June 30, 2024.
- The System's time-weighted rate of return on investments during the fiscal year ended June 30, 2025, was 9.9% compared to a return of 9.9% for the fiscal year ending June 30, 2024. The increase was due primarily to the performance of public stock markets.
- The latest valuations of the pension plans were performed by Gabriel, Roeder, Smith & Company, using the GASB Statement No. 67 calculation processes. Using the June 30, 2024, data rolled forward to June 30, 2025, the plan fiduciary net position as a percentage of the total pension liability was 85.75% for the VRS state plan, 86.37% for the VRS teacher plan, 95.36% for the aggregate total of the VRS political subdivision plans, 77.05% for SPORS, 78.39% for VaLORS and 89.83% for JRS. This

compares to the June 30, 2023, data rolled forward to June 30, 2024, when the plan fiduciary net position as a percentage of the total pension liability was 83.45% for the VRS state plan, 84.52% for the VRS teacher plan, 92.41% for the aggregate total of the VRS political subdivision plans, 74.34% for SPORS, 75.7% for VaLORS and 88.35% for JRS.

- Gabriel, Roeder, Smith & Company also performed the latest actuarial valuations for the Other Post-Employment Benefit (OPEB) plans using the GASB Statement No. 74 calculation processes. Using the June 30, 2024, data rolled forward to June 30, 2025, the plan fiduciary net position as a percentage of the total OPEB liability was 78.30% for the Group Life Insurance Fund, 42.19% for the state employee Health Insurance Credit, 27.18% for the teacher employee Health Insurance Credit, 69.03% for the aggregate total of the VRS political subdivision plans for Health Insurance Credit, 41.12% for the state-funded Health Insurance Credit for constitutional officers, 49.80% for the state-funded Health Insurance Credit for social services employees, and 74.66% for the state-funded Health Insurance Credit for registrars. In addition, the plan fiduciary net position as a percentage of the total OPEB liability was 234.55% for the Disability Insurance Program and 1.29% for the Line of Duty Act plan. The Virginia Local Disability Program plans for teachers and political subdivisions were 97.27% and 128.96%, respectively.
- This compares to the June 30, 2023, data rolled forward to June 30, 2024, when the plan fiduciary net position as a percentage of the total OPEB liability was 73.41% for the Group Life Insurance Fund, 35.17% for the state employee Health Insurance Credit, 21.82% for the teacher employee Health Insurance Credit, 62.13% for the aggregate total of the VRS political subdivision plans for Health Insurance Credit, 34.54% for the state-funded Health Insurance Credit for constitutional officers, 42.72% for the state-funded Health Insurance

Credit for social services employees, and 56.77% for the state-funded Health Insurance Credit for registrars. In addition, the plan fiduciary net position as a percentage of the total OPEB liability was 204.38% for the Disability Insurance Program and 1.22% for the Line of Duty Act plan. The Virginia Local Disability Program plans for teachers and political subdivisions were 107.03% and 129.49%, respectively.

Overview of the Financial Statements and Accompanying Information

The pension components of the fiscal year 2025 VRS financial statements, notes to the financial statements and required supplementary information were prepared in conformity with GASB Statement No. 67, *Financial Reporting for Pension Plans*, as modified by GASB Statement No. 82, *Pension Issues*. The Other Post-Employment Benefit (OPEB) components of the fiscal year 2025 financial statements, notes to the financial statements and required supplementary information were prepared in conformity with GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, as modified by GASB Statement No. 85, *Omnibus 2017*.

BASIC FINANCIAL STATEMENTS. The System presents the Basic Financial Statements for the year ended June 30, 2025, with comparative information from the previous fiscal year. In addition, a set of pension combining statements shows the amounts attributable to pension trust funds as well as the state, teacher and local plans included in the VRS totals. There is also a set of OPEB combining statements for the Health Insurance Credit and Virginia Local Disability Program to show the specific amounts attributed to the plans included in the totals. The statements were prepared on the accrual basis of accounting and are used to account for the resources the System administers on behalf of plan members and beneficiaries.

These statements include:

- **Statement of Fiduciary Net Position: Pension, Other Employee Benefit Trust Funds and Custodial Plans.** This statement reflects the balance of the resources available to pay benefits to members, retirees and beneficiaries at the end of the fiscal year.
- **Statement of Changes in Fiduciary Net Position: Pension, Other Employee Benefit Trust Funds and Custodial Plans.** This statement reflects the changes in the resources available to pay benefits to members, retirees and beneficiaries during the fiscal year.

A summary of the Basic Financial Statements is presented in Figures 2.1 and 2.2. The full statements follow Management's Discussion and Analysis.

NOTES TO FINANCIAL STATEMENTS. The Notes to Financial Statements provide detailed information and are integral to the Basic Financial Statements.

REQUIRED SUPPLEMENTARY SCHEDULES. These schedules include:

- Required Supplementary Schedules of Changes in Employers' Net Pension Liability
- Required Supplementary Schedule of Employer Contributions: Pension Plans
- Required Supplementary Schedule of Investment Returns
- Required Supplementary Schedule of Changes in Employers' Net Other Post-Employment Benefit Liability
- Required Supplementary Schedule of Employer Contributions: Other Post-Employment Benefit Plans

ADDITIONAL FINANCIAL INFORMATION. The following schedules provide additional information not included in the Basic Financial Statements:

- Schedule of Fiduciary Net Position: Other Custodial Plans
- Schedule of Changes in Fiduciary Net Position: Other Custodial Plans
- Schedule of Investment Expenses
- Schedule of Administrative Expenses
- Schedule of Professional and Consulting Services

FIGURE 2.1: SUMMARY OF FIDUCIARY NET POSITION

AT JUNE 30

(EXPRESSED IN MILLIONS)

	2025	Increase (Decrease)	2024	Increase (Decrease)	2023
Assets:					
Cash, Receivables and Capital Assets	\$ 8,110.2	\$ 3,058.7	\$ 5,051.5	\$ (588.8)	\$ 5,640.3
Investments	128,579.4	12,096.7	116,482.7	8,645.8	107,836.9
Security Lending Collateral	4,321.2	185.3	4,135.9	409.2	3,726.7
Total Assets	141,010.8	15,340.7	125,670.1	8,466.2	117,203.9
Liabilities:					
Accounts Payable and Other Payables	816.6	45.8	770.8	512.7	258.1
Investment Purchases Payable	10,381.2	4,096.4	6,284.8	(1,000.8)	7,285.6
Obligations Under Securities Lending	5,771.2	1,434.9	4,336.3	609.2	3,727.1
Total Liabilities	16,969.0	5,577.1	11,391.9	121.1	11,270.8
Total Net Position – Restricted for Benefits	\$ 124,041.8	\$ 9,763.6	\$ 114,278.2	\$ 8,345.1	\$ 105,933.1

FIGURE 2.2: SUMMARY OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEARS ENDED JUNE 30

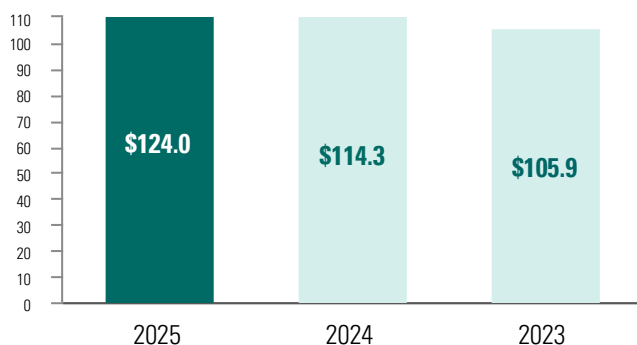
(EXPRESSED IN MILLIONS)

	2025	Increase (Decrease)	2024	Increase (Decrease)	2023
Additions:					
Member Contributions	\$ 1,382.9	\$ 58.8	\$ 1,324.1	\$ 103.9	\$ 1,220.2
Employer Contributions	3,956.0	64.1	3,891.9	324.9	3,567.0
Special Employer Contributions	—	(55.1)	55.1	(61.6)	116.7
Non-employer Contributing Entity	—	—	—	(158.5)	158.5
Net Investment Income	11,993.6	1,760.3	10,233.3	3,722.2	6,511.1
Miscellaneous Revenue & Transfers	4.8	(1.6)	6.4	(0.5)	6.9
Total Additions	17,337.3	1,826.5	15,510.8	3,930.4	11,580.4
Deductions:					
Retirement Benefits	6,837.3	366.2	6,471.1	427.8	6,043.3
Refunds of Member Contributions	128.2	6.1	122.1	(5.0)	127.1
Insurance Premiums and Claims	275.4	22.6	252.8	(3.7)	256.5
Retiree Health Insurance Credit Reimbursements	190.1	6.8	183.3	1.9	181.4
Disability Insurance Benefits	43.8	(0.1)	43.9	0.9	43.0
Line of Duty Act Reimbursements	18.8	2.3	16.5	0.8	15.7
Administrative and Other Expenses	80.1	4.1	76.0	3.0	73.0
Total Deductions	7,573.7	408.0	7,165.7	425.7	6,740.0
Net Increase (Decrease) in Net Position	9,763.6	1,418.5	8,345.1	3,504.7	4,840.4
Net Position – Beginning of Year	114,278.2	8,345.1	105,933.1	4,840.4	101,092.7
Net Position – End of Year	\$124,041.8	\$ 9,763.6	\$114,278.2	\$ 8,345.1	\$105,933.1

SYSTEM NET POSITION

AT JUNE 30

(EXPRESSED IN BILLIONS)



Analysis of Financial Activities – Pension Plans

The System's funding objective is to meet its long-term benefit obligations through investment income and contributions. Accordingly, the collection of contributions and the income from investments provide the reserves needed to finance the benefits provided under the plans.

MEMBERS, RETIREES, BENEFICIARIES AND EMPLOYERS

Approximately 378,060 active members were employed with 864 VRS-participating employers as of June 30, 2025. The number of retirees and other annuitants totaled approximately 244,738 at year-end. The distribution of active members, retirees and beneficiaries, and employers is shown in Figures 2.3, 2.4 and 2.5.

FIGURE 2.3: DISTRIBUTION OF ACTIVE MEMBERS

AT JUNE 30

	2025		2024		2023	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
State Employees (VRS)	83,148	22.0%	81,977	22.3%	79,064	22.2%
Teachers (VRS)	160,800	42.5%	156,377	42.5%	152,954	43.0%
Political Subdivision Employees (VRS)	124,264	32.9%	119,828	32.6%	114,599	32.1%
State Police Officers (SPORS)	1,894	0.5%	1,877	0.5%	1,917	0.5%
Virginia Law Officers (VaLORS)	7,484	2.0%	7,255	2%	7,524	2.1%
Judges (JRS)	470	0.1%	469	0.1%	457	0.1%
Total Members	378,060	100.0%	367,783	100.0%	356,515	100.0%

Additional information about the membership is presented in Note 2 and in the Statistical Section.

FIGURE 2.4: DISTRIBUTION OF RETIREES AND BENEFICIARIES

AT JUNE 30

	2025		2024		2023	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
State Employees (VRS)	63,265	25.9%	62,719	26.1%	62,292	26.6%
Teachers (VRS)	106,612	43.6%	104,834	43.5%	102,346	43.2%
Political Subdivision Employees (VRS)	66,679	27.2%	65,154	27.1%	63,631	26.8%
State Police Officers (SPORS)	1,509	0.6%	1,460	0.6%	1,533	0.7%
Virginia Law Officers (VaLORS)	6,138	2.5%	5,960	2.5%	5,853	2.5%
Judges (JRS)	535	0.2%	522	0.2%	553	0.2%
Total Retirees and Beneficiaries	244,738	100.0%	240,649	100.0%	236,208	100.0%

Additional information about retirees and beneficiaries is presented in the Statistical Section.

FIGURE 2.5: DISTRIBUTION OF EMPLOYERS

AT JUNE 30

	2025	2024	2023
Cities and Towns	168	163	163
Counties	93	93	93
School Boards*	142	142	142
Special Authorities	219	214	213
State Agencies	242	228	225
Total Employers	864	840	836

* Of the 142 school boards, 131 also provide coverage for non-teacher employees and are treated as political subdivisions. A list of VRS-participating employers and additional employer information is presented in the Statistical Section.

CONTRIBUTIONS AND INVESTMENT EARNINGS

The retirement benefits provided by the plans are funded from pension trust fund revenue. As shown in Figure 2.6, the primary sources of revenue are contributions for active members made by members or their employers, contributions from employers and investment income generated from the investment of plan assets.

Total contributions and investment earnings for the year ended June 30, 2025, amounted to \$16,165.2 million. This was an increase of \$1,788.2 million when compared with the activity for fiscal year 2024. It was also higher than the contributions and investments earnings of \$10,682.5 million recorded in fiscal year 2023.

For fiscal year 2025, member contributions increased by \$69.7 million. The increase in the member contribution level reflects an increase in total active members as well as increases in covered payroll.

For fiscal year 2025, employer contributions increased by \$58.2 million, due primarily to increases in the total active members and covered

payroll amounts. The total of all contributions represented an increase of \$127.9 million from fiscal year 2024. Employer contributions for pensions are discussed further in Notes 2 and 13.

During fiscal year 2024, the System experienced an increase in total member contributions of \$86.3 million and an increase in employer contributions of \$284.5 million. The increase in member and employer contributions was due primarily to increases in the covered payroll amounts. The System received no additional special contributions in the pension funds from the Commonwealth for fiscal year 2024.

INVESTMENTS

The System holds contributions from members and employers in a commingled pool, which is invested to provide for the payment of current and future benefits to members when they retire. Each plan – state, teacher, political subdivisions, SPORS, VaLORS and JRS – owns an equity position in the pool and receives a proportionate share of the total investment income or loss from the pool on a monthly basis.

FIGURE 2.6: SUMMARY OF PENSION CONTRIBUTIONS, INVESTMENT EARNINGS AND MISCELLANEOUS REVENUES

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN MILLIONS)

	2025	Increase (Decrease)	2024	Increase (Decrease)	2023
Member Contributions	\$ 1,187.3	\$ 69.7	\$ 1,117.6	\$ 86.3	\$ 1,031.3
Employer Contributions	3,502.6	58.2	3,444.4	284.5	3,159.9
Special Employer	—	—	—	(85.4)	85.4
Non-employer Contributing Entity	—	—	—	(147.5)	147.5
Net Investment Income	11,472.4	1,659.3	9,813.1	3,557.1	6,256.0
Miscellaneous Revenue and Transfers	2.9	1.0	1.9	(0.5)	2.4
Total Contributions, Investment Earnings and Miscellaneous Revenues	\$ 16,165.2	\$ 1,788.2	\$ 14,377.0	\$ 3,694.5	\$ 10,682.5

As shown in Figure 2.6, net investment income for fiscal year 2025 of \$11,472.4 million represented an increase of \$1,659.3 million from fiscal year 2024. This compares with the net investment income increase of \$3,557.1 million in fiscal year 2024. Total pension trust fund investments were \$122,932.7 million at fair value at June 30, 2025. This was an increase of \$11,348.8 million from the fair value of \$111,583.9 million at June 30, 2024. The total pension trust fund investments increased in fiscal year 2024 by \$8,013.3 million from their fair value of \$103,570.6 million at June 30, 2023. The total return on pension trust fund investments for the year ended June 30, 2025, was 9.9%. This represents an annualized return of 8.6% over the past three years and 10.4% over the past five years. An explanation of investment policies and strategies as well as the portfolio's composition is included in the Investment Section. A review of investment activity and results for fiscal year 2025 also is provided in that section.

EXPENSES – DEDUCTIONS FROM PLAN NET POSITION

As shown in Figure 2.7, the primary expenses of the pension trust funds include annuity benefits for retirees and beneficiaries, refunds of contributions to former members and expenses associated with the administration of the retirement plans. Expenses for fiscal year 2025 totaled \$7,033.0 million, an increase of \$373.8 million, or 5%, over the 2024 period.

Benefit payments were \$6,837.3 million in fiscal year 2025. This is an increase of \$366.2 million

compared to an increase of \$427.8 million in fiscal year 2024. The increase in fiscal year 2025 was due to continued growth in the number of retirees and beneficiaries receiving benefits. The fiscal year 2025 benefit payments also reflect a cost-of-living adjustment (COLA) of 3.56% for Plan 1 retirees and 3.00% for Plan 2 and hybrid plan retirees effective July 1, 2024.

Refunds of contributions to members who terminated employment during fiscal year 2025 amounted to \$128.0 million (10,941 refunds), compared with \$121.5 million refunded (10,084 refunds) during fiscal year 2024 and \$125.0 million refunded (11,536 refunds) during fiscal year 2023.

The change during fiscal year 2025 reflects a slight increase in the volume of refunds and a slight decrease in the average refund amount compared to fiscal year 2024.

Administrative and other expenses for fiscal year 2025 were \$67.7 million, compared with \$66.6 million for fiscal year 2024 and \$63.6 million for fiscal year 2023.

Administrative and other expenses increased by \$1.1 million for fiscal year 2025. This compares to an increase in fiscal year 2024 of \$3.0 million. The increase for fiscal year 2025 was primarily due to an increase in personnel-related expenses. Further details are provided in the Schedule of Administrative Expenses following the Required Supplementary Schedules.

FIGURE 2.7: SUMMARY OF PENSION PLAN PRIMARY EXPENSES

FOR THE YEARS ENDED JUNE 30

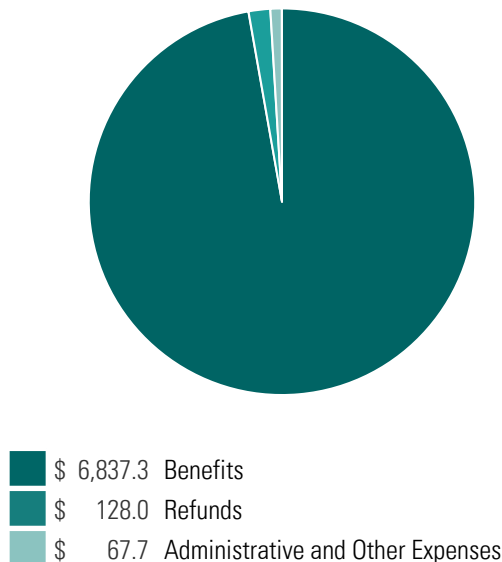
	2025	Increase (Decrease)	2024	Increase (Decrease)	2023
Benefits	\$ 6,837.3	\$ 366.2	\$ 6,471.1	\$ 427.8	\$ 6,043.3
Refunds	128.0	6.5	121.5	(3.5)	125.0
Administrative and Other Expenses	67.7	1.1	66.6	3.0	63.6
Total Primary Expenses	\$ 7,033.0	\$ 373.8	\$ 6,659.2	\$ 427.3	\$ 6,231.9

(EXPRESSED IN MILLIONS)

PENSION PLAN ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN MILLIONS)



RETIREMENT RESERVES

The funds accumulated by the pension plans to meet current and future obligations to retirees and beneficiaries are derived from the excess of revenues over expenses. The higher the level of funding a plan achieves, the larger the accumulation of assets and the greater the investment income potential.

As shown in Figure 2.8, expenses were lower than revenue for fiscal year 2025, leading to a net increase of \$9,132.3 million in the retirement reserves held by the plans.

This follows an increase of \$7,717.8 million in the retirement reserves in fiscal year 2024. The increase

for fiscal year 2025 is primarily due to an increase in investment income and total contributions, exceeding the increase in benefit expenses from 2024 to 2025.

ACTUARIAL VALUATIONS AND FUNDING PROGRESS – PENSION PLANS

The System's actuarial firm performs actuarial valuations of VRS, SPORS, VaLORS and JRS at least every two years to determine funding requirements. The funding policy provides for periodic employer contributions at actuarially determined rates that will remain relatively level over time as a percentage of payroll and will accumulate sufficient assets to meet the costs of all benefits when due.

The latest valuations of the pension plans were performed by Gabriel, Roeder, Smith & Company using the GASB Statement No. 67 calculation processes. Using the June 30, 2024, data rolled forward to June 30, 2025, the plan fiduciary net position as a percentage of the total pension liability was 85.75% for the VRS state plan, 86.37% for the VRS teacher plan, 95.36% for the aggregate total of the VRS political subdivision plans, 77.05% for SPORS, 78.39% for VaLORS and 89.83% for JRS.

The valuations reflect full pre-funding of the statutory cost-of-living adjustment (COLA) for retirees as well as other changes required in GASB Statement No. 67. Additional information on plan funding is presented in Note 2 and in the Actuarial Section.

FIGURE 2.8: SUMMARY OF PENSION PLAN RESERVE BALANCES

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN MILLIONS)

	2025	Increase (Decrease)	2024	Increase (Decrease)	2023
Member Reserves	\$ 17,137.2	\$ 714.8	\$ 16,422.4	\$ 576.9	\$ 15,845.5
Employer Reserves	101,528.9	8,417.5	93,111.4	7,140.9	85,970.5
Total	\$ 118,666.1	\$ 9,132.3	\$ 109,533.8	\$ 7,717.8	\$ 101,816.0

These balances also reflect transfers between the Member and Employer Reserves for interest credited to member accounts and member contributions transferred to the Employer Reserve upon a member's retirement. For fiscal year 2025, the amount of interest credited to member accounts was \$626.8 million, and the amount of member balances transferred to the Employer Reserve for retirements was \$982.3 million. For fiscal year 2024, the interest and retirement transfers were \$602.6 million and \$1,032.4 million, respectively.

Analysis of Financial Activities – Other Employee Benefit Plans

GROUP LIFE INSURANCE PROGRAM

The VRS Group Life Insurance Program provides basic group life insurance coverage for natural death, accidental death, accidental dismemberment and other life insurance benefits to the majority of members covered under the pension plans, as well as to other qualifying employees. Employers and their covered employees pay the premiums for group life insurance coverage; many employers pay the employee's portion.

During fiscal year 2025, the System remitted \$275.4 million to the insurer for claims and administrative costs. This is an increase from the \$252.8 million remitted for fiscal year 2024. Approximately 368,850 active members were covered under the Group Life Insurance Program at June 30, 2025.

The difference between the amounts collected and paid by the System is added to the reserve established to pre-fund group life insurance coverage for retirees. The reserve had a fiduciary net position restricted for benefits of \$3,471.1 million at June 30, 2025.

Investment income, including net securities lending income, was \$345.2 million during the fiscal year. For fiscal year 2024, this reserve had investment income of \$282.8 million and ended the year with a reserve balance of \$3,080.1 million, an increase from the balance of \$2,707.7 million at June 30, 2023.

For fiscal year 2025, the increase in the reserve balance was primarily the result of contributions and net investment income exceeding other expenses. Employer contributions for the Group Life Insurance Program are discussed further in Note 13.

Approximately 235,040 retirees were covered under the Group Life Insurance Program at June 30, 2025.

Members covered under the Basic Group Life Insurance Program are eligible to elect additional

coverage through the Optional Group Life Insurance Program. This program provides life insurance, accidental death and accidental dismemberment coverage as a supplement to the basic group plan. Members also may cover their spouses and dependent children. Members pay the premiums through payroll deduction.

Approximately 65,514 active members and 3,436 retirees were enrolled in the Optional Group Life Insurance Program at June 30, 2025. Additional information about the Group Life Insurance Program is provided in Note 3.

RETIREE HEALTH INSURANCE CREDIT PROGRAM

The Retiree Health Insurance Credit Program provides a tax-free reimbursement for the portion of health insurance premiums eligible retirees pay for single coverage under qualifying health insurance plans. During fiscal year 2025, the System collected \$261.0 million in retiree health insurance credit contributions from participating employers and provided reimbursements to retirees of \$190.1 million. During fiscal year 2024, the System collected \$245.4 million in retiree health insurance credit contributions from participating employers and provided reimbursements of \$183.3 million. The Commonwealth provided an additional \$55.1 million of special contributions in 2024.

The contribution rate for the teacher employer group was the fully actuarially determined rate of 1.21% for fiscal year 2025 and 1.21% for fiscal year 2024. Employer contributions for the Retiree Health Insurance Credit Program are discussed further in Note 13. The Retiree Health Insurance Credit Fund reserve had a fiduciary net position restricted for benefits of \$929.0 million at June 30, 2025. Investment income, including net securities lending income, was \$83.9 million for the fiscal year. The reserve balances at June 30, 2024, and June 30, 2023, were \$775.4 million and \$599.9 million, respectively. Approximately 144,007 retirees were receiving the health insurance credit at June 30, 2025. Additional information is provided in Note 3.

VIRGINIA SICKNESS AND DISABILITY PROGRAM

The Virginia Sickness and Disability Program (VSDP), also known as the Disability Insurance Trust Fund, provides eligible state employees with sick, family and personal leave, and short-term and long-term disability benefits for non-work-related and work-related illnesses and injuries. The System is responsible for administering the disability program and the payment of long-term disability benefits.

Employers are responsible for administering the leave program and the payment of short-term disability benefits. During fiscal year 2025, the System collected \$30.8 million in VSDP contributions from participating employers and paid disability premiums and benefits of \$37.5 million. This is a decrease from the \$38.2 million in benefits paid in fiscal year 2024.

Administrative expenses and other expenses increased from fiscal year 2024. Employer contributions for VSDP are discussed further in Note 13.

The benefit costs reflect continued stability in the number of members receiving long-term disability benefits, the amount of these benefits, the costs of the long-term care benefits and the operating costs of the program. The Disability Insurance Trust Fund reserve had a fiduciary net position restricted for benefits of \$758.7 million at June 30, 2025. Investment income, including net securities lending income, was \$72.4 million during the fiscal year. The reserve balances at June 30, 2024, and June 30, 2023, were \$692.9 million and \$634.8 million, respectively. At June 30, 2025, approximately 85,257 active members were participating in the program and approximately 2,097 former members were receiving benefits. Additional information is provided in Note 3.

LINE OF DUTY ACT PROGRAM

The Line of Duty Act Program became part of the System in fiscal year 2011. Beginning July 1, 2017, the program was restructured and the responsibility for its operations were transferred from the Commonwealth of Virginia's Department of Accounts (DOA) to the System. The program

provides death and health insurance benefits for eligible state employees and local government employees, including volunteers, who die or become disabled as the result of the performance of their duties as a public safety officer. The System is responsible for the review of all claims, determination of eligibility and case management. For participants in the program, the System is also responsible for identifying eligible individuals, having the VRS actuary prepare an actuarial valuation, collecting contributions, paying the Commonwealth of Virginia's Department of Human Resource Management health insurance premiums for covered eligible individuals and managing the assets of the program.

During fiscal years 2025 and 2024, the System collected \$18.3 million and \$15.1 million in contributions, respectively. In fiscal 2025, the System paid out \$18.9 million in benefits provided by this program. This is an increase in benefit costs from the \$16.5 million for fiscal year 2024. This reflects the impact of continued stabilization of the program's participation and claims levels. The reserve balance at June 30, 2025, was \$5.0 million, an increase from the reserve balance of \$4.8 million at June 30, 2024. Additional information is provided in Note 3.

VIRGINIA LOCAL DISABILITY PROGRAM

The Virginia Local Disability Program (VLDP) was a new program for the System in fiscal year 2014. The program provides eligible local government employees who are members of the Hybrid Retirement Plan with sick, family and personal leave and short-term and long-term disability benefits for non-work-related and work-related illnesses and injuries. The System is responsible for administering the disability program and the payment of long-term disability benefits. Employers are responsible for administering the leave program and the payment of short-term disability benefits.

During fiscal year 2025, the System collected \$12.6 million in contributions and paid out \$6.4 million in benefits provided by this program. During fiscal year 2024, the System collected \$11.8 million in contributions and paid out \$5.6 million in benefits

provided by the program. At June 30, 2025, approximately 41,842 active members were participating in the program and approximately 176 former members were receiving benefits. Additional information is provided in Note 3.

ACTUARIAL VALUATIONS AND FUNDING PROGRESS – OTHER EMPLOYEE BENEFIT PLANS

The System's actuarial firm performs actuarial valuations of the Group Life Insurance Program, the Retiree Health Insurance Credit Program, the Disability Insurance Program, the Virginia Local Disability Program and the Line of Duty Act Program at least every two years to determine funding requirements. The funding policy provides for periodic employer contributions at actuarially determined rates that will remain relatively level over time as a percentage of payroll and will accumulate sufficient assets to meet the costs of all benefits when due.

The latest valuations of the Other Post-Employment Benefit (OPEB) plans were performed by Gabriel, Roeder, Smith & Company using GASB Statement No. 74 calculation processes. Using the June 30, 2024, data rolled forward to June 30, 2025, the plan fiduciary net position as a percentage of the total OPEB liability was 78.30% for the Group Life Insurance Fund, 42.19% for the state employee Health Insurance Credit, 27.18% for the teacher employee Health Insurance Credit, 69.03% for the aggregate total of the political subdivision plans for Health Insurance Credit, 41.12% for the state-funded Health Insurance Credit for constitutional officers, 49.80%

for the state-funded Health Insurance Credit for social services employees, and 74.66% for the state-funded Health Insurance Credit for registrars. In addition, the plan fiduciary net position as a percentage of the total OPEB liability was 234.55% for the Disability Insurance Program and 1.29% for the Line of Duty Act Program. The Virginia Local Disability Program plans for teachers and political subdivisions were 97.27% and 128.96%, respectively. The valuations reflect all of the changes required in GASB Statement No. 74.

Market Variability

The System's investment performance for the fiscal year ended June 30, 2025, was 9.9%, and there was an increase in the net position restricted for benefits. The amount of assets and reserves required to meet future obligations is based, in part, on estimated or expected long-term investment returns. Although management cannot predict future market returns, the changes in assets reflect the variability in the market.

REQUEST FOR INFORMATION

This financial report is designed to provide an overview of the System's finances. Questions concerning the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Virginia Retirement System, P.O. Box 2500, Richmond, VA 23218-2500.

VIRGINIA RETIREMENT SYSTEM STATEMENT OF FIDUCIARY NET POSITION:

DEFINED BENEFIT PENSION TRUST FUNDS, OTHER EMPLOYEE BENEFIT TRUST FUNDS AND OTHER CUSTODIAL PLANS

AS OF JUNE 30, 2025, WITH COMPARATIVE INFORMATION AS OF JUNE 30, 2024

(EXPRESSED IN THOUSANDS)

Totals

	Pension Trust Funds	Other Employee Benefit Trust Funds	Other Custodial Plans	2025	2024
Assets:					
Cash (Note 5)	\$ 101,851	\$ 3,828	\$ 192	\$ 105,871	\$ 112,035
Receivables:					
Contributions	357,258	48,739	—	405,997	421,090
Interest and Dividends	363,349	16,160	530	380,039	322,069
Receivables for Security Transactions	6,767,721	301,016	9,849	7,078,586	4,112,920
Other Investment Receivables	84,939	3,778	124	88,841	30,217
Other Receivables	22,079	11,772	—	33,851	34,057
Total Receivables	7,595,346	381,465	10,503	7,987,314	4,920,353
Investments: (Note 5)					
Bonds and Mortgage Securities	22,957,527	1,021,100	33,414	24,012,041	21,799,045
Stocks	30,169,855	1,341,889	43,911	31,555,655	27,035,632
Fixed-Income Commingled Funds	2,712	120	4	2,836	—
Index and Pooled Funds	14,721,704	654,791	21,425	15,397,920	14,484,488
Real Estate	15,044,367	669,141	21,897	15,735,405	14,153,874
Private Equity	39,530,573	1,758,234	57,535	41,346,342	38,502,907
Short-Term Investments	505,941	22,504	737	529,182	506,795
Total Investments	122,932,679	5,467,779	178,923	128,579,381	116,482,741
Collateral on Loaned Securities as restated (Note 1)	4,131,417	183,758	6,012	4,321,187	4,135,931
Other Capital Assets, Net (Note 6)	17,043	—	—	17,043	19,110
Total Assets	134,778,336	6,036,830	195,630	141,010,796	125,670,170
Liabilities:					
Retirement Benefits Payable	575,496	—	—	575,496	549,633
Refunds Payable	5,809	353	—	6,162	5,262
Accounts Payable and Accrued Expenses	33,894	20,724	31	54,649	57,466
Compensated Absences Payable	4,766	—	—	4,766	4,940
Insurance Premiums and Claims Payable	—	124,474	—	124,474	119,374
Payable for Security Transactions	9,925,253	441,453	14,446	10,381,152	6,284,761
Other Investment Payables	39,355	1,751	58	41,164	25,571
Lease Liabilities (Note 7)	3,088	—	—	3,088	2,785
Subscription-Based IT Liabilities (Note 8)	1,578	—	—	1,578	886
Other Payables	5,248	—	—	5,248	4,955
Obligations Under Security Lending Program as restated (Note 1)	5,517,790	245,421	8,030	5,771,241	4,336,300
Total Liabilities	16,112,277	834,176	22,565	16,969,018	11,391,933
Net Position – Restricted for Benefits (Note 4)	\$ 118,666,059	\$ 5,202,654	\$ 173,065	\$124,041,778	\$114,278,237

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA RETIREMENT SYSTEM STATEMENT OF CHANGES IN FIDUCIARY NET POSITION:
DEFINED BENEFIT PENSION TRUST FUNDS, OTHER EMPLOYEE BENEFIT TRUST FUNDS AND OTHER CUSTODIAL PLANS
 FOR THE YEAR ENDED JUNE 30, 2025, WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2024

(EXPRESSED IN THOUSANDS)

	Totals			2025	2024
	Pension Trust Funds	Other Employee Benefit Trust Funds	Other Custodial Plans		
Additions:					
Contributions:					
Members	\$ 1,187,328	\$ 195,539	\$ 51	\$ 1,382,918	\$ 1,324,081
Employers	3,502,571	452,160	1,222	3,955,953	3,891,892
Special Employer	—	—	—	—	55,100
Non-employer Contributing Entity	—	—	—	—	—
Total Contributions	4,689,899	647,699	1,273	5,338,871	5,271,073
Investment Income:					
Interest, Dividends and Other Investment Income	1,621,955	72,149	2,652	1,696,756	1,383,369
Net Appreciation/(Depreciation) in Fair Value of Investments	10,591,334	466,439	13,365	11,071,138	9,512,594
Securities Lending Income	253,329	11,090	329	264,748	241,791
Total Investment Income Before Investment Expenses	12,466,618	549,678	16,346	13,032,642	11,137,754
Investment Expenses:					
Direct Investment Expenses	(767,001)	(33,662)	(943)	(801,606)	(690,150)
Securities Lending Management Fees and Borrower Rebates	(227,197)	(9,946)	(294)	(237,437)	(214,312)
Total Investment Expenses	(994,198)	(43,608)	(1,237)	(1,039,043)	(904,462)
Net Investment Income	11,472,420	506,070	15,109	11,993,599	10,233,292
Miscellaneous Revenue	2,892	1,960	2	4,854	6,420
Total Additions	16,165,211	1,155,729	16,384	17,337,324	15,510,785
Deductions:					
Retirement Benefits	6,837,296	—	—	6,837,296	6,471,090
Refunds of Member Contributions	127,972	—	218	128,190	122,138
Insurance Premiums and Claims	—	275,366	—	275,366	252,812
Retiree Health Insurance Reimbursements	—	190,071	—	190,071	183,252
Disability Insurance Premiums and Benefits	—	43,851	—	43,851	43,864
Line of Duty Benefits	—	18,857	—	18,857	16,478
Administrative Expenses	65,128	4,857	—	69,985	68,969
Transfers	—	—	—	—	—
Other Expenses	2,590	2,784	4,793	10,167	7,070
Total Deductions	7,032,986	535,786	5,011	7,573,783	7,165,673
Net Increase (Decrease)	9,132,225	619,943	11,373	9,763,541	8,345,112
Net Position – Restricted for Benefits – Beginning of Year	109,533,834	4,582,711	161,692	114,278,237	105,933,125
Net Position – Restricted for Benefits – End of Year	\$ 118,666,059	\$ 5,202,654	\$ 173,065	\$ 124,041,778	\$ 114,278,237

The accompanying Notes to Financial Statements are an integral part of this statement.

**VIRGINIA RETIREMENT SYSTEM COMBINING STATEMENT OF FIDUCIARY NET POSITION:
DEFINED BENEFIT PENSION TRUST FUNDS**

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Virginia Retirement System	State Police Officers' Retirement System	Virginia Law Officers' Retirement System	Judicial Retirement System	Total Pension Plans
Assets:					
Cash (Note 5)	\$ 98,752	\$ 911	\$ 1,631	\$ 557	\$ 101,851
Receivables:					
Contributions	347,965	2,616	5,366	1,311	357,258
Interest and Dividends	350,264	3,847	6,887	2,351	363,349
Receivables for Security Transactions	6,523,999	71,655	128,272	43,795	6,767,721
Other Investment Receivables	81,880	899	1,610	550	84,939
Other Receivables	22,079	—	—	—	22,079
Total Receivables	7,326,187	79,017	142,135	48,007	7,595,346
Investments: (Note 5)					
Bonds and Mortgage Securities	22,130,768	243,070	435,127	148,562	22,957,527
Stocks	29,083,362	319,433	571,826	195,234	30,169,855
Fixed-Income Commingled Funds	2,614	29	51	18	2,712
Index and Pooled Funds	14,191,538	155,871	279,029	95,266	14,721,704
Real Estate	14,502,582	159,287	285,144	97,354	15,044,367
Private Equity	38,106,976	418,543	749,246	255,808	39,530,573
Short-Term Investments	487,721	5,357	9,589	3,274	505,941
Total Investments	118,505,561	1,301,590	2,330,012	795,516	122,932,679
Collateral on Loaned Securities	3,982,634	43,743	78,305	26,735	4,131,417
Other Capital Assets, Net (Note 6)	17,043	—	—	—	17,043
Total Assets	129,930,177	1,425,261	2,552,083	870,815	134,778,336
Liabilities:					
Retirement Benefits Payable	550,655	6,915	13,363	4,563	575,496
Refunds Payable	5,809	—	—	—	5,809
Accounts Payable and Accrued Expenses	33,105	232	415	142	33,894
Compensated Absences Payable	4,766	—	—	—	4,766
Insurance Premiums and Claims Payable	—	—	—	—	—
Payable for Security Transactions	9,567,819	105,087	188,119	64,228	9,925,253
Other Investment Payables	37,937	417	746	255	39,355
Lease Liabilities (Note 7)	3,088	—	—	—	3,088
Subscription-Based IT Liabilities (Note 8)	1,578	—	—	—	1,578
Other Payables	5,218	—	30	—	5,248
Obligations Under Security Lending Program	5,319,081	58,421	104,582	35,706	5,517,790
Total Liabilities	15,529,056	171,072	307,255	104,894	16,112,277
Net Position – Restricted for Benefits (Note 4)	\$ 114,401,121	\$ 1,254,189	\$ 2,244,828	\$ 765,921	\$ 118,666,059

The accompanying Notes to Financial Statements are an integral part of this statement.

**VIRGINIA RETIREMENT SYSTEM COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION:
DEFINED BENEFIT PENSION TRUST FUNDS**

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Virginia Retirement System	State Police Officers' Retirement System	Virginia Law Officers' Retirement System	Judicial Retirement System	Total Pension Plans
Additions:					
Contributions:					
Members	\$ 1,155,109	\$ 8,633	\$ 20,712	\$ 2,874	\$ 1,187,328
Employers	3,318,145	54,161	100,211	30,054	3,502,571
Special Employer	—	—	—	—	—
Non-employer Contributing Entity	—	—	—	—	—
Total Contributions	4,473,254	62,794	120,923	32,928	4,689,899
Investment Income:					
Interest, Dividends and Other Investment Income	1,564,107	17,003	30,412	10,433	1,621,955
Net Appreciation/(Depreciation) in Fair Value of Investments	10,211,383	111,607	199,721	68,623	10,591,334
Securities Lending Income	244,247	2,668	4,773	1,641	253,329
Total Investment Income Before Investment Expenses	12,019,737	131,278	234,906	80,697	12,466,618
Investment Expenses:					
Direct Investment Expenses	(739,484)	(8,085)	(14,461)	(4,971)	(767,001)
Securities Lending Management Fees and Borrower Rebates	(219,051)	(2,393)	(4,281)	(1,472)	(227,197)
Total Investment Expenses	(958,535)	(10,478)	(18,742)	(6,443)	(994,198)
Net Investment Income	11,061,202	120,800	216,164	74,254	11,472,420
Miscellaneous Revenue	2,892	—	—	—	2,892
Total Additions	15,537,348	183,594	337,087	107,182	16,165,211
Deductions:					
Retirement Benefits	6,527,842	88,715	162,703	58,036	6,837,296
Refunds of Member Contributions	122,051	613	5,308	—	127,972
Insurance Premiums and Claims	—	—	—	—	—
Retiree Health Insurance Reimbursements	—	—	—	—	—
Disability Insurance Premiums and Benefits	—	—	—	—	—
Line of Duty Benefits	—	—	—	—	—
Administrative Expenses	62,988	629	1,124	387	65,128
Transfers	167	(19)	(148)	—	—
Other Expenses	2,580	4	4	2	2,590
Total Deductions	6,715,628	89,942	168,991	58,425	7,032,986
Net Increase (Decrease)	8,821,720	93,652	168,096	48,757	9,132,225
Net Position – Restricted for Benefits - Beginning of Year	105,579,401	1,160,537	2,076,732	717,164	109,533,834
Net Position – Restricted for Benefits – End of Year	\$ 114,401,121	\$ 1,254,189	\$ 2,244,828	\$ 765,921	\$ 118,666,059

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA RETIREMENT SYSTEM COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	State Employee Plan	Teacher Employee Plan	Political Subdivision Plans	Total VRS Plans
Assets:				
Cash (Note 5)	\$ 23,026	\$ 47,938	\$ 27,788	\$ 98,752
Receivables:				
Contributions	52,957	193,372	101,636	347,965
Interest and Dividends	81,670	170,030	98,564	350,264
Receivables for Security Transactions	1,521,182	3,166,972	1,835,845	6,523,999
Other Investment Receivables	19,092	39,747	23,041	81,880
Other Receivables	5,138	10,724	6,217	22,079
Total Receivables	1,680,039	3,580,845	2,065,303	7,326,187
Investments: (Note 5)				
Bonds and Mortgage Securities	5,160,168	10,743,031	6,227,569	22,130,768
Stocks	6,781,284	14,118,058	8,184,020	29,083,362
Fixed-Income Commingled Funds	609	1,269	736	2,614
Index and Pooled Funds	3,309,000	6,889,058	3,993,480	14,191,538
Real Estate	3,381,525	7,040,049	4,081,008	14,502,582
Private Equity	8,885,294	18,498,428	10,723,254	38,106,976
Short-Term Investments	113,721	236,756	137,244	487,721
Total Investments	27,631,601	57,526,649	33,347,311	118,505,561
Collateral on Loaned Securities	928,619	1,933,307	1,120,708	3,982,634
Other Capital Assets, Net (Note 6)	3,974	8,273	4,796	17,043
Total Assets	30,267,259	63,097,012	36,565,906	129,930,177
Liabilities:				
Retirement Benefits Payable	151,763	261,035	137,857	550,655
Refunds Payable	1,435	2,247	2,127	5,809
Accounts Payable and Accrued Expenses	7,718	16,070	9,317	33,105
Compensated Absences Payable	1,111	2,314	1,341	4,766
Insurance Premiums and Claims Payable	—	—	—	—
Payable for Security Transactions	2,230,901	4,644,546	2,692,372	9,567,819
Other Investment Payables	8,847	18,415	10,675	37,937
Lease Liabilities (Note 7)	720	1,499	869	3,088
Subscription-Based IT Liabilities (Note 8)	368	766	444	1,578
Other Payables	1,214	2,534	1,470	5,218
Obligations Under Security Lending Program	1,240,235	2,582,064	1,496,782	5,319,081
Total Liabilities	3,644,312	7,531,490	4,353,254	15,529,056
Net Position – Restricted for Benefits (Note 4)	\$ 26,622,947	\$ 55,565,522	\$ 32,212,652	\$114,401,121

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA RETIREMENT SYSTEM COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	State Employee Plan	Teacher Employee Plan	Political Subdivision Plans	Total VRS Plans
Additions:				
Contributions:				
Members	\$ 275,724	\$ 521,867	\$ 357,518	\$ 1,155,109
Employers	762,876	1,611,791	943,478	3,318,145
Special Employer	—	—	—	—
Non-employer Contributing Entity	—	—	—	—
Total Contributions	1,038,600	2,133,658	1,300,996	4,473,254
Investment Income:				
Interest, Dividends and Other Investment Income	365,435	759,018	439,654	1,564,107
Net Appreciation/(Depreciation) in Fair Value of Investments	2,385,676	4,955,348	2,870,359	10,211,383
Securities Lending Income	57,066	118,526	68,655	244,247
Total Investment Income Before Investment Expenses	2,808,177	5,832,892	3,378,668	12,019,737
Investment Expenses:				
Direct Investment Expenses	(172,722)	(358,875)	(207,887)	(739,484)
Securities Lending Management Fees and Borrower Rebates	(51,179)	(106,299)	(61,573)	(219,051)
Total Investment Expenses	(223,901)	(465,174)	(269,460)	(958,535)
Net Investment Income	2,584,276	5,367,718	3,109,208	11,061,202
Miscellaneous Revenue	673	1,405	814	2,892
Total Additions	3,623,549	7,502,781	4,411,018	15,537,348
Deductions:				
Retirement Benefits	1,799,099	3,094,493	1,634,250	6,527,842
Refunds of Member Contributions	30,159	47,205	44,687	122,051
Insurance Premiums and Claims	—	—	—	—
Retiree Health Insurance Reimbursements	—	—	—	—
Disability Insurance Premiums and Benefits	—	—	—	—
Line of Duty Benefits	—	—	—	—
Administrative Expenses	14,804	30,566	17,618	62,988
Transfers	167	—	—	167
Other Expenses	157	321	2,102	2,580
Total Deductions	1,844,386	3,172,585	1,698,657	6,715,628
Net Increase (Decrease)	1,779,163	4,330,196	2,712,361	8,821,720
Net Position – Restricted for Benefits – Beginning of Year	24,843,784	51,235,326	29,500,291	105,579,401
Net Position – Restricted for Benefits – End of Year	\$ 26,622,947	\$ 55,565,522	\$ 32,212,652	\$ 114,401,121

The accompanying Notes to Financial Statements are an integral part of this statement.

**VIRGINIA RETIREMENT SYSTEM COMBINING STATEMENT OF FIDUCIARY NET POSITION:
OTHER EMPLOYEE BENEFIT TRUST FUNDS**

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Group Life Insurance	Retiree Health Insurance Credit	Disability Insurance Trust Fund	Line of Duty Act Trust Fund	Virginia Local Disability Program	Total OPEB Plans
Assets:						
Cash (Note 5)	\$ 2,584	\$ 670	\$ 542	\$ 4	\$ 28	\$ 3,828
Receivables:						
Contributions	26,051	19,815	1,519	—	1,354	48,739
Interest and Dividends	10,912	2,828	2,289	15	116	16,160
Receivables for Security Transactions	203,251	52,679	42,639	283	2,164	301,016
Other Investment Receivables	2,551	661	535	4	27	3,778
Other Receivables	—	91	11,613	8	60	11,772
Total Receivables	242,765	76,074	58,595	310	3,721	381,465
Investments: (Note 5)						
Bonds and Mortgage Securities	689,470	178,696	144,635	959	7,340	1,021,100
Stocks	906,074	234,835	190,074	1,260	9,646	1,341,889
Fixed-Income Commingled Funds	81	21	17	—	1	120
Index and Pooled Funds	442,129	114,591	92,749	615	4,707	654,791
Real Estate	451,819	117,102	94,782	628	4,810	669,141
Private Equity	1,187,200	307,697	249,048	1,651	12,638	1,758,234
Short-Term Investments	15,195	3,938	3,188	21	162	22,504
Total Investments	3,691,968	956,880	774,493	5,134	39,304	5,467,779
Collateral on Loaned Securities	124,077	32,158	26,029	173	1,321	183,758
Other Capital Assets, Net (Note 6)	—	—	—	—	—	—
Total Assets	4,061,394	1,065,782	859,659	5,621	44,374	6,036,830
Liabilities:						
Retirement Benefits Payable	—	—	—	—	—	—
Refunds Payable	—	353	—	—	—	353
Accounts Payable and Accrued Expenses	852	15,910	3,407	1	554	20,724
Compensated Absences Payable	—	—	—	—	—	—
Insurance Premiums and Claims Payable	124,474	—	—	—	—	124,474
Payable for Security Transactions	298,079	77,256	62,530	415	3,173	441,453
Other Investment Payables	1,182	306	248	2	13	1,751
Lease Liabilities (Note 7)	—	—	—	—	—	—
Other Payables	—	—	—	—	—	—
Obligations Under Security Lending Program	165,713	42,949	34,763	231	1,765	245,421
Total Liabilities	590,300	136,774	100,948	649	5,505	834,176
Net Position – Restricted for Benefits (Note 4)	\$ 3,471,094	\$ 929,008	\$ 758,711	\$ 4,972	\$ 38,869	\$ 5,202,654

The accompanying Notes to Financial Statements are an integral part of this statement.

**VIRGINIA RETIREMENT SYSTEM COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION:
OTHER EMPLOYEE BENEFIT TRUST FUNDS**

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Group Life Insurance	Retiree Health Insurance Credit	Disability Insurance Trust Fund	Line of Duty Act Trust Fund	Virginia Local Disability Program	Total OPEB Plans
Additions:						
Contributions:						
Members	\$ 195,539	\$ —	\$ —	\$ —	\$ —	\$ 195,539
Employers	129,433	261,047	30,833	18,276	12,571	452,160
Special Employer	—	—	—	—	—	—
Non-employer Contributing Entity	—	—	—	—	—	—
Total Contributions	324,972	261,047	30,833	18,276	12,571	647,699
Investment Income:						
Interest, Dividends and Other Investment Income	49,342	11,851	10,215	243	498	72,149
Net Appreciation/(Depreciation) in Fair Value of Investments	318,117	77,380	66,823	971	3,148	466,439
Securities Lending Income	7,574	1,822	1,590	30	74	11,090
Total Investment Income Before Investment Expenses	375,033	91,053	78,628	1,244	3,720	549,678
Investment Expenses:						
Direct Investment Expenses	(23,007)	(5,512)	(4,820)	(98)	(225)	(33,662)
Securities Lending Management Fees and Borrower Rebates	(6,793)	(1,633)	(1,427)	(27)	(66)	(9,946)
Total Investment Expenses	(29,800)	(7,145)	(6,247)	(125)	(291)	(43,608)
Net Investment Income	345,233	83,908	72,381	1,119	3,429	506,070
Miscellaneous Revenue	—	—	1,235	725	—	1,960
Total Additions	670,205	344,955	104,449	20,120	16,000	1,155,729
Deductions:						
Retirement Benefits	—	—	—	—	—	—
Refunds of Member Contributions	—	—	—	—	—	—
Insurance Premiums and Claims	275,366	—	—	—	—	275,366
Retiree Health Insurance Reimbursements	—	190,071	—	—	—	190,071
Disability Insurance Premiums and Benefits	—	—	37,483	—	6,368	43,851
Line of Duty Benefits	—	—	—	18,857	—	18,857
Administrative Expenses	1,447	1,235	806	1,132	237	4,857
Transfers	—	—	—	—	—	—
Other Expenses	2,431	34	319	—	—	2,784
Total Deductions	279,244	191,340	38,608	19,989	6,605	535,786
Net Increase (Decrease)	390,961	153,615	65,841	131	9,395	619,943
Net Position – Restricted for Benefits – Beginning of Year	3,080,133	775,393	692,870	4,841	29,474	4,582,711
Net Position – Restricted for Benefits – End of Year	\$ 3,471,094	\$ 929,008	\$ 758,711	\$ 4,972	\$ 38,869	\$ 5,202,654

The accompanying Notes to Financial Statements are an integral part of this statement.

RETIREE HEALTH INSURANCE CREDIT COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	State Employee Plan	Teacher Employee Plan	Political Subdivision Plans	Constitutional Officers	Social Services Employees	Registrars	Total HIC Plans
Assets:							
Cash (Note 5)	\$ 330	\$ 282	\$ 40	\$ 12	\$ 6	\$ —	\$ 670
Receivables:							
Contributions	5,774	13,246	601	194	—	—	19,815
Interest and Dividends	1,391	1,190	170	52	23	2	2,828
Receivables for Security Transactions	25,919	22,166	3,161	972	436	25	52,679
Other Investment Receivables	325	279	40	12	5	—	661
Other Receivables	44	39	5	2	1	—	91
Total Receivables	33,453	36,920	3,977	1,232	465	27	76,074
Investments: (Note 5)							
Bonds and Mortgage Securities	87,921	75,192	10,723	3,297	1,478	85	178,696
Stocks	115,542	98,814	14,092	4,333	1,942	112	234,835
Fixed-Income Commingled Funds	11	9	1	—	—	—	21
Index and Pooled Funds	56,381	48,218	6,876	2,114	948	54	114,591
Real Estate	57,616	49,274	7,027	2,161	968	56	117,102
Private Equity	151,392	129,473	18,464	5,677	2,545	146	307,697
Short-Term Investments	1,938	1,657	235	73	33	2	3,938
Total Investments	470,801	402,637	57,418	17,655	7,914	455	956,880
Collateral on Loaned Securities	15,822	13,531	1,930	594	266	15	32,158
Other Capital Assets, Net (Note 6)	—	—	—	—	—	—	—
Total Assets	520,406	453,370	63,365	19,493	8,651	497	1,065,782
Liabilities:							
Retirement Benefits Payable	—	—	—	—	—	—	—
Refunds Payable	173	150	21	6	3	—	353
Accounts Payable and Accrued Expenses	7,760	6,778	945	291	129	7	15,910
Compensated Absences Payable	—	—	—	—	—	—	—
Insurance Premiums and Claims Payable	—	—	—	—	—	—	—
Payable for Security Transactions	38,011	32,508	4,636	1,425	639	37	77,256
Other Investment Payables	150	129	18	6	3	—	306
Other Payables	—	—	—	—	—	—	—
Obligations Under Security Lending Program	21,133	18,072	2,577	792	355	20	42,949
Total Liabilities	67,227	57,637	8,197	2,520	1,129	64	136,774
Net Position –							
Restricted for Benefits (Note 4)	\$ 453,179	\$ 395,733	\$ 55,168	\$ 16,973	\$ 7,522	\$ 433	\$ 929,008

The accompanying Notes to Financial Statements are an integral part of this statement.

RETIREE HEALTH INSURANCE CREDIT COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	State Employee Plan	Teacher Employee Plan	Political Subdivision Plans	Constitutional Officers	Social Services Employees	Registrars	Total HIC Plans
Additions:							
Contributions:							
Members	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employers	110,803	137,122	7,786	3,760	1,496	80	261,047
Special Employer	—	—	—	—	—	—	—
Non-employer Contributing Entity	—	—	—	—	—	—	—
Total Contributions	110,803	137,122	7,786	3,760	1,496	80	261,047
Investment Income:							
Interest, Dividends and Other Investment Income	5,838	4,960	719	240	85	9	11,851
Net Appreciation/(Depreciation) in Fair Value of Investments	38,108	32,395	4,696	1,565	557	59	77,380
Securities Lending Income	897	763	111	37	13	1	1,822
Total Investment Income Before Investment Expenses	44,843	38,118	5,526	1,842	655	69	91,053
Investment Expenses:							
Direct Investment Expenses	(2,713)	(2,310)	(334)	(111)	(40)	(4)	(5,512)
Securities Lending Management Fees and Borrower Rebates	(805)	(683)	(99)	(33)	(12)	(1)	(1,633)
Total Investment Expenses	(3,518)	(2,993)	(433)	(144)	(52)	(5)	(7,145)
Net Investment Income	41,325	35,125	5,093	1,698	603	64	83,908
Miscellaneous Revenue	—	—	—	—	—	—	—
Total Additions	152,128	172,247	12,879	5,458	2,099	144	344,955
Deductions:							
Retirement Benefits	—	—	—	—	—	—	—
Refunds of Member Contributions	—	—	—	—	—	—	—
Insurance Premiums and Claims	—	—	—	—	—	—	—
Retiree Health Insurance Reimbursements	83,153	98,438	4,726	2,626	1,091	37	190,071
Disability Insurance Premiums and Benefits	—	—	—	—	—	—	—
Line of Duty Benefits	—	—	—	—	—	—	—
Administrative Expenses	606	520	74	25	9	1	1,235
Transfers	—	—	—	—	—	—	—
Other Expenses	10	13	9	2	—	—	34
Total Deductions	83,769	98,971	4,809	2,653	1,100	38	191,340
Net Increase (Decrease)	68,359	73,276	8,070	2,805	999	106	153,615
Net Position – Restricted for Benefits – Beginning of Year	384,820	322,457	47,098	14,168	6,523	327	775,393
Net Position – Restricted for Benefits – End of Year	\$ 453,179	\$ 395,733	\$ 55,168	\$ 16,973	\$ 7,522	\$ 433	\$ 929,008

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA LOCAL DISABILITY PROGRAM COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Teacher Employee Plan	Political Subdivision Plan	Total VLDP Plans
Assets:			
Cash (Note 5)	\$ 13	\$ 15	\$ 28
Receivables:			
Contributions	765	589	1,354
Interest and Dividends	52	64	116
Receivables for Security Transactions	979	1,185	2,164
Other Investment Receivables	12	15	27
Other Receivables	27	33	60
Total Receivables	1,835	1,886	3,721
Investments: (Note 5)			
Bonds and Mortgage Securities	3,319	4,021	7,340
Stocks	4,363	5,283	9,646
Fixed-Income Commingled Funds	—	1	1
Index and Pooled Funds	2,129	2,578	4,707
Real Estate	2,175	2,635	4,810
Private Equity	5,715	6,923	12,638
Short-Term Investments	73	89	162
Total Investments	17,774	21,530	39,304
Collateral on Loaned Securities	598	723	1,321
Other Capital Assets, Net (Note 6)	—	—	—
Total Assets	20,220	24,154	44,374
Liabilities:			
Retirement Benefits Payable	—	—	—
Refunds Payable	—	—	—
Accounts Payable and Accrued Expenses	251	303	554
Compensated Absences Payable	—	—	—
Insurance Premiums and Claims Payable	—	—	—
Payable for Security Transactions	1,435	1,738	3,173
Other Investment Payables	6	7	13
Other Payables	—	—	—
Obligations Under Security Lending Program	798	967	1,765
Total Liabilities	2,490	3,015	5,505
Net Position – Restricted for Benefits (Note 4)	\$ 17,730	\$ 21,139	\$ 38,869

The accompanying Notes to Financial Statements are an integral part of this statement.

VIRGINIA LOCAL DISABILITY PROGRAM COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Teacher Employee Plan	Political Subdivision Plan	Total VLDP Plans
Additions:			
Contributions:			
Members	\$ —	\$ —	\$ —
Employers	5,477	7,094	12,571
Special Employer	—	—	—
Non-employer Contributing Entity	—	—	—
Total Contributions	5,477	7,094	12,571
Investment Income:			
Interest, Dividends and Other Investment Income	217	281	498
Net Appreciation/(Depreciation) in Fair Value of Investments	1,372	1,776	3,148
Securities Lending Income	32	42	74
Total Investment Income Before Investment Expenses	1,621	2,099	3,720
Investment Expenses:			
Direct Investment Expenses	(98)	(127)	(225)
Securities Lending Management Fees and Borrower Rebates	(29)	(37)	(66)
Total Investment Expenses	(127)	(164)	(291)
Net Investment Income	1,494	1,935	3,429
Miscellaneous Revenue	—	—	—
Total Additions	6,971	9,029	16,000
Deductions:			
Retirement Benefits	—	—	—
Refunds of Member Contributions	—	—	—
Insurance Premiums and Claims	—	—	—
Retiree Health Insurance Reimbursements	—	—	—
Disability Insurance Premiums and Benefits	1,368	1,770	3,138
Line of Duty Benefits	—	—	—
Administrative Expenses	103	134	237
Third Party Administrative Expenses	1,407	1,823	3,230
Other Expenses	—	—	—
Total Deductions	2,878	3,727	6,605
Net Increase (Decrease)	4,093	5,302	9,395
Net Position – Restricted for Benefits – Beginning of Year	13,637	15,837	29,474
Net Position – Restricted for Benefits – End of Year	\$ 17,730	\$ 21,139	\$ 38,869

The accompanying Notes to Financial Statements are an integral part of this statement.

Notes to Financial Statements

JUNE 30, 2025 AND 2024

1. Summary of Significant Financial Policies, Administration and Management

A. FINANCIAL REPORTING ENTITY

The Virginia Retirement System (the System) is an independent agency of the Commonwealth of Virginia. The System administers two defined benefit retirement benefit structures, Plan 1 and Plan 2, and a hybrid retirement benefit structure. Although all of the following systems have employees with Plan 1 and Plan 2 benefits, only the VRS and JRS systems have employees with hybrid benefits. All of these systems are defined as pension trust funds:

- Virginia Retirement System (VRS) for state employees, teachers, other eligible school division employees, employees of participating political subdivisions and other qualifying employees.
- State Police Officers' Retirement System (SPORS) for state police officers.
- Virginia Law Officers' Retirement System (VaLORS) for non-local government Virginia law officers other than state police officers.
- Judicial Retirement System (JRS) for judges of state courts of record, state district courts and other qualifying employees.

The System also administers the Group Life Insurance Fund, Retiree Health Insurance Credit Fund, a Disability Insurance Trust Fund for state employees, the Virginia Local Disability Program Trust Fund and the Line of Duty Act Trust Fund. All of these funds are defined as other employee benefit trust funds. Both the pension and other employee benefit trust funds are classified as fiduciary funds and are included in the basic financial statements of the Commonwealth of Virginia. As required by generally accepted accounting principles (GAAP), the System's financial statements include all funds for which financial transactions are recorded in its accounting system and for which the Board of Trustees

exercises administrative responsibility. Effective January 1, 1997, the *Constitution of Virginia* was amended to strengthen the independence of the System. As set forth in Section 11 of Article X, the funds of the retirement system shall be deemed separate and independent trust funds, segregated from all other funds of the Commonwealth, and invested and administered solely in the interests of members, retirees and beneficiaries.

B. ADMINISTRATION AND MANAGEMENT

1. Pension Plans and Other Employee Benefit Plans.

The Board of Trustees (the Board) is responsible for the general administration and operation of the pension plans and other employee benefit plans. The Board has full power to invest and reinvest the trust funds of the System through the adoption of investment policies and guidelines that fulfill the Board's investment objective to maximize long-term investment returns while targeting an acceptable level of risk.

The Board consists of five members appointed by the Governor and four members appointed by the Joint Rules Committee of the Virginia General Assembly, all subject to confirmation by the General Assembly. The Board appoints a director to serve as the chief administrative officer of the System and a chief investment officer to direct, manage and administer the investment of the System's funds. The Board also retains outside managers to advise and assist in the implementation of these policies. The Board of Trustees has appointed Bank of New York Mellon as the custodian of designated assets of the System.

The Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), the Virginia Law Officers' Retirement System (VaLORS) and the Judicial Retirement System (JRS) are administered in accordance with Title 51.1, Chapters 1, 2, 2.1, 3 and 4, respectively, of the *Code of Virginia* (1950), as amended. The Group Life Insurance Fund, the Retiree Health Insurance Credit Fund, the Disability Insurance Trust Fund for state employees and the Virginia Local Disability Program Trust Fund are administered in accordance with Title 51.1, Chapters 5, 14, 11 and 11.1,

respectively, of the *Code of Virginia* (1950), as amended. The Line of Duty Act Trust Fund is administered in accordance with Title 9.1, Chapter 4 of the *Code of Virginia* (1950), as amended. The Optional Life Insurance Fund is administered in accordance with Sections 51.1-512 and 51.1-512.1 of the *Code of Virginia* (1950), as amended. Optional life insurance is an insured product, and the premium collection is handled by the insurer. The Board provides only oversight for the program with limited administrative responsibility. State statutes governing the plans administered by the System may be amended only by the General Assembly of Virginia. Additional information about the plans is provided in Notes 2 and 3.

Fiduciary Responsibility of the VRS Board of Trustees

As stated in Section 51.1-124.30(C) of the *Code of Virginia*:
 "...the Board shall invest the assets of the Retirement System with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims." Accordingly, the Board must sufficiently diversify the portfolio to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so. Primary risk measures are volatility in the plan's assets, funded status and contribution rates.

2. Custodial Funds. The Board has fiduciary responsibility for several programs primarily because of the responsibility for investment of the funds. For these programs, the Board has either limited oversight or administration responsibilities for the programs. The VRS-held assets of these programs are represented as an equity interest in the VRS Pooled Investment Portfolio and are invested in accordance with the System's investment policies and guidelines. These programs include:

- a. VRS Investment Portfolio (VRSIP), which is an investment option available for defined contribution plan participants.
- b. Commonwealth Health Research Fund (CHRF), which provides financial support for

human health research on behalf of citizens of the Commonwealth. The investment of assets for the CHRF is in accordance with Section 51.1-124.36 of the *Code of Virginia* (1950), as amended.

- c. Commonwealth's Attorneys Training Fund (CATF), which provides financial support for the training of Commonwealth's Attorneys and their staffs. The investment of assets for the CATF is in accordance with Section 51.1-124.37 of the *Code of Virginia* (1950), as amended.
- d. Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund (VolSAP), which provides service awards to eligible volunteer firefighters and rescue squad workers. The VolSAP is administered in accordance with Chapter 12 of the *Code of Virginia* (1950), as amended.

3. Other Plans Established by the Commonwealth of Virginia. The Board has oversight, but limited administrative and investment responsibility, for several other plans of the Commonwealth. Because of the Board's limited role, the financial transactions of these plans are not recorded in the System's financial statements. Therefore, these programs are not included in the System's Basic Financial Statements:

- a. Defined Contribution components of the Hybrid Retirement Plan. The VRS Hybrid Retirement Plan is administered in accordance with Section 51.1-169 of the *Code of Virginia* (1950), as amended. Additional information on the Hybrid Retirement Plan is provided in the Statistical Section.
- b. Commonwealth of Virginia 457 Deferred Compensation Plan and the Virginia Cash Match Plan for state employees and employees of participating political subdivisions. The Commonwealth of Virginia 457 Deferred Compensation Plan and the Virginia Cash Match Plan are administered in accordance with Chapter 6 and Chapter 6.1 of the *Code of Virginia* (1950), as amended. Additional information on these plans is provided in the Statistical Section.

- c. Defined contribution plans, referred to as Optional Retirement Plans 1 and 2 for political appointees, certain employees of public institutions of higher education and certain employees of public school divisions and teaching hospitals.
- d. Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program, an employee-paid program for eligible employees and retirees.

C. ACCOUNTING BASIS

The accounting and presentation of the pension plans and other employee benefit plans use the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. Member and employer contributions are recognized as revenues when due, pursuant to formal commitments as well as statutory or contractual requirements. Investment income is recognized as earned by the plans. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

D. ACTUARIAL BASIS AND CONTRIBUTION RATES

The funding policy for the pension plans provides for periodic employer contributions at actuarially determined rates, which will remain relatively level over time as a percentage of payroll and will accumulate sufficient assets to meet the cost of all benefits when due. Member and employer contributions are required by Title 51.1 of the *Code of Virginia* (1950), as amended.

Contribution rates are developed using the entry age normal cost method for both normal cost and amortization of the unfunded actuarial accrued liability. Gains and losses are reflected in the Unfunded Actuarial Accrued Liability (UAAL), which is being amortized as a level percentage of covered payroll within 30 years or less through fiscal year 2023 and 20 years or less beginning in fiscal year 2024.

In addition to determining contribution requirements, actuarial computations present an estimate of the discounted present value of the prospective accrued liability contributions that employers will have to pay to ensure that such contributions – when combined with the assets on hand, the normal contributions to be made in the future by employers and members, and investment income – will be sufficient to pay all benefits due to current members in the future as well as to annuitants and designated beneficiaries.

Actuarial valuations estimate the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include future employment, mortality and the use of the benefit. Actuarially determined amounts are subject to revision as actual results are compared with past expectations and new estimates are made about the future. The Required Supplementary Schedules follow the Notes to Financial Statements. For pension plans, the schedules present historical information about the increase or decrease in the employer's fiduciary net position over time related to the employer's net pension liability. For other employee benefit plans, the schedules present historical information about the increase or decrease of the actuarial values of the plans' assets over time relative to the AAL for benefits.

E. GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

- Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosures related to deposits, authorized investments and investment risk. Required investment risk disclosures address interest rate risk; credit risk, to include custodial credit risk and concentrations of credit risk; and foreign currency risk. The statement also requires disclosures of custodial credit risk and foreign currency risk for depository accounts. Information about the System's deposits and investment risk is provided in Note 5.
- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, establishes a "specific conditions" approach to recognizing

intangible assets, specifically computer software. The statement became effective beginning with the fiscal year ended June 30, 2010. Capitalized costs are incurred during the Application Development Stage and consist of design of chosen path, including software configuration and software interfaces; coding; installation of hardware; testing, including the parallel processing phase; and data conversion to the extent that the data are necessary to make the computer software operational. Other costs incurred before or after the Application Development Stage are expensed when incurred. Additional disclosures resulting from the implementation of this statement are presented in Note 6.

- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, establishes accounting and financial reporting standards for governments that enter into derivative instruments. The statement became effective beginning with the fiscal year ended June 30, 2010. The objective of the statement is to enhance the usefulness and comparability of derivative financial instrument information reported by state and local governments. It provides a comprehensive framework for the measurement, recognition and disclosure of derivative instrument transactions. Additional disclosures resulting from the implementation of this statement are presented in Note 5.
- GASB Statement No. 59, *Financial Instruments Omnibus*, clarifies the definition of items that should be included in the reporting required by Statement No. 53. The statement became effective beginning with the fiscal year ended June 30, 2010. This is reflected in the disclosures in Note 5.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, establishes standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The statement became effective beginning with the fiscal year ended June 30, 2013. The

financial statement presentations have been updated to reflect the impact of this standard.

- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – An Amendment of GASB Statement No. 53*, clarifies the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The statement became effective beginning with the fiscal year ended June 30, 2012. This is reflected in the disclosures in Note 5.
- GASB Statement No. 67, *Financial Reporting for Pension Plans*, replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts and that meet certain criteria. The statement became effective beginning with the fiscal year ended June 30, 2014, and required changes in the presentation of the financial statements, notes to the financial statements and required supplementary information. Significant changes include an actuarial calculation of total and net pension liability. These are presented in Note 2.C. The changes also include comprehensive footnote disclosure regarding the pension liability, the sensitivity of the net pension liability to the discount rate and increased investment activity disclosures. The implementation of GASB Statement No. 67 did not significantly impact the accounting for accounts receivable and investment balances.
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. The statement became effective for fiscal years beginning after June 30, 2014, and required changes in the presentation of the financial statements, notes to the financial statements and required supplementary information for the employers that participate in the VRS-administered pension plans. The information reported by the employers is their

share of the information reported by VRS under GASB Statement No. 67.

- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68, became effective simultaneously with the provision of GASB Statement No. 68. The statement clarified the adjustments necessary to the beginning deferred outflows of resources and limited that adjustment to contributions made subsequent to the measurement date.
- GASB Statement No. 72, *Fair Value Measurement and Application*. The statement became effective for the fiscal years beginning after June 15, 2015. The statement addresses accounting and financial reporting issues related to fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The statement provides guidance for determining a fair value measurement for financial reporting purposes. It also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This information is presented in Note 5.B.2 and Figures 2.16 and 2.17.
- GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, replaces the requirements of Statement No. 43, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*. The statement became effective beginning with the fiscal year ended June 30, 2017, and required changes in the presentation of the financial statements, notes to the financial statements and required supplementary information. Significant changes include an actuarial calculation of total and net OPEB liability. These are presented in Note 3.B. The changes also include comprehensive footnote disclosure regarding the liability for OPEB plans, the sensitivity of the net OPEB liability to the discount rate and increased investment activity disclosures. The implementation of GASB Statement No. 74 did not significantly impact the accounting for accounts receivable and investment balances.
- GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The statement became effective for fiscal years beginning after June 15, 2017, and required changes in the presentation of the financial statements, notes to the financial statements and required supplementary information for the employers that participate in the VRS-administered OPEB plans. The information reported by the employers will be their share of the information reported by VRS under GASB Statement No. 74.
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The statement became effective for the fiscal years beginning after June 30, 2015. The statement addresses accounting and financial reporting for certain external investment pool and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all investments at amortized cost for financial reporting purposes. This statement impacts the VRS presentations related to the short-term investments in the Commonwealth of Virginia's Local Government Investment Pool.
- GASB Statement No. 82, *Pension Issues*, an amendment of GASB Statements No. 67, No. 68 and No. 73. This statement addressed certain issues that were raised during the implementation of these standards. Specifically, the statement addresses the issues regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Although this statement was effective for reporting periods beginning after June 15, 2016, VRS elected to implement it early and provide disclosure guidance to participating employers.

- GASB Statement No. 84, *Fiduciary Activities*, established new criteria for the evaluation of activities to determine whether they were fiduciary activities and should be included in the financial statements as fiduciary funds. One of the primary determining factors was whether the entity had “control” of the assets. After a full evaluation of the System’s activities, it was determined that the defined contribution plan activities of the hybrid plan did not meet this criteria and should not be included as part of the pension funds. It was also determined that several other activities, for which the System has full investment responsibility, did meet the criteria and should be included in the System’s financial statements as custodial funds. These custodial funds include the Commonwealth Health Research Fund (CHRF), the Commonwealth’s Attorneys Training Fund (CATF), the Volunteer Firefighters’ and Rescue Squad Workers’ Service Award Program (VolSAP) and the VRS Investment Portfolio (VRSIP). The VRSIP is an investment option available for the defined contribution plan participants and the other custodial funds are stand-alone funds established in statute. This Statement was originally effective for VRS for FY 2020; however, GASB allowed for a one-year implementation postponement in GASB Statement No. 95. GASB Statement No. 95 was intended to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This statement also encouraged and permitted implementation in accordance with the original dates. VRS elected to early implement GASB Statement No. 84 in accordance with the original statement effective date.
- GASB Statement No. 85, *Omnibus 2017*, amended a number of GASB statements, including GASB Statements No. 73, No. 74 and No. 75. This statement addressed certain issues that were raised during the implementation of these standards. Specifically, the statement addressed the issues regarding (1) the presentation of payroll-related measures in the required supplementary information and (2) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement was effective for reporting periods beginning after June 15, 2017.
- GASB Statement No. 87, *Leases*. The statement became effective for fiscal years starting after June 15, 2021. A single model approach to lease classification was adopted and leases are no longer classified as operating and capital leases. Under this statement, all leases over 12 months require a recognition of a right-to-use asset and a lease liability on the financial statements. This information is presented in Figure 2.30 and Note 7.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. Defined SBITA as a contract that conveys control of the right to use another party’s information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. This statement was effective for fiscal years beginning after June 15, 2022. This information is presented in Figure 2.31 and Note 8.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period.
- GASB Statement No. 101, *Compensated Absences*. This Statement is a new standard that provides updated guidance on accounting for and reporting compensated absences, which includes paid employee leave for vacation, sick leave, and holiday pay. This Statement requires governments to recognize liabilities for both unused leave and leave that has been used but

not yet paid. Furthermore, it also provides guidance on how to measure these liabilities, generally using the employees' rate of pay at the financial statement date. Disclosure is reported as the net change in the compensated absence liability, as opposed to gross increases and decreases.

F. INVESTMENTS

1. Investment Valuation. Cash equivalents and other short-term, highly liquid investments of the System are reported at amortized cost as follows:

- 1) Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.
- 2) The System may be a party to short-term contracts to buy and sell securities known as repurchase and reverse repurchase agreements. Agreements to repurchase securities that have been sold to a counterparty are valued at the contract price, exclusive of interest, at which the securities will be repurchased. Securities purchased pursuant to agreements to resell are carried at fair value.
- 3) The System participates in the Commonwealth's Local Government Investment Pool (LGIP), which is managed by the State Treasurer. The State Treasurer reports that the LGIP complies with or exceeds all of the criteria in GASB Statement No. 79, *Accounting and Reporting for Certain External Investment Pools and Pool Participants*, to be eligible to use amortized cost for financial reporting and transacting shares. The System likewise measures its investment in the LGIP at amortized cost as per GASB Statement No. 79. The LGIP imposes no limitations or restrictions on the System's ability to withdraw invested funds.

Long-term investments of the System are reported at fair value. Fair value is the amount that one can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller; that is, other than a forced or liquidation sale. The fair value for the System's defined benefit investments is determined by the System's master

custodian, Bank of New York Mellon, from its Global Pricing System. This system assigns a price source, based on asset type and the vendor pricing products to which the master custodian subscribes, for every security held immediately following its acquisition. The master custodian monitors prices supplied by these sources daily.

When a pricing source is unable to provide a price, quotes are sought from major investment brokers and market-making dealers; or internal calculations are applied, if feasible. As a last resort, the master custodian will contact investment managers for a price. The master custodian prices commingled funds, partnerships and real assets from statements received from the funds, partnerships or investment managers.

The pricing sources used by the master custodian provide daily prices for equity securities; corporate, government and mortgage-backed fixed-income securities; private placement securities; futures and options on futures; open-ended funds; and foreign exchange rates. Depending on the vendor, collateralized mortgage obligations (CMOs), adjustable-rate mortgages (ARMs) and asset-backed securities are priced daily, weekly or twice a month as well as at month-end. Municipal fixed-income securities and options on U.S. Treasury/GNMA securities are priced at month-end.

2. Investment Transactions and Income. Security transactions and related gains and losses are recorded on a trade-date basis. The cost of investments sold is the average cost of the aggregate holding of the specific investment sold. Dividend income is recorded on the ex-dividend date, and interest income is accrued as earned. Futures contracts are valued daily, with the resulting adjustments recorded as realized gains or losses arising from the daily settlement of the variation margin. Gains and losses related to forward contracts and options are recognized at the time the contracts are settled. For investments in limited partnerships the System's share of the partnership's earnings or losses for the period are included in investment income.

3. Investment Policy. The System's defined benefit assets are pooled for investment purposes in a

Pooled Assets portfolio. The allocation of investment assets within the Pooled Assets portfolio is approved by the Board of Trustees as outlined in the Board's Investment Policy. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit plans.

4. Rate of Return. For the fiscal year ended June 30, 2025, the annual money-weighted rate of return for the Pooled Assets portfolio, net of investment expenses, was 9.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the VRS Pooled Assets portfolio, the fiscal year 2025 money-weighted rate of return differs only slightly from the time-weighted rate of return because the flow of cash for contributions and benefit payments is fairly consistent over the fiscal year.

G. CAPITAL ASSETS

Tangible capital assets are recorded at cost at the time of acquisition and are reported net of accumulated depreciation. The System capitalizes all capital assets that have a cost or value greater than \$5,000. Depreciation is computed on the straight-line basis over the estimated useful life of the depreciable capital assets, ranging from five years to 40 years. Intangible capital assets for the System include internal and external costs incurred during VRS' Application Development. These costs are being depreciated over the software's useful life, which is estimated at seven years. Intangible right to use assets are capitalized for a present value greater than \$50,000.

H. ACCUMULATED LEAVE AND DISABILITY CREDITS

Employees of the System participate in the Commonwealth's annual leave program and in its sick leave program or the Virginia Sickness and Disability Program (VSDP), which is administered by the System. Additional information about VSDP is presented in Note 3. Unused annual leave may be accumulated and is paid at the time of permanent separation from service up to the maximum calendar-year limit. For vested employees who are

not covered under VSDP, unused sick leave is paid at a rate of 25% of the amount accumulated, not to exceed \$5,000, at the time of permanent separation. VSDP-covered employees with unused disability credits converted from sick leave at the time of enrollment may be paid in the same manner as for non-VSDP employees or may convert these credits to service credit at a rate of 173 disability credits to one month of service.

The accrued liability for unused annual leave, sick leave and disability credits for System employees at June 30, 2025 and 2024, was computed using salary rates in effect at those times and represents annual and sick leave earned up to the allowable ceilings as well as unused, converted disability credits. This information is included in the Statement of Fiduciary Net Position: Pension and Other Employee Benefit Trust Funds.

I. ADMINISTRATIVE EXPENSES AND BUDGET

The Board of Trustees approves expenses related to the administration and management of the trust fund. These expenses are included in a budget prepared in compliance with the Commonwealth's biennial budgetary system (cash basis).

Appropriations are controlled at the program level and lapse at the end of the fiscal year. Administrative expenses are funded from investment income and employer contributions. Expenses for goods and services received but not paid for prior to the System's fiscal year-end are accrued for financial reporting purposes in accordance with generally accepted accounting principles (GAAP). A reconciliation of the difference between the GAAP basis and budgeted basis is presented in the Schedule of Administrative Expenses following the Required Supplementary Schedules.

J. INVESTMENT INCOME ALLOCATION

Income earned on investments is distributed monthly to the VRS, SPORS, VaLORS and JRS retirement plans; the Group Life Insurance Fund; the Retiree Health Insurance Credit Funds; the Disability Insurance Trust Fund; the Line of Duty Trust Fund; the Virginia Local Disability Program and the Custodial Plans. Distribution of investment

income is based on the respective equity of each trust fund in the common investment pool.

The retirement plans distribute their cumulative investment income, net of administrative expenses, in the following manner:

- Investment income is distributed to each individual member contribution account based on a rate of 4.00% applied to each member's cumulative balance as of the close of the preceding fiscal year.
- The remaining portion is allocated monthly to the participating employers' retirement allowance accounts based on the ratio of their member account and employer account balances to the total of all such balances.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. These estimates impact the reported values of assets, including investments. Actual results could differ from those estimates. See footnote 5.B.2 for additional information.

Investment rate of returns for the real assets and private equity programs, as well as the private investment partnerships portfolio, occasionally do not reflect managers' actual valuations of these investments as of June 30, 2025, because valuations of private assets have a timing lag behind other assets. In those circumstances, investment rate of returns are based on valuations as of March 31, 2025, adjusted for cash flows during the quarter that ended June 30, 2025.

L. SUMMARIZED COMPARATIVE DATA/ RECLASSIFICATIONS

The Basic Financial Statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted

accounting principles. Accordingly, such information should be read in conjunction with the System's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

M. RESTATEMENT OF FISCAL YEAR 2024 FINANCIAL INFORMATION

The beginning balances for the collateral on loaned securities and obligations under security lending program are restated to eliminate the cash release in the amount of \$200 million from each balance. This change is for a correction of an error to more accurately present the ending balances as of June 30, 2024, and for comparative financial presentation.

2. Pension Plans

A. PLAN DESCRIPTIONS

1. Establishment of the System. The Virginia Retirement System (the System) was established March 1, 1952, as the administrator of governmental retirement plans qualified under Section 401(a) of the Internal Revenue Code. Its mission is to provide retirement benefits for state employees, teachers, other eligible school employees and employees of political subdivisions that elect to participate in the System.

The System is comprised of the following pension trust funds:

- The Virginia Retirement System (VRS), established March 1, 1952, as the Virginia Supplemental Retirement System, was renamed VRS in 1990 in response to the Federal Tax Reform Act of 1986. VRS includes a single-employer plan for state employees, a multiple-employer cost-sharing plan for teachers (142 employers) and an agent multiple-employer plan for employees of participating political subdivisions (480 employers).
- State Police Officers' Retirement System (SPORS), established July 1, 1950, is a single-employer plan for state police officers.
- Virginia Law Officers' Retirement System (VaLORS), established October 1, 1999, is a single-employer plan for non-local government Virginia law officers other than state police.

- Judicial Retirement System (JRS), established July 1, 1970, is a single-employer plan for judges of a court of record or a district court of the state and other eligible judicial employees.

The System is required by law to use the plans' accumulated assets to pay benefits when due to eligible members, retirees and beneficiaries. Full-time permanent, salaried employees of participating employers are covered automatically under VRS, SPORS, VaLORS or JRS upon employment; some part-time permanent, salaried state employees also are covered under VRS. Information regarding the membership is presented in Figure 2.9. Teaching, research and administrative faculty of the state's public colleges and universities who elect an optional retirement plan, as well as permanent, salaried employees of the state's two public teaching

hospitals, are not covered under the VRS retirement plans.

All full-time, salaried permanent (professional) employees of state agencies, public school divisions and employees of participating employers are automatically covered by a pension plan upon employment. Members qualify for retirement when they become vested and meet the age and service requirements for their plan, as shown in the following table. The System administers three different benefit structures for government employees: Plan 1, Plan 2 and the Hybrid Retirement Plan. Each of these is called a plan in statute and each has different provisions with a specific eligibility and benefit structure. These different benefit structures are set out in Figure 2.10.

FIGURE 2.9: ACTIVE, RETIRED AND TERMINATED MEMBERS AND BENEFICIARIES

AT JUNE 30

	VRS State Employees	VRS Teachers	VRS Political Subdivision Employees	SPORS	VaLORS	JRS	2025 Total	2024 Total
Retirees and Beneficiaries Receiving Benefits	63,265	106,612	66,679	1,509	6,138	535	244,738	240,649
Terminated Employees Entitled to Benefits But Not Receiving Them	14,518	35,571	17,560	172	919	10	68,750	65,280
Total	77,783	142,183	84,239	1,681	7,057	545	313,488	305,929
Active Members:								
Vested	52,120	110,074	70,340	1,524	3,795	378	238,231	235,937
Non-Vested	31,028	50,726	53,924	370	3,689	92	139,829	131,846
Total	83,148	160,800	124,264	1,894	7,484	470	378,060	367,783

2. Pension Plan Provisions and Requirements. Under Plan 1, Plan 2 and the Hybrid Retirement Plan, members are vested in the defined benefit pension after attaining five years of service credit. They become eligible to retire with an unreduced or reduced benefit when they meet the age and service requirements for their plan. The unreduced benefit is actuarially reduced to calculate the reduced benefit amount. A cost-of-living adjustment (COLA), based on changes in the Consumer Price Index for all Urban Consumers (CPI-U), is granted on July 1 of the second calendar year after

retirement and is effective each July 1 thereafter, when provided.

Members not covered under the Virginia Sickness and Disability Program (VSDP) for state employees (see Note 3) or the Virginia Local Disability Program (VLDP) for local government employees are eligible to be considered for disability retirement.

If a member dies while in active service, his or her beneficiary or survivor may qualify for a death-in-service benefit. Provisions for the retirement plans are presented in Figure 2.10.

FIGURE 2.10 : RETIREMENT PLAN PROVISIONS

AS ESTABLISHED BY TITLE 51.1 OF THE *CODE OF VIRGINIA* (1950), AS AMENDED

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1</p> <p>Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p>	<p>About Plan 2</p> <p>Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p>	<p>About the Hybrid Retirement Plan</p> <p>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses and any required fees.
<p>Eligible Members</p> <p>Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund.</p>	<p>Eligible Members</p> <p>Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Additionally, members are covered under Plan 2 if they have a membership date prior to July 1, 2010, but were not vested before January 1, 2013.</p> <p>Members covered under VaLORS, SPORS or VRS with enhanced hazardous duty benefits or the hazardous duty alternate option, and whose membership dates are on or after July 1, 2010, are in Plan 2 even if their membership dates are after December 31, 2013.</p>	<p>Eligible Members</p> <p>Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> State employees* School division employees Political subdivision employees* Judges appointed or elected to an original term on or after January 1, 2014, regardless if vested to VRS Plan 1 or VRS Plan 2. Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p>* Non-Eligible Members</p> <p>Some members are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> Members of the State Police Officers' Retirement System (SPORS) Members of the Virginia Law Officers' Retirement System (VaLORS) Political subdivision members who are covered by enhanced benefits for hazardous duty employees or the hazardous duty alternate option <p>Members eligible for an optional retirement plan (ORP) must elect the ORP or the Hybrid Retirement Plan. If these members are credited with service that was earned, purchased or granted prior to January 1, 2014, they are not eligible to elect the Hybrid Retirement Plan, and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

FIGURE 2.10 : RETIREMENT PLAN PROVISIONS, cont.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Retirement Contributions Members, excluding state elected officials, judges in Plan 1 and optional retirement plan participants, contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments.</p>	<p>Retirement Contributions Same as Plan 1.* <i>* Plan 2 judges and elected officials pay their own member contributions.</i></p>	<p>Retirement Contributions <i>Defined Benefit Component:</i> Members contribute 4% of their compensation each month to their member contribution account through a pretax salary reduction. <i>Defined Contribution Component:</i> Members contribute 1% of their compensation each month to their account through a pretax salary reduction. In addition, 1% of the total actuarially determined employer contribution is a mandatory employer contribution to this component of the plan. Hybrid plan members may also elect to contribute an additional amount of up to 4% to a voluntary defined contribution plan. The voluntary component also has a mandatory employer match of 0.5% to 2.5% that is also deducted from the total actuarially determined employer contributions. Mandatory member contributions and the employer match on the mandatory and voluntary member contributions are recorded in a 401(a) account, along with the accrued net investment income. The voluntary member contributions and accrued net investment income are recorded in a 457(b) account. Members are responsible for investing their accounts using the various investment options that are available.</p>
<p>Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position.* It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine eligibility for retirement and to calculate the retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. <i>* JRS members in Plan 1, Plan 2 and the Hybrid Retirement Plan earn more than one month for each month they are employed in a covered position.</i></p>	<p>Service Credit Same as Plan 1.</p>	<p>Service Credit <i>Defined Benefit Component:</i> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine eligibility for retirement and to calculate the retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. <i>Defined Contribution Component:</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <i>Defined Benefit Component:</i> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. (Cont.)</p>

FIGURE 2.10 : RETIREMENT PLAN PROVISIONS, cont.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p><i>Vesting, cont.</i></p> <p><i>Defined Contribution Component:</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required by law until age 73.</p>
<p>Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p> <p>An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p>Calculating the Benefit Same as Plan 1.</p>	<p>Calculating the Benefit <i>Defined Benefit Component:</i> Same as Plan 1.</p> <p><i>Defined Contribution Component:</i> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest creditable compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of the 60 consecutive months of highest creditable compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>

FIGURE 2.10 : RETIREMENT PLAN PROVISIONS, cont.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Service Retirement Multiplier VRS Plan 1: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>SPORS, sheriffs and regional jail superintendents: The retirement multiplier is 1.85%.</p> <p>VaLORS: The retirement multiplier is 1.70% or 2.00%.</p> <ul style="list-style-type: none"> Members hired before July 1, 2001, have a 1.70% multiplier and are eligible for a hazardous duty supplement. They also had the option to elect the 2.00% multiplier and no supplement. Members hired or rehired on or after July 1, 2001, have 2.00% applied to hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement. <p>Political subdivision hazardous duty employees: The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p> <p>JRS Plan 1: If appointed or elected to an original term prior to January 1, 2013, the retirement multiplier is 1.70%.</p> <p>If appointed or elected to an original term between January 1, 2013, and December 31, 2013, the retirement multiplier is 1.70% on non-JRS service earned, purchased or granted before the date of appointment or election to an original term, and 1.65% on JRS service earned, purchased or granted on or after the date of appointment or election to an original term.</p>	<p>Service Retirement Multiplier VRS Plan 2: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013.</p> <p>For non-hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p> <p>SPORS, sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>VaLORS: The retirement multiplier is 2.00% applied to hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p> <p>JRS Plan 2: Same as Plan 1.</p>	<p>Service Retirement Multiplier <i>Defined Benefit Component:</i> VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>SPORS, sheriffs and regional jail superintendents: Not applicable.</p> <p>VaLORS: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p>JRS: The retirement multiplier for the defined benefit component is 1.00%, beginning on the date of appointment or election to an original term. The member will retain the applicable multiplier on any covered service outside JRS.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p>
<p>Normal Retirement Age VRS: Age 65.</p> <p>SPORS, VaLORS and political subdivision hazardous duty employees: Age 60.</p> <p>JRS: Age 65; mandatory retirement age is 73.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>SPORS, VaLORS and political subdivision hazardous duty employees: Same as Plan 1.</p> <p>JRS: Same as Plan 1.</p>	<p>Normal Retirement Age <i>Defined Benefit Component:</i> VRS: Same as Plan 2.</p> <p>SPORS, VaLORS and political subdivision hazardous duty employees: Not applicable.</p> <p>JRS: Same as Plan 1.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

FIGURE 2.10 : RETIREMENT PLAN PROVISIONS, cont.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Unreduced Retirement Eligibility</p> <p>VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.*</p> <p>SPORS, VaLORS and political subdivision hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p> <p>JRS: Age 65 with at least five years of weighted service credit, or at age 60 with at least 30 years of weighted service credit.</p> <p>Service earned under JRS is weighted. The weighting factors for a judge appointed prior to July 1, 2010, are as follows:</p> <ul style="list-style-type: none"> • 3.5 for JRS members appointed or elected to an original term before January 1, 1995. • 2.5 for JRS members appointed or elected to an original term on or after January 1, 1995, but before July 1, 2010. <p>For members appointed or elected to an original term between July 1, 2010, and December 31, 2013, the weighting factors are:</p> <ul style="list-style-type: none"> • 1.5 if appointed or elected to an original term before age 45. • 2.0 if appointed or elected to an original term between ages 45 and 54. • 2.5 if appointed or elected to an original term at age 55 or older. <p><i>* Some political subdivision employers require employees to reach age 55 with at least 30 years of service credit to be eligible for an unreduced retirement benefit.</i></p>	<p>Earliest Unreduced Retirement Eligibility</p> <p>VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.</p> <p>SPORS, VaLORS and political subdivision hazardous duty employees: Same as Plan 1.</p> <p>JRS: Age 65, with at least five years of weighted service credit, or age 60 with at least 30 years of weighted service credit.</p> <p>Service earned under JRS is weighted. The weighting factors under Plan 2 are:</p> <ul style="list-style-type: none"> • 1.5 for JRS members appointed or elected to an original term before age 45. • 2.0 for JRS members appointed or elected to an original term between ages 45 and 54. • 2.5 for JRS members appointed or elected to an original term at age 55 or older. 	<p>Earliest Unreduced Retirement Eligibility</p> <p><i>Defined Benefit Component:</i></p> <p>VRS: Same as Plan 2.</p> <p>SPORS, VaLORS and political subdivision hazardous duty employees: Not applicable.</p> <p>JRS: Same as Plan 2.</p> <p><i>Defined Contribution Component:</i></p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility</p> <p>VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p>SPORS, VaLORS and political subdivision hazardous duty employees: Age 50 with at least five years of service credit.</p> <p>JRS: Age 55, with at least five years of service credit.</p>	<p>Earliest Reduced Retirement Eligibility</p> <p>VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>SPORS, VaLORS and political subdivision hazardous duty employees: Same as Plan 1.</p> <p>JRS: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility</p> <p><i>Defined Benefit Component:</i></p> <p>VRS: Same as Plan 2.</p> <p>SPORS, VaLORS and political subdivision hazardous duty employees: Not applicable.</p> <p>JRS: Same as Plan 1.</p> <p><i>Defined Contribution Component:</i></p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

FIGURE 2.10 : RETIREMENT PLAN PROVISIONS, cont.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><i>Eligibility:</i> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have fewer than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><i>Exceptions to COLA Effective Dates:</i> The COLA is effective July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins, under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. 	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><i>Eligibility:</i> Same as Plan 1.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p><i>Defined Benefit Component:</i> Same as Plan 2.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p> <p><i>Eligibility:</i> Same as Plan 1.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1.</p>
<p>Disability Coverage</p> <p>For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.</p> <p>Most state employees are covered under the Virginia Sickness and Disability Program (VSDP) and are not eligible for disability retirement.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p>Disability Coverage</p> <p>For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>Most state employees are covered under the Virginia Sickness and Disability Program (VSDP) and are not eligible for disability retirement.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p>Disability Coverage</p> <p>Employees of political subdivisions and school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>State employees (including Plan 1 and Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. JRS is covered under disability retirement.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VSDP or VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>

FIGURE 2.10 : RETIREMENT PLAN PROVISIONS, cont.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit, if offered by the employer. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service <i>Defined Benefit Component:</i> Same as Plan 1, with the following exception: Hybrid Retirement Plan members are ineligible for ported service. <i>Defined Contribution Component:</i> Not applicable.

B. CONTRIBUTIONS

Members and employers are required to contribute to the retirement plans as provided by Title 51.1 of the *Code of Virginia* (1950), as amended. The member contribution is 5.00% of compensation, contributed by members or employers each month to members' contribution accounts. Members leaving covered employment are eligible to request a refund of their member contribution account balance. Vested members and those involuntarily separated from employment for causes other than job performance or misconduct are eligible for a full refund. Non-vested members are eligible for a refund of their account balance, excluding any member contributions made by employers to their accounts after July 1, 2010, and the interest on those contributions.

Each participating employer is required to contribute the remaining amounts necessary to fund the pension plans using the entry age normal actuarial cost method adopted by the Board of Trustees. The System's actuary, Gabriel, Roeder, Smith & Company (GRS), computed the amount of contributions to be provided by state agency, state police and Virginia law officer employers; each participating political subdivision employer; and state judicial employers. For JRS and VaLORS, the General Assembly-approved rate was greater than the actuarially determined rate.

The contribution rates for fiscal years 2025 and 2024 were based on the actuarial valuations as of June 30, 2023 and June 30, 2021 respectively.

As shown in Figure 2.11, contributions to the pension plans for the fiscal years ended June 30, 2025 and 2024, totaled \$4,689.9 million and \$4,562.0 million, respectively, in accordance with statutory requirements.

Employer contributions to the VRS cost-sharing pool for teachers in the fiscal year ended June 30, 2025, represented 14.21% of covered payrolls. This was the General Assembly-approved rate and was less than the 16.62% contributed in the fiscal year ended June 30, 2024. Employer contributions for state employees represented 12.52% of covered payrolls and were based on the General Assembly-approved rate. Each political subdivision's contributions ranged from zero (0.00%) to 64.38% of covered payrolls. State employer contributions to SPORS, VaLORS and JRS represented 31.32%, 24.60% and 30.67%, respectively, for the fiscal year. For state and teacher employers and a majority of the political subdivisions, these rates reflected the normal cost and the amortization of a portion of the unfunded actuarial accrued liability of each of the plans based on the June 30, 2023 actuarial valuation. For a small number of political subdivisions, the rates reflect modified actuarial assumptions. This is discussed further in Note 13. Member contributions for both years represented 5.00% of covered payrolls.

FIGURE 2.11: MEMBER AND EMPLOYER CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

Fiscal Year	System/Plan	Member Contributions	Employer Contributions	Special Employer	Non-employer Contributing Entity	Total
2025	VRS – State	\$ 275,724	\$ 762,876	\$ —	\$ —	\$ 1,038,600
	VRS – Teacher	521,867	1,611,791	—	—	2,133,658
	VRS – Political Subdivisions	357,518	943,478	—	—	1,300,996
	Total VRS	1,155,109	3,318,145	—	—	4,473,254
	JRS	2,874	30,054	—	—	32,928
	SPORS	8,633	54,161	—	—	62,794
	VaLORS	20,712	100,211	—	—	120,923
	Total	\$ 1,187,328	\$ 3,502,571	\$ —	\$ —	\$ 4,689,899
2024	Total	\$ 1,117,568	\$ 3,444,420	\$ —	\$ —	\$ 4,561,988

C. EMPLOYERS' NET PENSION LIABILITY: PENSION PLANS

The net pension liabilities for the VRS pension plans were measured as of June 30, 2025. The total pension liability was determined based on an actuarial valuation as of June 30, 2024, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

The actuarial assumptions include PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. This change is based on plan experience for the four-year period July 1, 2016, through June 30, 2020, and is reflected in the development of the June 30, 2025, total pension liability.

SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY BY SYSTEM AND PLAN

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Employers' Net Pension Liability/ (Asset) (a-b)	Plan Fiduciary Net Position as a % of the Total Pension Liability (b/a)	Covered Payroll (c)	Net Pension Liability/ (Asset) as a % of the Covered Employee Payroll (a-b)/(c)
Virginia Retirement System:						
State	\$ 31,048,959	\$ 26,622,947	\$ 4,426,012	85.75%	\$ 6,077,046	72.83%
Teacher	64,331,467	55,565,522	8,765,945	86.37%	11,408,706	76.84%
Political Subdivisions*	33,779,154	32,212,652	1,566,502	95.36%	7,731,623	20.26%
Total Virginia Retirement System	129,159,580	114,401,121	14,758,459		25,217,375	
State Police Officers' Retirement System	1,627,733	1,254,189	373,544	77.05%	172,751	216.23%
Virginia Law Officers' Retirement System	2,863,701	2,244,828	618,873	78.39%	408,584	151.47%
Judicial Retirement System	852,609	765,921	86,688	89.83%	94,123	92.10%
Grand Total	\$134,503,623	\$ 118,666,059	\$ 15,837,564		\$ 25,892,833	

* Political subdivision data is from the consolidated report provided by Gabriel, Roeder, Smith and Company.

SCHEDULE OF ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS – PENSION PLANS

	VRS					
	State	Teacher	Political Subdivisions	SPORS	ValORS	JRS
Valuation Date	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:						
Investment Rate of Return*	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Projected Salary Increases*						
State Employees/Teachers	3.50% to 5.35%	3.50% to 5.95%	N/A	3.50% to 4.75%	3.50% to 4.75%	4.00%
Political Subdivisions – Non-Hazardous Duty Employees	N/A	N/A	3.50% to 5.35%	N/A	N/A	N/A
Political Subdivisions – Hazardous Duty Employees	N/A	N/A	3.50% to 4.75%	N/A	N/A	N/A
Post-Retirement Benefit Increases**						
Plan 1	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Plan 2	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Hybrid Retirement Plan	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%

* Includes inflation at 2.50%.

** Compounded annually.

Note: Actuarial assumptions and methods were based on an analysis of plan experience for the four-year period July 1, 2016, through June 30, 2020, and were used for the June 30, 2024, valuation. The mortality rates used are based on the PUB2010 table projected with a modified mortality improvement scale MP-2020. Additional information regarding mortality rate assumptions and experience studies can be found in the Actuarial Assumptions and Methods presentation in the Actuarial Section.

D. CHANGES IN DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be based on the actuarially determined rates according to the Board's funding policy, which certifies the required rates under Title 51.1 of the *Code of Virginia* (1950), as amended. Based on those assumptions, the fiduciary net position was projected to be available to make all of the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan

investments was applied to all periods of the projected benefit payments to determine the total pension liability. In accordance with GASB Statement No. 67, regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the table below presents the employers' net pension liability for each of the plans calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00% lower (5.75%) or 1.00% higher (7.75%) than the current rate.

SCHEDULE OF IMPACT OF CHANGES IN DISCOUNT RATE – PENSION PLANS

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

System/Plan	Net Pension Liability		
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Virginia Retirement System			
State	\$ 8,085,142	\$ 4,426,155	\$ 1,358,053
Teacher	17,588,774	8,765,945	1,536,838
Political Subdivisions ¹	5,898,592	1,566,502	(2,026,230)
Total Virginia Retirement System	\$ 31,572,508	\$ 14,758,602	\$ 868,661
State Police Officers' Retirement System	578,984	373,544	201,976
Virginia Law Officers' Retirement System	992,263	618,872	313,460
Judicial Retirement System	169,348	86,688	15,417
Grand Total	\$ 33,313,103	\$ 15,837,706	\$ 1,399,514

¹ Select Political Subdivision Plan(s) use the municipal bond rate for accounting disclosures. The sensitivity for the select plans is computed at 1% +/- the municipal bond rate disclosed in the Executive Summary of the GASB 67 report for the current measurement date.

3. Other Employee and Post-Employment Benefit Plans (OPEBs)

A. PLAN DESCRIPTIONS

The System administers other employee and post-employment benefit plans for active, deferred and retired members of VRS, SPORS, VaLORS and JRS. These plans are the Group Life Insurance Program, the Retiree Health Insurance Credit Program, the Virginia Sickness and Disability Program (VSDP) and the Virginia Local Disability Program (VLDP). The System also handles the administration of the Line of Duty Act Fund.

Contributions and payments for other employee benefit plans for active members occur on a current basis; therefore, the System does not record the net position of these plans and is not required to report their funding progress and employer contributions. However, the System does record plan net position and reports funding progress and employer contributions for post-employment benefit plans. This information is provided in the Required Supplementary Schedules following the Notes to Financial Statements. Additional information also is presented in the Statistical Section.

1. Group Life Insurance Program. The VRS Group Life Insurance Program is a cost-sharing, multiple-employer plan. Members whose employers participate in the Group Life Insurance Program are covered automatically under the Basic Group Life Insurance Program upon employment. They also are eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program.

Participating employers and covered employees are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute to the cost of group life insurance benefits. Employers may assume employees' contributions. The premium contributions collected during members' active careers, less the amount required to cover current life insurance premiums and claims plus administrative and other expenses, are retained in the Group Life Insurance Advance Premium Deposit Reserve to fund the claims for eligible retired and deferred members. Approximately

368,850 active members and 235,040 retirees were covered under the Basic Group Life Insurance Program at June 30, 2025.

For members who elect optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct the premiums from members' paychecks and pay the premiums to the insurer. Premiums are based on members' ages and are approved by the Board of Trustees. Any differences and adjustments are settled between the employer and the insurer. Approximately 65,514 active members and 3,436 retirees were covered under the Optional Group Life Insurance Program at June 30, 2025.

2. Retiree Health Insurance Credit Program. The Retiree Health Insurance Credit Program is composed of a single-employer plan for state employees; a cost-sharing, multiple-employer plan for teachers; three cost-sharing, multiple-employer plans for constitutional officers, social services employees and registrars; and an agent, multiple-employer plan for political subdivisions electing coverage. It provides eligible retirees a tax-free reimbursement for health insurance premiums for single coverage under qualifying health plans, including coverage under a spouse's plan, not to exceed the amount of the monthly premium or the maximum credit, whichever is less. Premiums for health plans covering specific conditions are ineligible for reimbursement. Employers are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute to the program. The amount is financed based on employer contribution rates determined by the System's actuary.

In June 2024, the Commonwealth made a special contribution of \$55.1 million to the Health Insurance Credit Plans to address unfunded liabilities, which was applied to the VRS State, Constitutional Officers, and Social Services plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 1 of the Acts of Assembly of 2024.

There were approximately 342,713 active members in the program and 144,007 retirees receiving benefits under the program at June 30, 2025.

3. Virginia Sickness and Disability Program. The Virginia Sickness and Disability Program (VSDP) is a single-employer plan. It provides state employees with sick, family and personal leave, and short-term and long-term disability benefits. State agencies are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute to the cost of providing long-term disability benefits and administering the program. Approximately 85,257 members were covered under VSDP at June 30, 2025, and approximately 2,097 former members were receiving benefits from the program during the fiscal year.

4. Virginia Local Disability Program. The Virginia Local Disability Program (VLDP) is composed of two multiple-employer cost-sharing pools, one for teachers and one for employees of political subdivisions. It provides eligible employees with short-term and long-term disability benefits. Local government employers are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to provide long-term disability benefits for their hybrid plan employees, either through a local plan or through VLDP. Approximately 41,842 members were covered under VLDP at June 30, 2025, and 176 former members received benefits from the program during the fiscal year.

5. Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program. The COV Voluntary Group Long Term Care Insurance Program is a participant-paid long-term care insurance program for eligible VRS members,

retirees and family members. The program provides a maximum monthly allowance for covered long-term care expenses such as nursing home care, adult day care, in-home care or assistance with other activities of daily living. Approximately 13,865 members, retirees and their eligible family members were covered under the program at June 30, 2025.

6. Line of Duty Act Program. The Line of Duty Act Program is a cost-sharing, multiple-employer plan. It provides death and health insurance reimbursement benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as public safety officers.

Beginning July 1, 2017, the System was responsible for the program and for managing the assets of the employers participating in the program. Participating employers made contributions to the program beginning in fiscal year 2012. The employer contribution rate was determined by the System's actuary using the anticipated program costs and the number of covered individuals associated with all participating employers. Provisions for other employee benefit and post-employment benefit plans are presented in Figure 2.12.

There were approximately 25,882 members in the Line of Duty Act Program at June 30, 2025. Benefit payments were made to 907 beneficiaries during the fiscal year.

SCHEDULE OF PARTICIPATING EMPLOYERS: OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS

AT JUNE 30, 2025

OPEB Plan	Number of Participating Employers			
	State	Teachers	Political Subdivisions	Total
Group Life Insurance	242	142	555*	939
Retiree Health Insurance Credit	243	142	236*	621
Disability Insurance Trust Fund	241	—	—	241
Virginia Local Disability Program	—	35	214*	249
Line of Duty Act Trust Fund	70	—	59	129

* Also includes school division non-teacher employees, as applicable.

FIGURE 2.12: OTHER EMPLOYEE BENEFIT AND POST-EMPLOYMENT BENEFIT PLAN PROVISIONS

AS ESTABLISHED BY TITLE 51.1 OF THE *CODE OF VIRGINIA* (1950), AS AMENDED

	Eligible Employees	Coverage
VRS Group Life Insurance Program: Basic Coverage	<p>The VRS Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: City of Portsmouth, City of Roanoke and Roanoke City School Board. The City of Richmond and the City of Norfolk participate in VRS for retirement and life. However, there are employees under each locality who decided to remain with the locality's retirement plan and are covered under VRS for life insurance only.</p> <p>Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>	<ul style="list-style-type: none"> • Natural death benefit equal to the employee's compensation rounded to the next highest thousand and then doubled. • Accidental death benefit, which is double the natural death benefit. • Accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit and accelerated death benefit option. • Continuation of death benefit and accelerated death benefit option for employees who retire or who have met the age and service requirements for retirement upon separation from employment. <p>Coverage begins to reduce by 25% on the January 1 following one calendar year after employment ends and reduces by 25% each January 1 until it reaches 25% of its original value.</p> <p>If a member has at least 30 years of service credit, coverage cannot reduce below \$9,532. This minimum will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The member may end employment and defer retirement until a later date; however, the group life insurance will begin reducing based on the last month of employment.</p>
Optional Group Life Insurance Program	<p>Employees covered under the VRS Group Life Insurance Program are eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. Employees pay the premiums through payroll deduction.</p> <p>Spousal coverage ends if the employee's coverage ends or the couple divorce. Coverage for dependent children ends if the employee's coverage ends or when the children marry, become self-supporting, reach age 21 or reach age 25 as a dependent attending college full time.</p> <p>Coverage continues for dependent unmarried children who are disabled.</p> <p>Employees who meet qualifications for retirement may continue a portion of their coverage upon leaving employment.</p>	<p>The program provides natural death and accidental death or dismemberment coverage:</p> <ul style="list-style-type: none"> • Employees select one, two, three or four times their compensation, not to exceed \$975,000. • Spouses may be covered for up to half the maximum amount of the employees' coverage, not to exceed \$487,000. Dependent children who are at least 15 days old may be covered for \$10,000, \$20,000 or \$30,000, depending on the option employees select. • Accidental death and dismemberment coverage ends upon retirement. A retired employee may elect within 31 days of the last day of the month in which he or she leaves employment to continue optional life coverage provided he or she has 60 months of coverage prior to leaving service. As a retiree, the participant can elect either one or two times his or her compensation, not to exceed \$375,000 or the amount of coverage in place when the employee left service. • Coverage begins to reduce beginning with the retiree's normal retirement age under his or her plan and all coverage ends at age 80. Upon retirement, spouse coverage can continue at one-half the amount of the retiree's coverage and dependent coverage can continue at the same level previously covered prior to retirement. Premiums for coverage are at the same rates as active employees. If the retiree previously had coverage exceeding \$375,000, he or she can elect to convert the excess over this amount to an individual policy with individual rates. • If an employee terminates with fewer than 60 months of optional life coverage, he or she may convert the policy and any spouse and/or dependent coverage to an individual policy (without evidence of insurability if done within 31 days of termination). However, it may be at higher premiums than those paid by active employees.

FIGURE 2.12: OTHER EMPLOYEE BENEFIT AND POST-EMPLOYMENT BENEFIT PLAN PROVISIONS, cont.

Retiree Health Insurance Credit Program	The Retiree Health Insurance Credit Program was established January 1, 1990, for retired state employees covered under VRS, SPORS, VaLORS and JRS who retire with at least 15 years of service credit. The program was opened to teachers and eligible employees of participating political subdivisions on July 1, 1993. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering a spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.	
Health Insurance Credit Dollar Amounts at Retirement	Amount per Year of Service	Maximum Credit per Month**
State employees* (including participants in a state ORP or ARP)	\$4.25	No Maximum
Teachers and school administrators	\$4	No Maximum
General registrars and their employees and local social service employees	\$1.50	\$45
General registrars and their employees and local social service employees, if the political subdivision elects the \$1 enhancement	\$2.50	\$75
Constitutional officers and their employees	\$1.75	\$52.50
Constitutional officers and their employees, if the political subdivision elects the \$1 enhancement	\$2.75	\$82.50
Non-teacher school division employees	\$1.50	No Maximum
Non-teacher school division employees, if the school division elects the \$1 enhancement	\$2.50	No Maximum
Other political subdivision employees as elected by the employer	\$1.50	\$45
Health Insurance Credit Dollar Amounts at Disability Retirement and for VSDP and VLDP Long-Term Disability		
Employees who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP) or the Virginia Local Disability Program (VLDP) are eligible for the health insurance credit.***		
Eligible Employees	Coverage	
State employees other than state police	\$120 per month or \$4.25 per year of service credit per month, whichever is higher. No maximum.	
State police officers	Non-work-related disability: \$120 per month or \$4.25 per year of service credit per month, whichever is higher. Work-related disability: No health insurance credit for premiums qualified under the Virginia Line of Duty Act; may receive the credit for premiums paid for other qualified health plans.	
General registrars and their employees; local social service employees	\$45 per month.	
General registrars and their employees; local social service employees if political subdivision elects the \$1 enhancement	\$75 per month.	
Constitutional officers and their employees	\$52.50 per month.	
Constitutional officers and their employees, if the political subdivision elects the \$1 enhancement	\$82.50 per month.	
Teachers and school administrators	Either (a) \$4 multiplied by twice the amount of service credit per month; or (b) \$4 multiplied by the amount of service earned had the employee been active until age 60 per month, whichever is lower. No maximum.	
Non-teacher school division employees	\$1.50 x the smaller of (a) twice the amount of service credit or (b) the amount of service that would have been earned had the member remained an active employee until age 60. No maximum.	
Non-teacher school division employees, if the school division elects the \$1 enhancement	\$2.50 x the smaller of (a) twice the amount of service credit or (b) the amount of service that would have been earned had the member remained an active employee until age 60, No maximum.	
Political subdivision employees as elected by the employer	\$45 per month. No health insurance credit premiums for premiums qualified under LODA. May receive the credit for premiums paid for other qualified health plans.	
<i>* For JRS employees, the calculation is based on weighted service.</i>		
<i>** Not to exceed the individual premium amount.</i>		
<i>*** Not to exceed the individual premium amount. Employees who retire from being on long-term disability under VSDP or VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.</i>		

FIGURE 2.12: OTHER EMPLOYEE BENEFIT AND POST-EMPLOYMENT BENEFIT PLAN PROVISIONS, cont.

	Eligible Employees	Coverage
Virginia Sickness and Disability Program (VSDP)	<p>VSDP, also known as the Disability Insurance Trust Fund, was established January 1, 1999, to provide short-term and long-term disability benefits for non-work-related and work-related disabilities.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> • Full-time and part-time permanent, salaried state employees covered under VRS, SPORS and VaLORS (members new to VaLORS following its creation on October 1, 1999, have been enrolled since the inception of VSDP). • State employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for VRS disability retirement. 	<ul style="list-style-type: none"> • Sick, family and personal leave. • Short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. The benefit provides income replacement beginning at 100% of the employee's pre-disability income, reducing to 80% and then 60%. • Long-term disability benefit beginning after 125 workdays of short-term disability and continuing until the employee reaches his or her normal retirement age. The benefit provides income replacement of 60% of the employee's pre-disability income. If an employee becomes disabled within five years of his or her normal retirement age, the employee will receive up to five years of VSDP benefits, provided he or she remains medically eligible. • Income replacement adjustment to 80% for catastrophic conditions. • VSDP Long-Term Care Plan, a self-funded program that assists with the cost of covered long-term care services.
Notes:		
<ul style="list-style-type: none"> • Employees hired or rehired on or after July 1, 2009, must satisfy eligibility periods before becoming eligible for non-work-related short-term disability coverage and certain income-replacement levels. • A state employee who is approved for VSDP benefits on or after the date that is five years prior to his or her normal retirement date is eligible for five years of VSDP benefits. • Employees on work-related short-term disability receiving only a workers' compensation payment may be eligible to purchase service credit for this period if retirement contributions are not being withheld from the workers' compensation payment. The rate will be based on 5.00% of the employee's compensation. • Public college and university faculty members who elect the VRS defined benefit plan may participate in VSDP or their institution's disability program, if offered. If the institution does not offer the program or the faculty member does not make an election, the member is enrolled in VSDP. 		

FIGURE 2.12: OTHER EMPLOYEE BENEFIT AND POST-EMPLOYMENT BENEFIT PLAN PROVISIONS, cont.

	Eligible Employees	Coverage
Virginia Local Disability Program (VLDP)	<p>VLDP was implemented January 1, 2014, to provide short-term and long-term disability benefits for non-work-related and work-related disabilities. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. Eligible employees include:</p> <ul style="list-style-type: none"> • Teacher or other professional employee of a local public school division. • General employee of a VRS-participating political subdivision such as a city, county, town, authority or commission. • Local law enforcement officer, firefighter or emergency medical technician if the employer does not provide enhanced hazardous duty benefits. 	<p>Short-term disability benefit beginning after a seven-calendar day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer.</p> <ul style="list-style-type: none"> • Eligibility for work-related short-term disability coverage begins upon employment. • During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go on non-work-related or work-related short-term disability. • Once the eligibility period is satisfied, employees are eligible for higher income-replacement levels. • VLDP long-term benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours a week. • Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation is greater than the VLDP benefit amount. • Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible. • VLDP Long-Term Care Plan, a self-funded program that assists with the cost of covered long-term care services.
Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program	<p>The following members and retirees between the ages of 18 and 75 are eligible to apply:</p> <ul style="list-style-type: none"> • State employees or faculty members of a Virginia public institution of higher education who work at least 20 hours a week (VRS membership is not required). • Employees of school divisions and political subdivisions who work at least 20 hours per week and whose employers have elected to participate in the program (VRS membership is not required). • Vested deferred members (their employers are not required to have elected the program). • Retirees receiving a VRS-administered benefit. • Retirees of Virginia public colleges and universities. • Select family members of eligible members. 	<p>The program provides assistance with covered long-term care expenses at group rates. Participants pay the premium directly to Genworth.</p>

FIGURE 2.12: OTHER EMPLOYEE BENEFIT AND POST-EMPLOYMENT BENEFIT PLAN PROVISIONS, cont.

	Eligible Employees	Coverage
Line of Duty Act (LODA) Program	Paid employees and volunteers in hazardous duty positions in Virginia localities, including hazardous duty employees covered under VRS, SPORS and VaLORS.	<p>Coverage provides death and health insurance benefits.</p> <p>The LODA death benefit is a one-time payment made to the beneficiary or beneficiaries.</p> <p>Amounts vary as follows:</p> <ul style="list-style-type: none"> • \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after. • Approved LODA presumptive deaths prior to January 1, 2025, provide \$25,000 when the cause of death is attributed to one of the applicable presumptions and the death occurred within five years of retirement (last day worked in LODA position). Approved presumptive deaths January 1, 2025, and after provide a \$75,000 benefit. • An additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001. <p>The System is responsible for managing the assets of the Line of Duty Act Fund.</p>
Cost-of-Living Adjustments (COLA) for OPEB Plans	<ul style="list-style-type: none"> • VRS Group Life Insurance Program, Basic Coverage: If a member has at least 30 years of service credit, coverage cannot reduce below an \$8,000 minimum established in 2015. This minimum will be increased annually based on the VRS Plan 2 COLA calculation. • Optional Group Life Insurance: The actuary reviews the maximum coverage levels every five years for possible increases. • Virginia Local Disability Program (VLDP): For participating members taking a service retirement immediately when their period of long-term disability ends, the COLA may be increased annually by an amount recommended by the actuary and approved by the board, from the date of the commencement of the disability to the date of retirement. • Virginia Sickness and Disability Program (VSDP): <ul style="list-style-type: none"> ◦ During periods an employee receives long-term disability benefits, the COLA may be increased annually by an amount recommended by the actuary and approved by the Board. ◦ For participating full-time employees taking a service retirement, the COLA may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement. ◦ For participating full-time employees receiving supplemental (work-related) disability benefits, the COLA may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement. 	

B. EMPLOYERS' NET OPEB LIABILITY – OTHER POST-EMPLOYMENT BENEFIT PLANS

The net OPEB liabilities for the OPEB plans were measured as of June 30, 2025. The total OPEB liability was determined based on an actuarial valuation as of June 30, 2024, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025. The actuarial assumptions include PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified

Mortality Improvement Scale MP-2020. This change is based on plan experience for the four-year period July 1, 2016, through June 30, 2020, and is reflected in the development of the June 30, 2025, total OPEB liability.

Actuarial methods and assumptions for the OPEB plans are presented in the Actuarial Section. The following schedule presents selected information as of the latest actuarial valuation:

SCHEDULE OF EMPLOYERS' NET OPEB LIABILITY BY PROGRAM AND PLAN

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Employers' Net OPEB Liability/ (Asset) (a-b)	Plan Fiduciary Net OPEB as a % of the Total OPEB Liability (b/a)	Covered Payroll (c)	Net OPEB Liability/(Asset) as a % of the Covered Payroll (a-b)/(c)
Group Life Insurance Fund	\$ 4,433,282	\$ 3,471,094	\$ 962,188	78.30%	\$ 27,616,998	3.48%
Health Insurance Credit Fund:						
State	1,074,252	453,179	621,073	42.19%	9,886,404	6.28%
Teacher	1,455,872	395,733	1,060,139	27.18%	11,410,819	9.29%
Political Subdivisions*	79,918	55,168	24,750	69.03%	2,143,520	1.15%
Constitutional Officers	41,278	16,973	24,305	41.12%	1,015,388	2.39%
Social Services Employees	15,103	7,522	7,581	49.80%	396,650	1.91%
Registrars	580	433	147	74.66%	23,787	0.62%
Total Health Insurance Credit	\$ 2,667,003	\$ 929,008	\$ 1,737,995		\$ 24,876,568	
Disability Insurance Trust Fund	\$ 323,479	\$ 758,711	\$ (435,232)	234.55%	\$ 6,174,181	(7.05%)
Virginia Local Disability Program:						
Teacher	18,227	17,730	497	97.27%	1,237,815	0.04%
Political Subdivisions	16,392	21,139	(4,747)	128.96%	974,712	(0.49%)
Total Virginia Local Disability Program	\$ 34,619	\$ 38,869	\$ (4,250)		\$ 2,212,527	
Line of Duty Act Trust Fund	\$ 384,211	\$ 4,972	\$ 379,239	1.29%	**	N/A
Grand Total	\$ 7,842,594	\$ 5,202,654	\$ 2,639,940		\$ 60,880,274	

* Political subdivision data is from the consolidated report provided by Gabriel, Roeder, Smith & Company.

** Contributions into the Line of Duty Act Trust Fund are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution.

**SCHEDULE OF ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS:
OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS**

	Group Life Insurance Fund	Retiree Health Insurance Credit Fund	Disability Insurance Trust Fund	Line of Duty Act Trust Fund	Virginia Local Disability Program
Valuation Date	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Closed	Level Percent of Pay, Open	Level Percent of Pay, Closed
Payroll Growth Rate:					
State Employees	3.00%	3.00%	3.00%	3.00%	N/A
Teachers	3.00%	3.00%	N/A	N/A	3.00%
Political Subdivision Employees	3.00%	3.00%	N/A	3.00%	3.00%
State Police and Virginia Law Officers	3.00%	3.00%	3.00%	3.00%	N/A
Judges	3.00%	3.00%	N/A	N/A	N/A
Asset Valuation Method					
State Employees and Teachers	5-Year, Moving Average	5-Year, Moving Average	5-Year, Moving Average	Market Value	5-Year, Moving Average
Political Subdivision Employees and State-Funded Local Employees	5-Year, Moving Average	Market Value	N/A	Market Value	5-Year, Moving Average
Actuarial Assumptions					
Investment Rate of Return*	6.75%	6.75%	6.75%	6.75%	6.75%
Projected Salary Increases:**					
State Employees	3.50% to 5.35%	3.50% to 5.35%	3.50% to 5.35%	N/A	N/A
Teachers	3.50% to 5.95%	3.50% to 5.95%	N/A	N/A	3.50% to 5.95%
Political Subdivision Non-Hazardous Duty Employees	3.50% to 5.35%	3.50% to 5.35%	N/A	N/A	3.50% to 5.35%
Political Subdivision Hazardous Duty Employees	3.50% to 4.75%	3.50% to 4.75%	N/A	N/A	N/A
State Police and Virginia Law Officers	3.50% to 4.75%	3.50% to 4.75%	3.50% to 4.75%	N/A	N/A
Judges	4.00%	4.00%	N/A	N/A	N/A
Medical Trend Assumptions (Under Age 65)	N/A	N/A	N/A	7.25% to 4.25%	N/A
Medical Trend Assumptions (Age 65 and Older)	N/A	N/A	N/A	6.50% to 4.25%	N/A
Medical Trend Assumptions (Medicare Part B)	N/A	N/A	N/A	5.89% to 4.25%	N/A
Year of Ultimate Trend Rate					
Under Age 65	N/A	N/A	N/A	2035	N/A
Ages 65 and Older	N/A	N/A	N/A	2035	N/A
Medicare Part B	N/A	N/A	N/A	2035	N/A

* Includes inflation at 2.50%.

** Projected salary increases for the Retiree Health Insurance Credit Fund are used in the application of the actuarial cost method. Projected salary increase factors are not applicable to the Line of Duty Act Program since neither the benefit nor the cost is salary-based.

Note: Actuarial assumptions and methods were based on an analysis of plan experience for the four-year period July 1, 2016, through June 30, 2020, and were used for the June 30, 2024, valuation. The mortality rates used are based on the PUB2010 table projected with a modified mortality improvement scale MP-2020. Additional information regarding mortality rate assumptions and experience studies can be found in the Actuarial Assumptions and Methods presentation in the Actuarial Section.

C. CHANGES IN DISCOUNT RATE

The discount rate used to measure the total OPEB liability was 6.75% for the prefunded plans. These include the Group Life Insurance Program, the Retiree Health Insurance Program, the Disability Insurance Program and the Virginia Local Disability Program. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be based on the actuarially determined rates based on the Board's funding policy, which certifies the required rates under Title 51.1 of the *Code of Virginia* (1950), as amended. Based on those assumptions, the fiduciary net position was projected to be available to make all of the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total OPEB liability.

In accordance with GASB Statement No. 74, regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the table below presents the employers' net pension liability for each of the plans calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00% lower (5.75)% or 1.00% higher (7.75)% than the current rate. The Line of Duty Act Program is funded on a pay-as-you-go basis. As a result, the liabilities are valued using a discount rate of 5.20%, which approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyers GO 20-year Municipal Bond Index as of the measurement date of June 30, 2025.

SCHEDULE OF IMPACT OF CHANGES IN DISCOUNT RATE: LINE OF DUTY ACT (LODA) PLAN

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	1.00% Decrease	Current Discount Rate	1.00% Increase
System/Plan	(4.20%)	(5.20%)	(6.20%)
Net LODA OPEB Liability	\$446,861	\$379,238	\$325,688

SCHEDULE OF IMPACT OF CHANGES IN HEALTH CARE TREND RATE: LODA PLAN

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	1.00% Decrease	Health Care Cost Trend Rates	1.00% Increase
System/Plan	(6.25% decreasing to 3.25%)	(7.25% decreasing to 4.25%)	(8.25% decreasing to 5.25%)
Net LODA OPEB Liability	\$304,481	\$379,238	\$479,165

SCHEDULE OF IMPACT OF CHANGES IN DISCOUNT RATE: NON-LODA OPEB PLANS

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

System/Plan	Net OPEB Liability/(Asset)		
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Group Life Insurance Fund	\$ 1,623,170	\$ 962,188	\$ 428,931
Health Insurance Credit Fund:			
State	723,239	621,073	533,284
Teacher	1,214,832	1,060,139	928,804
Political Subdivisions ¹	33,296	24,750	17,495
Constitutional Officers	28,919	24,305	20,416
Social Services Employees	9,173	7,581	6,236
Registrars	206	147	97
Total Health Insurance Credit	2,009,665	1,737,995	1,506,332
Disability Insurance Trust Fund	(413,131)	(435,232)	(454,932)
Virginia Local Disability Program:			
Teacher	2,306	497	(1,115)
Political Subdivisions	(3,560)	(4,747)	(5,812)
Total Virginia Local Disability Program	(1,254)	(4,250)	(6,927)
Grand Total	\$ 3,218,450	\$ 2,260,701	\$ 1,473,404

¹ Select Political Subdivision Plan(s) use the municipal bond rate for accounting disclosures. The sensitivity for the select plans is computed at 1% +/- the municipal bond rate disclosed in the Executive Summary of the GASB 74 report for the current measurement date.

4. Reserve Accounts

The reserve account balances available for benefits at June 30, 2025 and 2024, are presented in Figure 2.13. These funds are required by Titles 51.1 and 2.2 of the *Code of Virginia* (1950), as amended, to provide for the payment of current and future benefits as follows:

- Member and employer contributions and investment income fund the member and employer reserves. Each member has a member contribution account that accumulates member contributions plus annual interest of 4.00% calculated on the balance as of the previous June 30. Each employer has a retirement allowance account that accumulates employer contributions, transfers of investment income less administrative expenses incurred in operating the retirement plans and transfers of member contributions and accrued interest upon a member's retirement. Benefit payments are charged to employers' retirement allowance accounts.
- The Group Life Insurance Advance Premium Deposit Reserve accumulates a portion of insurance premium contributions collected during members' active careers and their investment earnings, and is charged for life insurance benefits paid and expenses incurred in operating the Group Life Insurance Program.
- Employer contributions and investment income fund the Retiree Health Insurance Credit Reserve. It is charged for credit reimbursements applied to the monthly health insurance premiums of eligible retired members and expenses incurred in operating the Retiree Health Insurance Credit Program.
- Employer contributions and investment income fund the Disability Insurance Trust Fund. It is charged for long-term disability benefits and expenses incurred in operating the Virginia Sickness and Disability Program (VSDP).
- Employer contributions and investment income fund the Line of Duty Act Trust Fund. It is charged for Line of Duty Act death and health insurance benefits and expenses incurred in operating the Line of Duty Act Program.
- Employer contributions and investment income fund the Local Disability Insurance Trust Fund. It is charged for long-term disability benefits and expenses incurred in operating the Virginia Local Disability Program (VLDP).

FIGURE 2.13: NET POSITION RESTRICTED FOR BENEFITS

AT JUNE 30 (EXPRESSED IN THOUSANDS)

	2025	2024
Virginia Retirement System		
Member Reserve	\$ 16,700,296	\$ 15,992,493
Employer Reserve	97,700,825	89,586,908
Total VRS	114,401,121	105,579,401
State Police Officers' Retirement System		
Member Reserve	126,064	123,633
Employer Reserve	1,128,125	1,036,904
Total SPORS	1,254,189	1,160,537
Virginia Law Officers' Retirement System		
Member Reserve	267,482	262,344
Employer Reserve	1,977,346	1,814,388
Total VaLORS	2,244,828	2,076,732
Judicial Retirement System		
Member Reserve	43,329	43,965
Employer Reserve	722,592	673,199
Total JRS	765,921	717,164
Group Life Insurance Advance Premium Deposit Reserve	3,471,094	3,080,133
Retiree Health Insurance Credit Reserve	929,008	775,393
Disability Insurance Trust Fund (VSDP)	758,711	692,870
Line of Duty Act Trust Fund	4,972	4,841
Disability Insurance Trust Fund (VLDP)	38,869	29,474
VRS Investment Portfolio DC Plans	83,149	77,356
Commonwealth Health Research Fund	53,926	50,520
Volunteer Firefighters' and Rescue Squad Workers Service Award Fund	7,010	6,431
Commonwealth's Attorneys Training Fund	28,980	27,385
Total Pension and Other Employee Benefit Reserves	\$ 124,041,778	\$ 114,278,237

5. Deposits and Investment Risk Disclosures

A. DEPOSITS

Deposits of the System maintained by the Treasurer of Virginia at June 30, 2025 and 2024, as shown in Figure 2.14, were partially insured under the Virginia Security for Public Deposits Act, Section 2.2-4400 et seq. of the *Code of Virginia* (1950), as amended, which provides for an assessable, multiple financial institution collateral pool. The remainder of the funds held by the Treasurer of Virginia for the System are invested in accordance with its policy to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all statutes governing the investment of public funds. Deposits with the System's master custodian, Bank of New York Mellon, were entirely insured by federal depository insurance coverage. Other reflects cash temporarily invested in a Money Market account at Principal Financial Group, for the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund (VolSAP).

FIGURE 2.14: DEPOSITS

AT JUNE 30

(EXPRESSED IN THOUSANDS)

	2025 Carrying Amount	2024 Carrying Amount
Treasurer of Virginia	\$ 71,057	\$ 86,842
Master Custodian	18,953	25,070
Other	15,861	123
Total Deposits	\$ 105,871	\$ 112,035

B. INVESTMENTS

1. Authorized Investments. The Board of Trustees of the System has full power to invest and reinvest the trust funds in accordance with Section 51.1-124.30 of the *Code of Virginia* (1950), as amended. This section requires the Board to discharge its duties solely in the interests of members, retirees and beneficiaries. It also requires the Board to invest the assets with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar

with such matters would use in the conduct of an enterprise of a like character and with like aims. Investment value and earnings of the investment pool are proportionally allocated among the System's trust and custodial funds on the basis of each fund's equity interest in the common investment pool. An Investment Summary is included in the Investment Section. The equity interest of each fund as of June 30, 2025 and 2024, is presented in Figure 2.15.

FIGURE 2.15: EQUITY INTERESTS

AT JUNE 30

Fund	2025	2024
Virginia Retirement System	92.166%	92.328%
State Police Officers' Retirement System	1.012%	1.017%
Virginia Law Officers' Retirement System	1.812%	1.820%
Judicial Retirement System	0.619%	0.629%
Group Life Insurance Fund	2.871%	2.769%
Retiree Health Insurance Credit Fund	0.744%	0.669%
Disability Insurance Trust Fund (VSDP)	0.602%	0.597%
Line of Duty Act Trust Fund	0.004%	0.005%
Virginia Local Disability Program	0.031%	0.025%
VRS Investment Portfolio	0.067%	0.067%
Commonwealth Health Research Fund	0.043%	0.044%
Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund	0.006%	0.006%
Commonwealth's Attorneys Training Fund	0.023%	0.024%
Total Equity Interests	100.000%	100.000%

2. Fair Value Measurements. The System categorizes the fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The System's master custodian uses a proprietary matrix based on asset class as the basis for the fair value hierarchy, which utilizes industry standard asset categories to assign a fair value level to each investment.

Level 1: Unadjusted quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-driven valuations in which all significant inputs are observable.

Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. Cash equivalents and certain other short-term, highly liquid investments that are measured at amortized cost, as described in Note 1F(1) Investment Valuation, are also not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant in the valuation. The System's assessment of significant particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Figure 2.16 shows the fair value leveling of the investments for the System and the following recurring fair value measurements as of June 30, 2025, and June 30, 2024.

FIGURE 2.16: INVESTMENTS AND DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

		Fair Value Measurements Using		
	6/30/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Debt Securities:				
U.S. Government Securities	\$ 10,128,473	\$ 7,593,829	\$ 2,534,644	\$ —
Agencies	3,343,698	—	3,343,698	—
Municipal Securities	44,024	—	44,024	—
Supranational and Non-U.S. Government Bonds	914,952	—	913,297	1,655
Asset-Backed Securities	157,732	—	157,732	—
Collateralized Mortgage Obligations	2,481,207	—	2,481,207	—
Commercial Mortgages	157,866	—	157,866	—
Corporate and Other Bonds	3,793,961	—	3,793,961	—
Mutual and Money Market Funds	260,497	259,685	812	—
Negotiable Certificates of Deposit	10,016	—	10,016	—
Term Loans	11,864	—	—	11,864
Total Debt Securities	21,304,290	7,853,514	13,437,257	13,519
Equity Securities:				
Common and Preferred Stocks	31,005,693	31,004,998	—	695
Total Equity Securities	31,005,693	31,004,998	—	695
Hedge Funds	223,193	—	—	223,193
Real Estate and Real Asset Funds	991,160	—	—	991,160
Total Investments by Fair Value Level	\$ 53,524,336	\$ 38,858,512	\$ 13,437,257	\$ 1,228,567
Investments Measured at the Net Asset Value (NAV):				
Hedge Funds	\$ 11,955,049			
Credit Strategies Funds	21,195,922			
Private Equity Funds	20,150,420			
Equity International Commingled Funds	3,219,679			
Real Estate and Real Asset Funds	14,744,245			
Total Investments Measured at the NAV	71,265,315			
Total Investments Measured at Fair Value	\$124,789,651			
Investment Derivative Instruments:				
Foreign Currency Forwards	\$ (26,671)	\$ —	\$ (26,671)	
Futures Contracts	49,234	49,234	—	
Options	53,201	53,164	37	
Credit Default Swaps	145	—	145	
Interest Rate Swaps	19,947	—	19,947	
Swaptions	32	—	32	
Total Return Swaps	71,981	—	71,981	
Total Investment Derivative Instruments	\$ 167,869	\$ 102,398	\$ 65,471	

FIGURE 2.16: INVESTMENTS AND DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE, cont.

AS OF JUNE 30, 2024

(EXPRESSED IN THOUSANDS)

		Fair Value Measurements Using			
	6/30/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by Fair Value Level:					
Debt Securities:					
U.S. Government Securities	\$ 7,347,148	\$ 6,588,115	\$ 759,033	\$ —	
Agencies	3,882,292	—	3,882,292	—	
Municipal Securities	49,886	—	49,886	—	
Supranational and Non-U.S. Government Bonds	782,298	—	782,298	—	
Asset-Backed Securities	211,301	—	211,301	—	
Collateralized Mortgage Obligations	1,695,240	—	1,695,240	—	
Commercial Mortgages	114,892	—	114,892	—	
Corporate and Other Bonds	4,527,851	—	4,527,851	—	
Mutual and Money Market Funds	6,571	6,571	—	—	
Term Loans	21,212	—	—	21,212	
Total Debt Securities	18,638,691	6,594,686	12,022,793	21,212	
Equity Securities:					
Common and Preferred Stocks	27,003,560	27,002,873	—	687	
Total Equity Securities	27,003,560	27,002,873	—	687	
Hedge Funds	182,416	—	—	182,416	
Real Estate and Real Asset Funds	951,534	—	—	951,534	
Total Investments by Fair Value Level	\$46,776,201	\$ 33,597,559	\$ 12,022,793	\$ 1,155,849	
Investments Measured at the Net Asset Value (NAV):					
Hedge Funds	\$ 11,001,145				
Credit Strategies Funds	19,078,703				
Private Equity Funds	19,424,203				
Equity International Commingled Funds	3,300,927				
Real Estate and Real Asset Funds	13,202,340				
Total Investments Measured at the NAV	66,007,318				
Total Investments Measured at Fair Value	\$112,783,519				
Investment Derivative Instruments:					
Foreign Currency Forwards	\$ 3,807	\$ —	\$ 3,807		
Futures Contracts	1,960	1,960	—		
Credit Default Swaps	78	—	78		
Total Return Swaps	23,597	—	23,597		
Total Investment Derivative Instruments	\$ 29,442	\$ 1,960	\$ 27,482		

Description of Investments Measured at Fair Value

Equity and debt securities classified in Level 1 are valued using quoted prices in active markets for those securities. Debt securities classified in Level 2 are valued using bid evaluations or matrix pricing techniques. Inputs to the valuation techniques may include market participants' assumptions, quoted prices for similar assets, benchmark yield curves, market corroborated inputs and other data inputs. Debt securities classified in Level 3 include term loans, which are valued using proprietary information.

Equity securities in Level 2 are typically valued using quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; or model-driven valuations in which all significant inputs are observable. Equity securities in Level 3 include common and preferred equity securities, privately issued securities and other securities with limited trading volume and are valued using proprietary information or single source pricing.

Other investments in Level 3 include investments in hedge funds and real estate and real assets funds. These investments have been assigned a Level 3, as they are valued using unobservable inputs. When observable inputs are not available for these investments, one or more valuation techniques (e.g., the market approach, the income approach and/or the cost approach) are used for which sufficient and reliable data is available. Within Level 3, the use of the market approach generally consists of using comparable market transactions or other data, while the use of the income approach generally consists of the net present value of estimated future cash flows. The cost approach is often based on the amount that would currently be required to replace an asset with one of comparable utility.

The System also has investments in hedge and commingled funds and private equity, credit strategies, and real estate and real assets funds that are not categorized under the fair value hierarchy and are shown at net asset value (NAV).

Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets. In some cases, the actual NAV has not been determined by the external fund or investment managers as of the System's fiscal year end and must be projected using a roll-forward process. The projected NAV is the value at the end of the prior quarter, adjusted for any contributions or distributions and an estimate of income and management fees. There is no adjustment for realized or unrealized gains and losses. These investments are discussed below in "Description of Investments Measured at the NAV."

Derivative instruments classified as Level 1 of the Fair Value Hierarchy are valued using prices quoted in active markets for those securities. The derivative instruments in Level 1 consist of futures contracts on U.S. Treasury bonds and notes, non-U.S. government bonds, and U.S. equity indexes and on U.S. short-term interest rates. Derivative instruments in Level 1 also include options on U.S. equity indexes and on fixed income securities and futures. Derivative instruments classified as Level 2 are valued using a number of modeling approaches that take into account observable market levels, benchmark rates and foreign exchange rates.

FIGURE 2.17: INVESTMENTS MEASURED AT THE NAV

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds:				
Equity Long/Short Funds	\$ 5,097,886	\$ —	Monthly, quarterly, semi-annually, annually	30-90 days
Equity Long-Only Funds	1,230,527	—	Annually	90 days
Multi-Strategy Funds	5,626,636	—	Monthly, quarterly, semi-annually, annually	5-365 days
Total Hedge Funds	11,955,049	—		
Credit Strategies Funds:				
Asset Backed	1,960,219	1,435,760		
Bank Loan and Direct Lending Funds	5,099,804	2,134,740		
Distressed Debt Funds	1,655,234	635,780		
Diversified Private Credit Funds	4,060,014	1,223,234		
Mezzanine Debt Funds	2,254,343	957,740		
Multi-Strategy Funds	2,271,582	781,932		
Opportunistic Funds	3,894,726	1,005,877		
Total Credit Strategies Funds	21,195,922	8,175,063		
Private Equity Funds:				
Buyout Funds	11,075,973	2,429,984		
Energy Funds	524,747	376,916		
Growth Funds	3,361,174	712,345		
International Buyout Funds	2,770,117	905,652		
Special Situations Funds	1,707,524	1,435,722		
Subordinated Debt Funds	69,081	15,455		
Turnaround Funds	524,317	196,266		
Venture Capital Funds	117,487	24,116		
Total Private Equity Funds	20,150,420	6,096,456		
Equity International Commingled Funds	3,219,679	—	Semi-monthly	6 days
Real Estate and Real Asset Funds:				
Infrastructure Funds	3,070,380	1,205,798		
Natural Resources Funds	1,816,512	920,613		
Private Investment Real Estate Funds	9,810,699	2,556,939		
Private Real Estate Investment Trusts	46,654	—		
Total Real Estate and Real Asset Funds	14,744,245	4,683,350		
Total Investments Measured at the NAV	\$ 71,265,315	\$ 18,954,869		

FIGURE 2.17: INVESTMENTS MEASURED AT THE NAV, cont.

AS OF JUNE 30, 2024

(EXPRESSED IN THOUSANDS)

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds:				
Equity Long/Short Funds	\$ 5,332,069	\$ —	Monthly, quarterly, semi-annually, annually	30-90 days
Equity Long-Only Funds	1,524,515	—	Annually	90 days
Multi-Strategy Funds	4,144,561	—	Monthly, quarterly, semi-annually, annually	30-365 days
Total Hedge Funds	11,001,145	—		
Credit Strategies Funds:				
Asset Backed	1,620,249	1,510,656		
Bank Loan and Direct Lending Funds	4,961,058	2,857,582		
Distressed Debt Funds	1,708,417	646,123		
Diversified Private Credit Funds *	3,088,821	1,269,563		
Mezzanine Debt Funds	1,863,125	1,173,464		
Multi-Strategy Funds	2,513,143	896,385		
Opportunistic Funds	3,323,890	860,946		
Total Credit Strategies Funds	19,078,703	9,214,719		
Private Equity Funds:				
Buyout Funds	10,912,748	2,315,233		
Energy Funds	472,933	277,060		
Growth Funds	3,163,320	609,779		
International Buyout Funds	2,423,912	668,834		
Special Situations Funds	1,722,664	882,159		
Subordinated Debt Funds	62,848	30,457		
Turnaround Funds	565,507	205,623		
Venture Capital Funds	100,271	32,516		
Total Private Equity Funds	19,424,203	5,021,661		
Equity International Commingled Funds	3,300,927	—	Semi-monthly	6 days
Real Estate and Real Asset Funds:				
Infrastructure Funds	2,843,322	1,183,362		
Natural Resources Funds	1,759,310	589,071		
Private Investment Real Estate Funds	8,538,709	1,794,267		
Real Estate Investment Trusts	60,999	—		
Total Real Estate and Real Asset Funds	13,202,340	3,566,700		
Total Investments Measured at the NAV	\$ 66,007,318	\$ 17,803,080		

* Unfunded Commitments for the category Diversified Private Credit for 2024 were previously reported to be \$1,232,063 in the prior year.

Description of Investments Measured at the NAV

Figure 2.17 presents the investments measured at the net asset value (NAV) per share (or its equivalent). Below are descriptions of the investment strategies, valuation methods and redemption restrictions of the investments measured at the NAV by fund type:

HEDGE FUNDS:

- **Equity Long/Short Hedge Funds:** This type included investments in 10 hedge funds at June 30, 2025, and in 11 hedge funds at June 30, 2024, which invest in global long and short equity positions. Management of each hedge fund has the ability to invest from value to growth strategies, from small to large capitalization stocks and may vary net exposure considerably. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investments representing approximately 19% of the value of the investments in this type of fund cannot be redeemed because the investments include restrictions that do not allow redemption in the first 12 months. The remaining restriction period for these investments was less than 12 months at June 30, 2025.
- **Equity Long-Only Hedge Funds:** This type included an investment in two hedge funds at June 30, 2025, and in two hedge funds at June 30, 2024, which invest in global long-only equity positions. These hedge funds are generally fully invested and only infrequently may take short positions for hedging purposes. The fair value of the investment in this type has been determined using the NAV per share of the investments. Investments representing approximately 79% of the value of the investments in this type of fund cannot be redeemed because the investments include restrictions that do not allow redemption in the first 12 months. The remaining restriction period for these investments was 12 months or less at June 30, 2025.
- **Multi-Strategy Hedge Funds:** This type included investments in 17 hedge funds at June 30, 2025, and in 13 hedge funds at June 30, 2024, which invest in multiple asset classes, combining exposure to balance risks. Such exposure can include traditional and alternative investments. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investments representing approximately 9% of the value of the investments in this type of fund cannot be redeemed because the investments include restrictions that do not allow redemption in the first 12 months. The remaining restriction period for these investments was less than 12 months at June 30, 2025.
- **Credit Strategies Funds:** This type consists of many fund categories, including asset backed, bank loan and direct lending funds, distressed debt funds, diversified private credit, mezzanine debt funds, multi-strategy funds and opportunistic funds. The fair value of the investments in these funds have been determined using the NAV per share of the investments. The nature of the investments in this type is that distributions are received through the liquidation of the underlying assets in the fund. It is expected that hold periods for the underlying fund assets will range from three to eight years.
- **Private Equity Funds:** This type consists of many fund categories including Venture Capital, Buyout, Subordinated Debt, Growth Capital, Turnaround, Energy and Special Situations. The fair value of the investments in these funds have been determined using the NAV per share of the investments. The nature of the investments involves receiving distributions through liquidation of the underlying fund assets. It is expected that hold periods for the underlying fund assets will range from three to eight years.
- **Equity International Commingled Funds:** The System had an investment in one institutional investment fund at June 30, 2025, which invests

in international equities. This fund employs a long/short investment strategy in global developed and emerging markets. The fund is regulated by the Securities and Exchange Commission. The fair value of the investment in this fund has been determined using the NAV per share of the investment. Redemptions can be made from this fund semi-monthly with six days notice.

- **Real Assets:** This type includes investments in many fund categories including Private Investment Real Estate, Private Real Estate Investment Trusts, Infrastructure and Natural Resources. The fair value of the investments in these funds have been determined using the NAV per share of the investments. The nature of the investments in this type is that distributions are received through income as well as the liquidation of the underlying assets in the fund. If these investments were held, it is expected that the underlying assets of the funds would be liquidated over one to 14 years.

3. Investment Risk Disclosures. In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3 (GASB 40)*, the System makes disclosures concerning certain risks that its investments are subject to: interest rate risk, credit risk, concentration of credit risk, custodial credit risk, and foreign currency risk. GASB 40 also requires that any formally adopted specific policies concerning how these risks are managed be disclosed. The System’s policy for managing these investment risks is based on the concept of a risk budget rather than specific limitations related to individual securities. The System’s risk budget is allocated among the different investment strategies, which are each managed to a relevant benchmark. The benchmarks encompass option-adjusted duration, credit quality and issuer concentration limits that address interest rate risk, credit risk and concentration of credit risk. The System’s policy requires performance returns to remain within an allowable range from the relevant benchmarks. The

individual investment risks are discussed further in the following sections:

- **Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The risk is managed within the portfolio using the effective duration (option-adjusted) methodology. It is widely used in the management of fixed-income portfolios in that it quantifies, to a much greater degree, the risk of interest rate changes. The methodology takes into account optionality on bonds and scales the risk of price changes on bonds depending on the degree of change in rates and the slope of the yield curve.

As of June 30, 2025, the System’s investments include securities with longer investment terms as measured by an option adjusted duration of greater than 10 years that are highly sensitive to interest rate fluctuations, as well as other securities that are subject to the possibility of early repayment in a period of declining interest rates (i.e., collateralized and mortgage pass-through). The resulting reduction in expected total cash flows affects the fair value of these securities.

The following table presents the weighted average effective duration for the System’s investments subject to interest rate risk as of June 30, 2025.

FIGURE 2.18: DEBT SECURITIES SUBJECT TO INTEREST RATE RISK

AT JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

Investment Type	Weighted Average Effective Duration	Fair Value	Percent of Debt Securities
Effective Duration:			
Agencies	6.31	\$ 3,343,698	13.7%
Asset-Backed Securities	3.40	157,732	0.7%
Collateralized Mortgage Obligations	6.12	2,459,007	10.0%
Commercial Mortgages	1.87	149,796	0.6%
Commercial Paper	0.19	1,895,468	7.7%
Corporate Bonds and Notes	5.10	3,801,750	15.5%
Fixed-Income Derivatives	16.02	40,816	0.1%
Municipal Securities	6.91	44,024	0.2%
Mutual & Money Market Funds	0.21	259,685	1.1%
Negotiable Certificates of Deposit	0.23	834,275	3.4%
Supranational & Non-U.S. Government Bonds	6.57	913,297	3.7%
Term Loans	0.10	11,431	—%
Time Deposits	—	33,000	0.1%
U.S. Government	6.00	10,125,327	41.4%
No Effective Duration:			
Mutual & Money Market Funds	N/A	688,694	2.8%
U.S. Government	N/A	63,248	0.3%
Commercial Paper	N/A	32,350	0.1%
Collateralized Mortgage Obligations	N/A	22,200	0.1%
Corporate Bonds and Notes	N/A	12,901	0.1%
Commercial Mortgages	N/A	8,070	—%
Supranational & Non-U.S. Government Bonds	N/A	4,331	—%
Term Loans	N/A	434	—%
Fixed Income Derivatives	N/A	(396,239)	(1.6%)
Total Debt Securities	5.18	\$ 24,505,295	100.0%

Through its Securities Lending program, the System receives cash collateral from borrowers that is reported in the statement of net position as an asset with an offsetting liability. The cash collateral held at June 30, 2025, was reinvested in cash equivalents and short-term investments that carry little interest rate risk, as shown in Figure 2.19.

FIGURE 2.19: SECURITIES LENDING COLLATERAL SUBJECT TO INTEREST RATE RISK

AT JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

Investment Type	Carrying Amount	Weighted Average Effective Duration
Commercial Paper	\$ 1,551,295	0.030
Corporate Bonds and Notes-Floating Rate	47,834	0.003
Fixed Income and Commingled Funds	561,947	0.003
Negotiable Certificates of Deposit	1,675,467	0.035
Repurchase Agreements	484,201	0.003
Time Deposits	443	0.003
Total	\$ 4,321,187	0.025

- **Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the System. As of June 30, 2025, the System's fixed-income assets that are not guaranteed by the U.S. government represented 58% of the fixed-income assets. Of the total fixed income portfolio of rated securities subject to credit risk, 85% are investment-grade securities.

The System's fixed-income portfolio credit quality and exposure levels as of June 30, 2025, are summarized in Figure 2.20.

Credit risk for derivative instruments held by the System results from counterparty risk assumed by the System. This is essentially the risk that the borrower will be unable to meet its obligation. Information regarding the System's credit risk related to derivatives is provided in Note 5.B.6. Policies related to credit risk pertaining to the System's securities lending program are provided in Note 5.B.4. A summary of the ratings of the reinvested securities lending cash collateral subject to credit risk is provided in Figure 2.21.

FIGURE 2.20: CREDIT QUALITY AND EXPOSURE LEVELS OF NON-GOVERNMENT-GUARANTEED SECURITIES*

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

U.S. Government and Short-Term Debt	Carrying Amount by Most Conservative Credit Rating**								
	Long-Term Debt Credit Ratings				Short-Term Debt Credit Ratings				Totals
	Aaa/AAA	Aa/AA	A	Baa/BBB	P-1/ A-1/AAAm	P-2/A-2	Less than Investment Grade	Unrated	
U.S. Government Agencies:									
FHLB	\$ —	\$ 14,480	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 14,480
FHLMC	6,784	389	—	—	—	—	—	1,659,273	1,666,446
FNMA	—	4,879	—	—	—	—	—	3,282,240	3,287,119
Other Agencies	—	49,310	—	—	—	—	—	—	49,310
Short-Term Debt:									
Commercial Paper	—	—	—	—	1,077,028	815,790	—	35,000	1,927,818
Mutual and Money Market Funds	—	—	—	—	491,432	—	—	456,947	948,379
Negotiable Certificates of Deposit	—	—	25,000	—	661,997	—	—	147,278	834,275
Time Deposits	—	—	—	—	—	—	—	33,000	33,000
Total U.S. Government and Short-Term Debt	6,784	69,058	25,000	—	2,230,457	815,790	—	5,613,738	8,760,827
Long-Term Debt	Long-Term Debt Credit Ratings				Short-Term Debt Credit Ratings				Totals
	Aaa/AAA	Aa/AA	A	Baa/BBB	P-1/ A-1/AAAm	P-2/A-2	Less than Investment Grade	Unrated	
Asset-Backed Securities	44,346	9,990	64,946	9,272	—	—	849	28,329	157,732
Collateralized Mortgage Obligations	584,641	19,684	19,443	—	—	—	—	206,512	830,280
Commercial Mortgages	46,095	30,478	11,009	—	—	—	—	47,554	135,136
Corporate Bonds and Notes	16,560	101,498	1,167,138	1,662,146	—	—	841,532	25,777	3,814,651
Fixed-Income Derivatives	—	—	—	—	—	—	—	(355,423)	(355,423)
Municipal Securities	—	36,224	5,039	—	—	—	—	2,761	44,024
Term Loans	—	—	—	—	—	—	11,864	—	11,864
Supranational and Non-U.S. Government Bonds	20,575	120,634	51,025	262,365	—	—	441,181	21,848	917,628
Total Long-Term Debt	712,217	318,508	1,318,600	1,933,783	—	—	1,295,426	(22,642)	5,555,892
Total	\$ 719,001	\$ 387,566	\$ 1,343,600	\$ 1,933,783	\$ 2,230,457	\$ 815,790	\$ 1,295,426	\$ 5,591,096	\$ 14,316,719

* Excludes investments that are obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government that are not subject to the GASB 40 credit quality disclosures.

** Credit quality ratings issued by nationally recognized statistical rating organizations as reported by the System's custodian, Bank of New York Mellon.

FIGURE 2.21: SECURITIES LENDING COLLATERAL SUBJECT TO CREDIT RISK

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

Investment Type	Carrying Amount by Most Conservative Credit Rating**						Totals
	Aaa/AAA	Aa/AA	A	P-1/A-1***	Unrated		
Commercial Paper	\$ —	\$ 396,651	\$ 691,876	\$ 462,768	\$ —		\$ 1,551,295
Corporate Bonds and Notes-Floating Rate	—	—	47,834	—	—		47,834
Fixed Income and Commingled Funds	—	—	—	—	561,947		561,947
Negotiable Certificates of Deposits	—	181,134	1,364,193	130,140	—		1,675,467
Repurchase Agreements	—	8,786	—	—	—		8,786
Time Deposits	—	—	—	443	—		443
Total*	\$ —	\$ 586,571	\$ 2,103,903	\$ 593,351	\$ 561,947		\$ 3,845,772

* This figure does not include \$475,415 in equity and/or U.S. government security collateralized repurchase agreements that are not subject to GASB 40 disclosure. The total of the investments in the securities lending collateral portfolio is \$4,321,187.

** Credit quality ratings issued by nationally recognized statistical rating organizations as reported by the System's custodian, Bank of New York Mellon.

*** Investment-grade short-term credit quality ratings.

- Concentration of Credit Risk.** This is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. Other than U.S. government securities, which are not subject to the GASB 40 disclosure requirements, the System has no investments in any single issuer whose fair value equals 5.00% or more of the System's net fiduciary position or total investments.
- Custodial Credit Risk.** This is the risk that in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2025, investment securities (excluding cash equivalents and repurchase agreements held as securities lending collateral) were registered and held in the name of the System for the benefit of the System's trust and custodial funds and were not exposed to custodial credit risk. It is the standard practice and policy of the System, through the relevant provisions in its contracts and agreements with third parties, to minimize all known and reasonably foreseeable custodial credit risks.
- Foreign Currency Risk.** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The System's currency risk exposures, or exchange rate risk, primarily exist in the international and global equity investment holdings. The foreign currency risk of invested cash collateral in the Securities Lending program consisted of \$16,550,000 in cash equivalents and short-term investments denominated in euros. The System's other exposure to foreign currency risk as of June 30, 2025, is highlighted in Figure 2.22. The net realized gains and losses resulting from the settlement of foreign currency transactions and unrealized gains and losses associated with unsettled transactions are recorded in Investment Income in the Statement of Changes in Fiduciary Net Position.

FIGURE 2.22: CURRENCY EXPOSURES BY ASSET CLASS

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

Currency	Cash and Short-term Investments	Equity	Fixed Income	Private Equity	Real Assets	International Funds	Forward Contracts	Total
EURO CURRENCY UNIT	\$ 45,594	\$ 2,775,967	\$ 33,387	\$ 1,714,075	\$ 584,632	\$ —	\$ (838,541)	\$ 4,315,114
U.S. DOLLAR	—	—	—	—	—	3,219,679	—	3,219,679
JAPANESE YEN	9,803	1,742,762	—	—	—	—	100,214	1,852,779
POUND STERLING	8,269	1,827,662	—	—	22,002	—	(621,014)	1,236,919
HONG KONG DOLLAR	2,326	748,145	—	—	—	—	(134)	750,337
CANADIAN DOLLAR	1,237	550,699	—	—	12,239	—	149,048	713,223
SWISS FRANC	23,619	568,405	—	—	—	—	34,005	626,029
TAIWAN DOLLAR	486	535,987	—	—	—	—	—	536,473
INDIAN RUPEE	1,937	391,163	—	—	—	—	—	393,100
SOUTH KOREAN WON	333	290,137	—	—	—	—	2,733	293,203
SWEDISH KRONA	4,573	282,595	—	—	—	—	(3,783)	283,385
AUSTRALIAN DOLLAR	615	395,656	—	—	1,160	—	(148,581)	248,850
ISRAELI SHEKEL	287	169,937	—	—	—	—	(122)	170,102
DANISH KRONE	10,093	161,230	—	—	—	—	(8,690)	162,633
BRAZIL REAL	1,009	96,576	15,059	—	9,162	—	(9,656)	112,150
CHINESE YUAN RENMINBI	324	106,448	—	—	—	—	(29)	106,743
SINGAPORE DOLLAR	270	83,381	—	—	—	—	—	83,651
SAUDI ARABIA RIYAL	777	59,538	—	—	—	—	—	60,315
SOUTH AFRICAN RAND	240	52,869	5,976	—	3,809	—	(5,398)	57,496
UAE DIRHAM	52	57,229	—	—	—	—	—	57,281
POLISH ZLOTY	(620)	43,325	—	—	—	—	45	42,750
INDONESIAN RUPIAH	556	31,742	3,437	—	—	—	(78)	35,657
MEXICAN PESO	(1,843)	32,227	8,649	—	1,636	—	(6,686)	33,983
THAILAND BAHT	11	33,838	—	—	—	—	(2,704)	31,145
NORWEGIAN KRONE	3,081	129,489	—	—	—	—	(102,990)	29,580
HUNGARIAN FORINT	910	17,029	2,467	—	—	—	30	20,436
TURKISH LIRA	49	13,204	3,103	—	—	—	2,572	18,928
MALAYSIAN RINGGIT	175	13,137	—	—	—	—	—	13,312
QATARI RIYAL	8	7,247	—	—	—	—	—	7,255
PERUVIAN SOL	34	30	11,004	—	—	—	(5,519)	5,549
CHILEAN PESO	165	6,130	1,408	—	—	—	(2,770)	4,933
PHILIPPINES PESO	24	4,190	—	—	—	—	—	4,214
CZECH KORUNA	1,237	1,536	1,394	—	—	—	(74)	4,093
EGYPTIAN POUND	2,740	1,101	—	—	—	—	—	3,841
VIETNAM DONG	—	3,588	—	—	—	—	—	3,588
RUSSIAN RUBLE	47	1,350	—	—	—	—	—	1,397
NEW ZEALAND DOLLAR	61	1,275	—	—	—	—	—	1,336
PARAGUAY GUARANI	—	—	850	—	—	—	—	850
UGANDA SHILLING	—	—	412	—	—	—	—	412
KAZAKHSTAN TENGE	—	—	—	—	—	—	417	417
ARGENTINA PESO	164	—	—	—	—	—	—	164
ROMANIAN LEU	14	—	—	—	—	—	—	14
MOROCCAN DIRHAM	1	—	—	—	—	—	—	1
KUWAITI DINAR	—	—	—	—	—	—	(1,767)	(1,767)
COLOMBIAN PESO	(17)	207	—	—	—	—	(2,747)	(2,557)
CHINESE R YUAN HK	—	—	—	—	—	—	(2,659)	(2,659)
Total	\$ 118,641	\$11,237,031	\$ 87,146	\$1,714,075	\$634,640	\$ 3,219,679	\$(1,474,878)	\$15,536,334

4. Securities Lending. Under authorization of the Board, the System lends its fixed-income and equity securities to various broker-dealers on a temporary basis. This program is administered through an agreement with the System's custodial agent bank.

All security loan agreements are collateralized by cash, securities or an irrevocable letter of credit issued by a major bank, and have a fair value equal to at least 102% of the fair value for domestic securities and 105% for international securities. Securities received as collateral cannot be pledged or sold by the System unless the borrower defaults. Contracts require the lending agents to indemnify the System if the borrowers fail to return the securities lent and related distributions and if the collateral is inadequate to replace the securities lent. All securities loans can be terminated on demand by either the System or the borrowers. The majority of loans are open loans, meaning the rebate is set daily. This results in a maturity of one or two days on average, although securities are often on loan for longer periods. The maturity of loans generally does not match the maturity of collateral investments, which averages 9.19 days. At year-end, the System had no credit risk exposure to borrowers because the amounts it owes the borrowers exceeded the amounts the borrowers owe the System. All securities are marked to market daily and carried at fair value. The fair value of securities on loan at June 30, 2025 and 2024, was \$11,685,110,000 and \$9,566,646,000, respectively. The June 30, 2025 and 2024, balances were composed of U.S. government and agency securities of \$7,097,361,000 and \$5,686,527,000, respectively; corporate and other bonds of \$937,721,000 and \$1,130,050,000, respectively; common and preferred stocks of \$3,588,954,000 and \$2,702,107,000, respectively; and supranational and non-U.S. government bonds of \$61,074,000 and \$47,962,000, respectively.

The value of collateral (cash and non-cash) at June 30, 2025 and 2024, was \$12,392,667,000 and \$10,281,823,000, respectively. Securities on loan are included with investments on the Statement of Fiduciary Net Position. The invested cash collateral

is included in the Statement of Fiduciary Net Position as an asset and a liability.

At June 30, 2025, the invested cash collateral had a fair value of \$4,321,187,000. The balance consisted of cash received as collateral for securities lending transactions, which is reduced by cash released to the System, and was composed of negotiable certificates of deposit of \$1,675,467,000, commercial paper of \$1,551,295,000, time deposits of \$443,000, corporate bonds of \$47,834,000, fixed income and commingled funds of \$561,947,000, and repurchase agreements of \$484,201,000.

As of June 30, 2025, the System's custodial agent bank released \$1,450 million in cash from the invested securities lending collateral pool to the System. This cash plus invested cash collateral equals the securities lending collateral liability as of June 30, 2025. The cash released is used to provide liquidity for other investment strategies of the System. The securities lending collateral liability is fully collateralized when the cash released is combined with the invested securities lending collateral.

5. Accounts Receivable/Accounts Payable for Security Transactions. In addition to unsettled purchases and sales, accounts receivable and accounts payable for security transactions at June 30, 2025 and 2024, included (1) receivables for deposits with brokers for securities sold short of \$1,246,103,000 and \$592,900,000, respectively; and (2) payables for securities sold short and not covered with fair values of \$1,243,880,000 and \$594,254,000, respectively.

6. Derivative Financial Instruments. Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates or financial indexes. All derivative instruments held by the System are considered investments. The fair value of all derivative financial instruments is reported on a net basis on the Statement of Fiduciary Net Position. The derivative instruments are either subject to an enforceable master netting arrangement or similar

agreement. The master netting arrangements allow the System to net applicable liabilities or payment obligations to counterparties to the derivative contracts against amounts owed to the System by the counterparties.

The System holds investments in swaps and futures and enters into forward foreign currency exchange contracts. Swaps, futures, and currency forwards contracts provide the System with the opportunity to build passive benchmark positions, manage portfolio duration in relation to various benchmarks, adjust portfolio yield curve exposure and gain market exposure to various indexes in a more efficient way and at lower transaction costs.

Derivative instruments that are exchange-traded are not subject to credit risk, but all over-the-counter derivative instruments, such as swaps and currency forwards, do expose the System to counterparty credit risk. Counterparty credit risk for the System's investments in derivatives instruments is summarized in Figure 2.27.

Market risks arise from adverse changes in market prices, interest rates and foreign exchange rates. The System's level of exposure to interest rate risk through derivative instruments is shown in Figure 2.24. The System's investments in derivative instruments at June 30, 2025, are summarized in Figure 2.23.

FIGURE 2.23: DERIVATIVE INSTRUMENTS SUMMARY

(EXPRESSED IN THOUSANDS)

Investment	Net Appreciation/ (Depreciation) in Fair Value for the Fiscal Year Ended June 30, 2025		Fair Value June 30, 2025	
Derivatives (by Type)	Amount	Classification	Amount	Notional (Dollars)
Credit Default Swaps Bought	\$ 89	Debt Securities	\$ 10	\$ 1,200
Credit Default Swaps Written	(22)	Debt Securities	135	11,300
Fixed-Income Futures Long	26,561	Debt Securities	33,085	1,552,025
Fixed-Income Futures Short	(8,259)	Debt Securities	(12,969)	(824,937)
Equity Index Options	50,864	Equity Securities	50,864	51,023
Fixed Income Options	2,267	Debt Securities	2,267	3,179
Fixed Income Futures Options	70	Debt Securities	70	77
FX Forwards	(30,478)	Investment Sales/Purchases	(26,671)	1,456,222
Index Futures Long	30,300	Equity Securities	30,511	2,114,178
Index Futures Short	(1,898)	Equity Securities	(2,002)	(70,229)
Interest Rate Futures Long	569	Debt Securities	609	72,119
Pay Fixed-Interest Rate Swaps	15,865	Debt Securities	15,865	1,994,562
Receive Fixed-Interest Rate Swaps	4,082	Debt Securities	4,082	527,038
Swaptions	32	Debt Securities	32	83
Total Return Bond Index Swaps	6,471	Debt Securities	6,471	139,518
Total Return Commodity Swaps	256	Equity Securities	256	348,288
Total Return Equity Index Swaps	36,080	Debt/Equity Securities	59,677	9,990,314
Total Return Interest Rate Swaps	5,577	Debt Securities	5,577	1,667,209
Total	\$ 138,426		\$ 167,869	

FIGURE 2.24: DERIVATIVE INSTRUMENTS SUBJECT TO INTEREST RATE RISK

(EXPRESSED IN THOUSANDS)

Investment Type	Fair Value June 30, 2025	Investment Maturities (in years)			
		Under 1	1-5	6-10	Greater than 10
Credit Default Swaps Bought	\$ 10	\$ —	\$ 9	\$ 1	\$ —
Credit Default Swaps Written	135	14	121	—	—
Fixed Income Options	2,267	2,267	—	—	—
Pay Fixed Interest Rate Swaps	15,865	(3)	(3,753)	(6,602)	26,223
Receive Fixed Interest Rate Swaps	4,082	—	984	3,250	(152)
Swaptions	32	32	—	—	—
Total Return Bond Index Swaps	6,471	6,471	—	—	—
Total Return Equity Index Swaps	(410,657)	(391,452)	(19,205)	—	—
Total Return Interest Rate Swaps	5,577	—	3,175	2,402	—
Total	\$ (376,218)	\$ (382,671)	\$ (18,669)	\$ (949)	\$ 26,071

7. Futures. Futures contracts are contracts to deliver or receive securities at a specified future date and at a specified price or yield. Futures contracts are traded on organized exchanges (exchange-traded) and require an initial margin (collateral) in the form of cash or marketable securities. The net change in the futures contract value is settled daily, in cash, with the exchanges. The net gains or losses resulting from the daily settlements are included in the System's Statement of Changes in Fiduciary Net Position. Holders of futures contracts look to the exchange for performance under the contract and not to the entity holding the offsetting futures position. Accordingly, the amount at risk posed by nonperformance of counterparties to futures contracts is minimal. Information on the System's investments in fixed income, currency and equity index futures at June 30, 2025, is shown in Figure 2.23.

8. Currency Forwards. Currency forwards represent foreign exchange contracts and are used by the System to effect settlements and to protect the base currency (\$ U.S.) value of portfolio assets denominated in foreign currencies against fluctuations in the exchange rates of those currencies. A forward foreign currency exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated price. The credit risk of currency contracts that are exchange-traded lies with the clearinghouse of the exchange where the contracts are traded. The credit risk of currency contracts traded over the counter lies with the counterparty, and exposure usually is equal to the unrealized profit on in-the-money contracts. The market risk in foreign currency contracts is related to adverse movements in currency exchange rates. The net realized gains or losses arising from the differences between the original values of the foreign currency contracts and the closing values of such contracts are included in the Net Appreciation/Depreciation in Fair Value of Investments in the Statement of Changes in Fiduciary Net Position. Information on the System's currency forward contracts at June 30, 2025, is shown in Figures 2.23 and 2.25.

FIGURE 2.25: CURRENCY FORWARDS

AS OF JUNE 30

(EXPRESSED IN THOUSANDS)

Currency	Cost	Pending Foreign Exchange Purchases	Pending Foreign Exchange Sales	Fair Value 2025	Fair Value 2024
AUSTRALIAN DOLLAR	(147,871)	4,994	(153,466)	(148,472)	38,376
BRAZIL REAL	(9,544)	1,177	(10,833)	(9,656)	3,039
BRITISH POUND STERLING	(611,910)	3,388	(623,771)	(620,383)	(165,367)
CANADIAN DOLLAR	148,910	163,344	(14,296)	149,048	187,373
CHILEAN PESO	(2,767)	—	(2,770)	(2,770)	—
CHINESE YUAN RENMINBI	4	1,127	(1,127)	—	(3,957)
CHINESE YUAN RENMINBI HK	(2,652)	—	(2,659)	(2,659)	—
COLOMBIAN PESO	(2,706)	206	(2,953)	(2,747)	(507)
CZECH KORUNA	(50)	2,101	(2,175)	(74)	(4,822)
DANISH KRONE	(6,301)	258	(6,711)	(6,453)	(4,478)
EGYPTIAN POUND	—	—	—	—	—
EURO CURRENCY UNIT	(829,847)	117,145	(965,463)	(848,318)	(722,828)
HONG KONG DOLLAR	—	—	—	—	—
HUNGARIAN FORINT	67	1,309	(1,279)	30	(808)
INDIAN RUPEE	—	—	—	—	2,466
INDONESIAN RUPIAH	(16)	1,264	(1,342)	(78)	2,387
ISRAELI SHEKEL	(115)	—	(122)	(122)	55
JAPANESE YEN	99,028	110,828	(11,710)	99,118	155,336
KAZAKHSTAN TENGE	427	417	—	417	1,729
KUWAITI DINAR	(1,889)	613	(2,380)	(1,767)	—
MALAYSIAN RINGGIT	—	—	—	—	(41)
MEXICAN PESO	(6,605)	1,197	(7,883)	(6,686)	(6,001)
TAIWAN DOLLAR	—	—	—	—	—
NEW ZEALAND DOLLAR	—	—	—	—	(342,271)
NORWEGIAN KRONE	(103,301)	—	(102,990)	(102,990)	232,378
PERUVIAN SOL	(5,339)	2,204	(7,724)	(5,520)	(11,073)
PHILIPPINES PESO	—	—	—	—	(2,475)
POLISH ZLOTY	70	3,599	(3,554)	45	1,257
ROMANIAN LEU	—	—	—	—	—
SINGAPORE DOLLAR	—	—	—	—	—
SOUTH AFRICAN RAND	(5,341)	—	(5,398)	(5,398)	(2,070)
SOUTH KOREAN WON	2,729	2,733	—	2,733	—
SWEDISH KRONA	—	—	—	—	(191,873)
SWISS FRANC	33,019	34,005	—	34,005	(143,717)
THAILAND BAHT	(2,711)	—	(2,704)	(2,704)	(1,091)
TURKISH LIRA	1,773	2,505	(714)	1,791	2,452
U.S. DOLLAR	1,452,939	1,897,803	(444,864)	1,452,939	980,338
Total Forwards Subject to Foreign Currency Risk				\$ (26,671)	\$ 3,807

9. Options. Options may be either exchange-traded or negotiated directly between two counterparties over the counter. Options grant the holder the right, but not the obligation, to purchase (call) or sell (put) a financial instrument at a specified price and within a specified period of time from the writer of the option.

As a purchaser of options, the System typically pays a premium at the outset. This premium is reflected as an asset on the financial statements. The System then retains the right, but not the obligation, to exercise the options and purchase the underlying financial instrument. Should the option not be exercised, it expires worthless, and the premium is recorded as a loss.

A writer of options assumes the obligation to deliver or receive the underlying financial instrument on exercise of the option. Certain option contracts may involve cash settlements based on specified indexes such as stock indexes. As a writer of options, the System receives a premium at the outset. This premium is reflected as a liability on the financial statements, and the System bears the risk of an unfavorable change in the price of the financial instrument underlying the option.

The System had investments in options on equity indexes, fixed income securities, fixed income futures contracts and credit default swaps (swaptions) at June 30, 2025, as shown in Figure 2.23. The System had no investments in options at June 30, 2024.

10. Swap Agreements. Swaps are negotiated contracts between two counterparties for the exchange of payments at certain intervals over a predetermined timeframe. The payments are based on a notional principal amount and calculated using either fixed or floating interest rates or total returns from certain instruments or indexes. Swaps are used to manage risk and enhance returns. To reduce the risk of counterparty nonperformance, the System generally requires collateral on any material gains from these transactions. During fiscal year 2025, the System had investments in credit default, interest rate and total return swaps. Gains and losses on swaps are determined based on fair values and are recorded in the Statement of Changes in Fiduciary Net Position. Information on the System's swap balances at June 30, 2025, is shown in Figure 2.23, and the terms, fair values and notional values of the System's investments in swap agreements that are highly sensitive to interest rate changes are disclosed in Figure 2.26.

FIGURE 2.26: DERIVATIVE INSTRUMENTS HIGHLY SENSITIVE TO INTEREST RATE CHANGES

(EXPRESSED IN THOUSANDS)

Investment Type	Reference Rate	Fair Value June 30, 2025	Notional Amount
Interest Rate Swaps	Receive Fixed 9.15%, Pay Variable Overnight MTIE Funding Rate	\$ 183	\$ 8,755
Interest Rate Swaps	Receive Fixed 9.07%, Pay Variable Overnight MTIE Funding Rate	143	7,146
Interest Rate Swaps	Receive Variable Brazil 1-day CDI, Pay Fixed 13.05%	—	366
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.25%	—	5,900
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.0%	(3)	2,700
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.75%	(13)	1,700
Interest Rate Swaps	Receive Fixed 3.75%, Pay Variable Daily Compound SOFR	18	1,300
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.75%	(4)	600
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.75%	9	600
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.5%	74	1,000
Interest Rate Swaps	Receive Fixed 3.53%, Pay Variable Czech Koruna 6-month PRIBOR	(3)	1,296
Interest Rate Swaps	Receive Fixed 3.08%, Pay Variable Czech Koruna 6-month PRIBOR	(48)	2,327
Interest Rate Swaps	Receive Fixed 3.0%, Pay Variable Daily Compound SOFR	(90)	4,900
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.25%	25	700
Interest Rate Swaps	Receive Fixed 5.96%, Pay Variable Hungarian Forint 6-month BUBOR	(17)	3,251

FIGURE 2.26: DERIVATIVE INSTRUMENTS HIGHLY SENSITIVE TO INTEREST RATE CHANGES, cont.

(EXPRESSED IN THOUSANDS)

Investment Type	Reference Rate	Fair Value June 30, 2025	Notional Amount
Interest Rate Swaps	Receive Variable Czech Koruna 6-month PRIBOR, Pay Fixed 3.33%	\$ 39	\$ 2,944
Interest Rate Swaps	Receive Variable Fed Funds Effective Rate, Pay Fixed 0.0%	(1,673)	67,080
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.6155%	538	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.956%	(44)	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.218%	(492)	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.259%	(562)	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.571%	613	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.667%	(295)	82,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.9065%	(252)	12,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.541%	663	10,000
Interest Rate Swaps	Receive Variable Fed Funds Effective Rate, Pay Fixed 3.5525%	553	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.649%	481	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.532%	680	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.696%	400	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.965%	(59)	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.0595%	(221)	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.343%	(706)	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.148%	(374)	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.134%	(350)	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.9555%	(493)	20,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.6535%	704	15,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.537%	670	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.756%	231	8,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.7325%	329	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.6585%	456	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.653%	466	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.739%	(219)	30,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.7345%	(56)	8,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.25%	1,747	15,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.2965%	99	25,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.3665%	963	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.3215%	1,041	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.239%	1,185	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.23%	967	29,319
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.247%	1,114	35,198
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.213%	1,003	29,216
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.219%	255	35,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.211%	384	50,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.4265%	1,804	21,000
Interest Rate Swaps	Receive Fixed 3.73%, Pay Variable Daily Compound SOFR	(9)	203,044
Interest Rate Swaps	Receive Fixed 3.784%, Pay Variable Daily Compound SOFR	298	30,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.669%	437	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.663%	268	6,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.6715%	432	10,000

FIGURE 2.26: DERIVATIVE INSTRUMENTS HIGHLY SENSITIVE TO INTEREST RATE CHANGES, cont.

		(EXPRESSED IN THOUSANDS)	
Investment Type	Reference Rate	Fair Value June 30, 2025	Notional Amount
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.677%	\$ 211	\$ 5,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.6415%	678	14,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.674%	428	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.6785%	588	14,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.85%	(903)	60,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.856%	(466)	30,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.625%	708	13,800
Interest Rate Swaps	Receive Fixed 3.778%, Pay Variable Daily Compound SOFR	817	55,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.6165%	713	13,500
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.67%	435	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.676%	827	19,500
Interest Rate Swaps	Receive Fixed 3.829%, Pay Variable Daily Compound SOFR	564	42,300
Interest Rate Swaps	Receive Fixed 3.906%, Pay Variable Daily Compound SOFR	582	30,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.9115%	(164)	7,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.6615%	314	7,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.6565%	229	5,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.5985%	559	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.5795%	592	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.5685%	611	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.6065%	654	12,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.759%	(182)	24,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.613%	533	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.614%	796	15,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.614%	797	15,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.764%	189	7,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.958%	(108)	15,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.958%	(72)	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.0315%	(1,953)	75,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.0355%	(655)	25,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.9715%	(191)	20,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.8755%	144	20,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.89%	(259)	15,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.68%	(560)	50,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.8%	(96)	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.71%	(367)	32,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.69%	(384)	38,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.88%	(193)	12,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.81%	(167)	16,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.94%	(272)	13,000
Interest Rate Swaps	Receive Fixed 3.85%, Pay Variable Daily Compound SOFR	1,177	86,500
Interest Rate Swaps	Receive Fixed 3.86%, Pay Variable Daily Compound SOFR	632	42,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.54%	(15)	25,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.43%	(3)	30,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.46%	(100)	64,000

FIGURE 2.26: DERIVATIVE INSTRUMENTS HIGHLY SENSITIVE TO INTEREST RATE CHANGES, cont.

		(EXPRESSED IN THOUSANDS)	
Investment Type	Reference Rate	Fair Value June 30, 2025	Notional Amount
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.53%	\$ (5)	\$ 50,000
Interest Rate Swaps	Receive Variable Fed Funds Effective Rate, Pay Fixed 4.207%	(2,171)	50,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.8345%	230	15,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.899%	83	20,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.672%	434	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.5975%	393	7,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.1635%	534	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.609%	542	10,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.461%	362	25,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.145%	1,753	13,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.2145%	83	11,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.95%	(648)	30,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.94%	(630)	30,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.65%	(487)	48,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.65%	(490)	48,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.58%	(358)	50,000
Interest Rate Swaps	Receive European Central Bank Short-term Rate, Pay Fixed 1.34%	29	763
Interest Rate Swaps	Receive Fixed 2.780%, Pay Variable Daily Compound SOFR	(23)	732
Interest Rate Swaps	Receive European Central Bank Short-term Rate, Pay Fixed 2.08%	11	1,702
Interest Rate Swaps	Receive Fixed 2.92%, Pay Variable Daily Compound SOFR	(50)	1,540
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.17%	(16)	400
Interest Rate Swaps	Receive Fixed 4.03%, Pay Variable Daily Compound SOFR	24	800
Interest Rate Swaps	Receive Fixed 4.23%, Pay Variable Daily Compound SOFR	9	200
Interest Rate Swaps	Receive Fixed 4.26%, Pay Variable Daily Compound SOFR	9	200
Interest Rate Swaps	Receive Fixed 4.39%, Pay Variable Daily Compound SOFR	6	100
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 4.25%	(149)	3,200
Interest Rate Swaps	Receive Fixed 3.75%, Pay Variable Daily Compound SOFR	13	1,000
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.75%	(7.00)	800.00
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.75%	(1.00)	500.00
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.75%	2	200
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.5%	111	1,520
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.75%	(57)	4,100
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.75%	(3)	400
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.5%	102	1,400
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.25%	18	500
Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Fixed 3.25%	47	400
Interest Rate Swaps	Receive European Central Bank Short-term Rate, Pay Fixed 2.0%	—	1,056
Interest Rate Swaps	Receive European Central Bank Short-term Rate, Pay Fixed 2.25%	21	10,447
Interest Rate Swaps	Receive Fixed 2.25%, Pay European Central Bank Short-term Rate	(152)	4,648
Interest Rate Swaps	Receive European Central Bank Short-term Rate, Pay Fixed 2.25%	421	4,050
Subtotal Interest Rate Swaps		\$ 19,947	\$ 2,521,600

FIGURE 2.26: DERIVATIVE INSTRUMENTS HIGHLY SENSITIVE TO INTEREST RATE CHANGES, cont.

		(EXPRESSED IN THOUSANDS)	
Investment Type	Reference Rate	Fair Value June 30, 2025	Notional Amount
Total Return Bond Index Swaps	Receive Variable Bloomberg 912810TG3 Total Return, Pay Fixed 4.48%	\$ 1,647	\$ 31,995
Total Return Bond Index Swaps	Receive Variable Bloomberg 910810TR9 Total Return, Pay Fixed 4.48%	1,613	33,008
Total Return Bond Index Swaps	Receive Variable Bloomberg 912810TL2 Total Return, Pay Fixed 4.47%	3,212	74,513
Total Return Commodity Index Swaps	Receive Variable BNP Paribas Commodity G3 EPR Alpha ER Index, Pay Fixed 0.07%	225	335,247
Total Return Commodity Index Swaps	Receive Variable J.P. Morgan Crude Relative Variance Index, Pay Fixed 0 bps	31	10,041
Total Return Equity Index Swaps	Receive Variable Visa Inc Class A Shares Index, Pay Variable Fed Funds Effective Rate -100 bps	3,373	104,662
Total Return Equity Index Swaps	Receive Variable Fed Funds Effective Rate - 90 bps, Pay Variable Visa Inc Class A Shares Index	(3,371)	104,662
Total Return Equity Index Swaps	Receive Variable J.P. Morgan Equity Bespoke Index, Pay Fixed 0 bps	37	3,084
Total Return Equity Index Swaps	Receive Variable Fed Funds Effective Rate + 50 bps, Pay Variable JPNIASW5 Index	(92,215)	714,591
Total Return Equity Index Swaps	Receive Variable JPNIASW5 Index, Pay Variable Fed Funds Effective Rate + 40 bps	92,322	714,591
Total Return Equity Index Swaps	Receive Variable Fed Funds Effective Rate + 50 bps, Pay Variable JPNIASW Index	(51,474)	584,531
Total Return Equity Index Swaps	Receive Variable JPNIASW Index, Pay Variable Fed Funds Effective Rate + 40 bps	51,552	584,531
Total Return Equity Index Swaps	Receive Variable Fed Funds Effective Rate + 50 bps, Pay Variable JPNIASW3 Index	(85,438)	1,142,124
Total Return Equity Index Swaps	Receive Variable JPNIASW3 Index, Pay Variable Fed Funds Effective Rate + 40 bps	85,536	1,142,124
Total Return Equity Index Swaps	Receive Variable Fed Funds Effective Rate + 50 bps, Pay Variable JPNIBAS2 Index	(118,586)	1,108,961
Total Return Equity Index Swaps	Receive Variable JPNIBAS2 Index, Pay Variable Fed Funds Effective Rate + 40 bps	118,709	1,108,961
Total Return Equity Index Swaps	Receive Variable Fed Funds Effective Rate + 50 bps, Pay Variable JPNIASW4 Index	(40,368)	576,237
Total Return Equity Index Swaps	Receive Variable JPNIASW4 Index, Pay Variable Fed Funds Effective Rate + 40 bps	40,410	576,237
Total Return Equity Index Swaps	Receive Variable GDDUUS Index, Pay Variable 1-day SOFR + 84 bps	67,823	337,664
Total Return Equity Index Swaps	Receive Variable 1-day SOFR + 78 bps, Pay Variable RUUS Index	(18,269)	348,131
Total Return Equity Index Swaps	Receive Variable GDDUUS Index, Pay Variable 1-day SOFR + 84 bps	10,571	211,418
Total Return Equity Index Swaps	Receive Variable 1-day SOFR + 78 bps, Pay Variable RUUS Index	(936)	211,410
Total Return Equity Index Swaps	Receive Variable GDDUWI World Index, Pay Variable 1-day SOFR + 68.5 bps	—	208,208
Total Return Equity Index Swaps	Receive Variable 1-day SOFR - 15 bps, Pay Variable M2CN China Index		189,000
Total Return Equity Index Swaps	Receive Variable 1-day SOFR + 28 bps, Pay Variable NDDUHK Hong Kong Index	—	19,189
Total Return Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Variable US TIPS Rate + 61 bps	2,400	101,690
Total Return Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Variable US TIPS Rate + 40.2 bps	2,605	107,903
Total Return Interest Rate Swaps	Receive Variable US TIPS Rate + 21 bps, Pay Variable Daily Compound SOFR	(2,137)	100,000
Total Return Interest Rate Swaps	Receive Variable US TIPS Rate + 21 bps, Pay Variable Daily Compound SOFR	(2,370)	100,000
Total Return Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Variable US TIPS Rate + 62.1 bps	481	100,085
Total Return Interest Rate Swaps	Receive Variable US TIPS Rate + 24 bps, Pay Variable Daily Compound SOFR	(247)	100,000
Total Return Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Variable US TIPS Rate + 50.5 bps	(1,276)	198,866
Total Return Interest Rate Swaps	Receive Variable US TIPS Rate + 24 bps, Pay Variable Daily Compound SOFR	2,007	200,000
Total Return Interest Rate Swaps	Receive Variable Bloomberg 912833XY1 Total Return + 45 bps, Pay Variable Fed Funds Effective Rate	855	38,723
Total Return Interest Rate Swaps	Receive Variable Bloomberg 9128334W7 Total Return + 28 bps, Pay Variable Fed Funds Effective Rate	1,924	67,080
Total Return Interest Rate Swaps	Receive Variable Bloomberg 91282CEZ0 Total Return + 26 bps, Pay Variable Daily Compound SOFR	(108)	13,699

FIGURE 2.26: DERIVATIVE INSTRUMENTS HIGHLY SENSITIVE TO INTEREST RATE CHANGES, cont.

(EXPRESSED IN THOUSANDS)

Investment Type	Reference Rate	Fair Value June 30, 2025	Notional Amount
Total Return Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Variable Bloomberg 91282CEZ0 Total Return + 57.8 bps	\$ 91	\$ 14,108
Total Return Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Variable Bloomberg 912828Z37 Total Return + 56.6 bps	(446)	115,425
Total Return Interest Rate Swaps	Receive Variable Bloomberg 912828Z37 Total Return + 27 bps, Pay Variable Daily Compound SOFR	1,100	100,000
Total Return Interest Rate Swaps	Receive Variable Daily Compound SOFR, Pay Variable Bloomberg 91282CKL4 Total Return + 51.6 bps	1,444	159,630
Total Return Interest Rate Swaps	Receive Variable Bloomberg 91282CKL4 Total Return + 27 bps, Pay Variable Daily Compound SOFR	(745)	150,000
Subtotal Total Return Swaps		\$ 71,982	\$ 12,142,329
TOTAL		\$ 91,929	\$ 14,663,929

FIGURE 2.27: DERIVATIVE INSTRUMENTS SUBJECT TO COUNTERPARTY CREDIT RISK

AT JUNE 30, 2025

Counterparty	Percentage of Net Exposure	Moody's Ratings	S&P Ratings
JPMorgan Chase Bank NA	99.41%	Aa2	AA-
BNP Paribas Securities Corp.	0.37%	---	A+
Goldman Sachs International	0.21%	A1	A+
Morgan Stanley Capital Services LLC	0.01%	Aa3	A+
Total	100.00%		

11. Asset Allocation. The long-term expected rate of return on the System's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term target allocations are based on the Strategic Asset Allocation Implementation

Schedule and Allowable Ranges document, which was approved by the VRS Board of Trustees on June 15, 2023. Best estimates of arithmetic real rates of return for each major asset class included in the System's long-term target asset allocation are summarized in Figure 2.28. The estimates provided the basis for the 6.75% long-term rate of return actuarial assumption used in the calculation of the Pension and OPEB liabilities with the Measurement Date of June 30, 2024. See the Investments Section for more detailed asset allocation and performance information.

FIGURE 2.28: ASSET ALLOCATION

FOR THE YEAR ENDED JUNE 30, 2025

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.60%	2.11%
Fixed Income	16.00%	5.09%	0.81%
Credit Strategies	16.00%	8.21%	1.31%
Real Assets	15.00%	7.10%	1.07%
Private Equity	15.00%	8.60%	1.29%
PIP – Private Investment Partnerships	1.00%	7.95%	0.08%
Diversifying Strategies	6.00%	6.82%	0.41%
Cash	2.00%	4.07%	0.08%
Leverage	(3.00)%	4.57%	(0.14)%
Total	100.00%		7.02%
* Expected arithmetic nominal return			7.02%

* The above allocation provides a one-year expected return of 7.02% (includes 2.5% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.06%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

6. Capital Assets

The System's non-depreciable and depreciable capital assets for the year ended June 30, 2025, and the changes by category from the prior fiscal year-

end are presented in Figure 2.29. Right-to-use intangible assets included long-term leases in the equipment and building categories.

FIGURE 2.29: CAPITAL ASSETS

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Non-Depreciable Capital Assets:				
Land	\$ 1,368	\$ —	\$ —	\$ 1,368
Construction in progress	205	124	205	124
Total Non-Depreciable Capital Assets	1,573	124	205	1,492
Depreciable Capital and Amortizable Intangible Assets:				
Building	4,632	—	—	4,632
Furniture and Equipment	7,880	1,644	—	9,524
Intangible Assets	37,002	46	—	37,048
Right-to-Use Intangible Assets	8,807	—	4,810	3,997
Subscription-Based IT Assets	1,106	2,379	—	3,485
Total Depreciable/Amortizable Capital Assets	59,427	4,069	4,810	58,686
Less Accumulated Depreciation/Amortization:				
Building	3,011	116	—	3,127
Furniture and Equipment	6,002	558	—	6,560
Intangible Assets	26,559	5,295	—	31,854
Right-to-Use Intangible Assets	6,150	—	4,990	1,160
Subscription-Based IT Assets	168	266	—	434
Total Accumulated Depreciation/Amortization	41,890	6,235	4,990	43,135
Total Depreciable/Amortizable Capital Assets – Net	17,537	(2,166)	(180)	15,551
Total Net Capital Assets	\$ 19,110	\$ (2,042)	\$ 25	\$ 17,043

7. Lease Liabilities

The System has recorded liabilities related to long-term lease activity in accordance with GASB 87. In most cases, the System expects that in the normal course of business, these leases will be replaced by similar leases. The System's future lease activity as of June 30, 2025, is presented in Figure 2.30.

FIGURE 2.30: LONG-TERM LEASE LIABILITIES

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

Fiscal Year	Principal	Interest	Total
2026	\$ 471	\$ 222	\$ 693
2027	526	185	711
2028	586	143	729
2029	652	97	749
2030	670	45	715
2031 - 2035	183	11	194
Total	\$ 3,088	\$ 703	\$ 3,791

8. Subscription-Based IT Liabilities

Starting in fiscal year ending June 30, 2023, the System implemented GASB 96, which requires the recognition of liabilities related to subscription-based information technology arrangements (SBITA). The liabilities related to these arrangements are presented in Figure 2.31.

FIGURE 2.31: SBITA LIABILITIES

AS OF JUNE 30, 2025 (EXPRESSED IN THOUSANDS)

Fiscal Year	Principal	Interest	Total
2026	\$ 21	\$ 120	\$ 141
2027	341	119	460
2028	373	93	466
2029	407	65	472
2030	129	34	163
2031 - 2035	307	36	343
Total	\$ 1,578	\$ 467	\$ 2,045

9. System Employee Benefit Plan Obligations

All full-time permanent, salaried employees of the System are employees of the Commonwealth of Virginia and included in the Commonwealth's participation as an employer in VRS. The Commonwealth, not the System, has overall responsibility for contributions to the VRS pension trust fund as well as other employee benefit and post-employment benefit trust funds for System employees. The state's pension contribution requirement for general employees was 12.52% for the fiscal year ended June 30, 2025, and 14.46% for fiscal year ended 2024.

There were approximately 63,265 state retirees, including System retirees, at June 30, 2025. Note 2.B provides information on the state's contribution toward funding the defined benefit plan for state employees for fiscal year 2025 and fiscal year 2024.

The System's contribution requirement for its employees for fiscal year 2025 and fiscal year 2024 was \$6,360,000 and \$6,137,000, respectively, of

which \$5,713,000 related to the defined benefit plan and \$647,000 related to the hybrid defined contribution plan for fiscal year 2025. For fiscal year 2024, \$5,650,000 related to the defined benefit plan and \$487,000 related to the defined contribution plan. The System's financial obligations for other employee benefit and post-employment benefit plans were as follows:

- The state's contribution requirement for the Group Life Insurance Program was 1.18% of covered payroll for the year ended June 30, 2025, and 1.34% for the year ended June 30, 2024. There were approximately 91,697 active state employees, 15,601 inactive vested participants and 66,118 state retirees, including System employees and retirees, eligible for group life insurance coverage at June 30, 2025. The System's contribution requirement for its employees and retirees for fiscal year 2025 and fiscal year 2024 was \$543,000 and \$572,000, respectively.
- The state's contribution requirement for the Retiree Health Insurance Credit Program for the years ended June 30, 2025 and 2024, was 1.12% and 1.12% of covered payroll, respectively. There were approximately 48,421 state retirees, including System retirees, receiving the health insurance credit at June 30, 2025. The System's contribution requirement for its employees for fiscal year 2025 and fiscal year 2024 was \$515,524 and \$478,000, respectively.
- The state's contribution requirement for the Virginia Sickness and Disability Program (VSDP) for the years ended June 30, 2025, and June 30, 2024, was 0.50% and 0.61%, respectively. There were approximately 85,257 state employees, including System employees, enrolled in VSDP at June 30, 2025. The System's contribution requirement for its employees for fiscal year 2025 and fiscal year 2024 was \$227,485 and \$257,395, respectively.

Information regarding the Commonwealth's funding progress is presented in the Commonwealth's *Annual Comprehensive Financial Report*. Information about the pension plans is provided in Note 2; information about other employee and post-employment benefit plans is provided in Note 3.

10. Litigation

The System, including its Board of Trustees, officers and employees, is a defendant in claims and lawsuits that are pending, are in progress or have been settled since June 30, 2025. The Attorney General and outside counsel have reviewed the status of these claims, lawsuits and the System's potential liability arising from them. Based on their review, it is the opinion of management that such liability, if any, would have no material adverse effect on the System's financial condition.

11. Risk Management

To cover its exposure to various risks of loss, the System, as an independent agency of the Commonwealth of Virginia, participates in the Commonwealth's self-insurance programs for state employee health care and risk management. The latter program includes property, general (tort) liability, medical malpractice and automobile plans. The System's employees are covered by the Virginia Workers' Compensation Program administered by the Department of Human Resource Management. In addition, the System is self-insured for fiduciary liability as well as directors' and officers' liability under a program administered by the Commonwealth's Division of Risk Management. There were no claims in excess of coverage and no reductions in coverage during fiscal year 2025 and the three preceding fiscal years.

12. Commitments

The System extends investment commitments in the normal course of business. At June 30, 2025 and 2024, these commitments amounted to \$23,589.21 million and \$21,073.43 million, respectively.

13. Statutory Contribution Adjustment

For fiscal year 2025, the employer retirement contribution rate for state employees was 12.52%, and the employer retirement contribution rate for teachers was 14.21%. The rate for state employees and teachers was 100% of the adjusted actuarially determined rate. Additionally, the employer retirement contribution rates for SPORS and JRS were funded at 100% and VaLORS at 107.8% of the adjusted actuarially determined rate and were 31.32%, 30.67%, and 24.60% respectively. There was no adjustment to the employer contribution rates for political subdivision employers or to the member contribution rate of 5.00%.

For fiscal year 2025, other post-employment benefit plan contributions due or required also were based on the June 30, 2023, actuarial valuation, which used a 20-year funding period for the UAAL. The rate for Group Life Insurance was 1.18%, the rate for the Retiree Health Insurance Credit Program for state employees was 1.12% and the rate for the Retiree Health Insurance Credit Program for teachers was 1.21% of covered payroll. The rate for VSDP was 0.50%, and the rates for VLDP for teachers and political subdivision employers were 0.47% and 0.74% of covered payroll, respectively.

For fiscal year 2024, the employer retirement contribution rate for state employees was 14.46% and the employer retirement contribution rate for teachers was 16.62%. The rate for state employees was 102% of the adjusted actuarially determined rate and the rate for teachers was 112% of the adjusted actuarially determined rate. Additionally, the employer retirement contribution rates for SPORS, VaLORS and JRS were funded at 100% of the adjusted actuarially determined rate and were

29.98%, 24.60% and 30.67%, respectively. There was no adjustment to the employer contribution rates for political subdivision employers or to the member contribution rate of 5.00%.

For fiscal year 2024, other post-employment benefit plan contributions due or required were based on the June 30, 2021, actuarial valuation, which used a 20-year funding period for the UAAL. The rate for Group Life Insurance was 1.34%, the rate for the Retiree Health Insurance Credit Program for state employees was 1.12% and the rate for the Retiree Health Insurance Credit Program for teachers was 1.21% of covered payroll. The rate for VSDP was 0.61%, and the rates for VLDP for teachers and political subdivision employers were 0.47% and 0.85% of covered payroll, respectively.

The Board approved Pay-As-You-Go contribution rate for fiscal years 2025 and 2024 for employer groups participating in Line of Duty Act Program were \$1,015 and \$830, respectively.

Contributions to the VRS-administered other post-employment programs, with the exception of the Group Life Insurance program, are fully paid by the employer. The Group Life Insurance Program has a total contribution rate, which is allocated into an employee and an employer component using a

60/40 split. For fiscal year 2025, the split yields an employee contribution rate of 0.71% of covered payroll and an employer contribution rate of 0.47% of covered payroll. For fiscal year 2024, the split yields an employee contribution rate of 0.80% of covered payroll and an employer contribution rate of 0.54% of covered payroll. Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution.

14. Subsequent Events

Around September 30, 2025, the System closed on sales of its investments in 30 private equity limited partnerships to two buyers. One of the limited partnership investments was sold at a premium of 10%, but the rest of the investments were sold at an average discount of 30%. The total sales price was \$503.19 million; \$179.15 million being paid on September 30, 2025, with the remainder to be paid on June 30, 2026. The net asset values of the limited partnerships that were sold are included in the Private Equity Funds section of Figure 2.17, Investments Measured at the NAV, at their carrying values at June 30, 2025. If the limited partnerships had been valued at their September 30, 2025, sales prices, the total value of Private Equity Funds would have been \$141.58 million less.

**REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY:
VIRGINIA RETIREMENT SYSTEM – STATE**

FOR THE PLAN YEARS ENDED JUNE 30

	VRS State				
	2025	2024	2023	2022	2021
Total pension liability:					
Service cost	\$ 472,193	\$ 444,253	\$ 425,233	\$ 413,902	\$ 404,703
Interest	1,979,568	1,889,090	1,803,758	1,779,933	1,704,842
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	511,024	763,030	706,071	(247,391)	(281,382)
Assumption changes	146,067	—	—	—	412,575
Benefit payments	(1,799,099)	(1,710,387)	(1,610,266)	(1,536,665)	(1,486,951)
Refunds of contributions	(30,159)	(28,149)	(31,014)	(31,680)	(29,065)
Net change in total pension liability	1,279,594	1,357,837	1,293,782	378,099	724,722
Total pension liability – beginning	29,769,365	28,411,528	27,117,746	26,739,647	26,014,925
Total pension liability – ending (a)	\$ 31,048,959	\$ 29,769,365	\$ 28,411,528	\$ 27,117,746	\$ 26,739,647
Plan fiduciary net position:					
Contributions – employer	\$ 762,876	\$ 752,394	\$ 683,049	\$ 633,738	\$ 609,778
Contributions – member	275,724	257,469	234,317	217,945	207,065
Contributions – employer special	—	—	73,052	219,156	—
Net investment income	2,584,275	2,237,565	1,437,612	(21,579)	5,055,163
Benefit payments	(1,799,099)	(1,710,387)	(1,610,266)	(1,536,665)	(1,486,951)
Refunds of contributions	(30,159)	(28,149)	(31,014)	(31,680)	(29,065)
Administrative expense	(14,804)	(15,340)	(14,498)	(14,302)	(12,904)
Other	350	(1,595)	249	296	(737)
Net change in plan fiduciary net position	1,779,163	1,491,957	772,501	(533,091)	4,342,349
Plan fiduciary net position – beginning	24,843,784	23,351,827	22,579,326	23,112,417	18,770,068
Plan fiduciary net position – ending (b)	26,622,947	\$ 24,843,784	\$ 23,351,827	\$ 22,579,326	\$ 23,112,417
Net pension liability – ending (a-b)	4,426,012	\$ 4,925,581	\$ 5,059,701	\$ 4,538,420	\$ 3,627,230
Plan fiduciary net position as a percentage of the total pension liability (b/a)	85.75%	83.45%	82.19%	83.26%	86.44%
Covered payroll (c)	\$ 6,077,046	\$ 5,622,270	\$ 5,069,435	\$ 4,661,991	\$ 4,399,969
Net pension liability as a percentage of covered payroll ((a-b)/c)	72.83%	87.61%	99.81%	97.35%	82.44%

(EXPRESSED IN THOUSANDS)

VRS State

2020		2019		2018		2017		2016	
\$	406,776	\$	379,359	\$	375,965	\$	370,235	\$	369,779
	1,666,047		1,627,637		1,606,772		1,562,819		1,533,764
	—		—		—		—		—
	(12,440)		181,189		(327,289)		(85,975)		(245,642)
	—		663,566		—		76,965		—
	(1,427,873)		(1,360,833)		(1,296,803)		(1,234,388)		(1,195,198)
	(27,427)		(26,897)		(30,236)		(30,837)		(25,240)
	605,083		1,464,021		328,409		658,819		437,463
	25,409,842		23,945,821		23,617,412		22,958,593		22,521,130
\$	26,014,925	\$	25,409,842	\$	23,945,821	\$	23,617,412	\$	22,958,593
\$	576,443	\$	545,584	\$	548,158	\$	535,424	\$	560,211
	210,896		201,481		201,920		201,391		200,184
	—		—		—		—		162,406
	361,061		1,211,722		1,302,241		1,963,811		277,166
	(1,427,873)		(1,360,833)		(1,296,803)		(1,234,388)		(1,195,198)
	(27,427)		(26,897)		(30,236)		(30,837)		(25,240)
	(12,603)		(12,374)		(11,481)		(11,612)		(10,140)
	(539)		(762)		28,502		(1,743)		(122)
	(320,042)		557,921		742,301		1,422,046		(30,733)
	19,090,110		18,532,189		17,789,888		16,367,842		16,398,575
\$	18,770,068	\$	19,090,110	\$	18,532,189	\$	17,789,888	\$	16,367,842
\$	7,244,857	\$	6,319,732	\$	5,413,632	\$	5,827,524	\$	6,590,751
	72.15%		75.13%		77.39%		75.33%		71.29%
\$	4,440,135	\$	4,197,484	\$	4,152,368	\$	4,020,893	\$	3,977,759
	163.17%		150.56%		130.37%		144.93%		165.69%

**REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY:
VIRGINIA RETIREMENT SYSTEM – TEACHER**

FOR THE PLAN YEARS ENDED JUNE 30

	VRS Teacher				
	2025	2024	2023	2022	2021
Total pension liability:					
Service cost	\$ 971,504	\$ 920,742	\$ 901,517	\$ 823,885	\$ 948,915
Interest	4,051,547	3,847,616	3,660,139	3,568,410	3,355,158
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	1,433,703	1,266,547	1,099,742	(361,725)	(178,349)
Assumption changes	394,150	—	—	—	845,179
Benefit payments	(3,094,493)	(2,941,708)	(2,773,752)	(2,635,945)	(2,553,153)
Refunds of contributions	(47,204)	(45,546)	(45,366)	(43,437)	(38,464)
Net change in total pension liability	3,709,207	3,047,651	2,842,280	1,351,188	2,379,286
Total pension liability – beginning	60,622,260	57,574,609	54,732,329	53,381,141	51,001,855
Total pension liability – ending (a)	\$ 64,331,467	\$ 60,622,260	\$ 57,574,609	\$ 54,732,329	\$ 53,381,141
Plan fiduciary net position:					
Contributions – employer	\$ 1,611,791	\$ 1,702,445	\$ 1,576,963	\$ 1,485,307	\$ 1,416,135
Contributions – member	521,867	499,610	465,101	439,139	419,415
Contributions – non-employer	—	—	147,457	442,371	61,344
Net investment income	5,367,719	4,582,867	2,913,862	(66,609)	9,887,249
Benefit payments	(3,094,493)	(2,941,709)	(2,773,752)	(2,635,945)	(2,553,153)
Refunds of contributions	(47,205)	(45,546)	(45,366)	(43,437)	(38,464)
Administrative expense	(30,566)	(30,412)	(28,677)	(27,876)	(24,543)
Other	1,083	666	86	737	832
Net change in plan fiduciary net position	4,330,196	3,767,921	2,255,674	(406,313)	9,168,815
Plan fiduciary net position – beginning	51,235,326	47,467,405	45,211,731	45,618,044	36,449,229
Plan fiduciary net position – ending (b)	\$ 55,565,522	\$ 51,235,326	\$ 47,467,405	\$ 45,211,731	\$ 45,618,044
Net pension liability – ending (a-b)	\$ 8,765,945	\$ 9,386,934	\$ 10,107,204	\$ 9,520,598	\$ 7,763,097
Plan fiduciary net position as a percentage of the total pension liability (b/a)	86.37%	84.52%	82.45%	82.61%	85.46%
Covered payroll (c)	\$ 11,408,706	\$ 10,700,769	\$ 9,970,623	\$ 9,319,260	\$ 8,843,887
Net pension liability as a percentage of covered payroll ((a-b)/c)	76.84%	87.72%	101.37%	102.16%	87.78%

(EXPRESSED IN THOUSANDS)

VRS Teacher

2020		2019		2018		2017		2016	
\$	938,143	\$	889,003	\$	885,510	\$	830,475	\$	828,856
	3,269,776		3,184,697		3,099,338		3,016,207		2,931,065
	—		—		—		—		—
	(404,985)		(174,815)		(440,308)		(642,745)		(391,881)
	—		1,472,649		—		218,559		—
	(2,448,204)		(2,331,038)		(2,241,927)		(2,147,781)		(2,081,069)
	(36,211)		(36,715)		(40,578)		(39,521)		(35,067)
	1,318,519		3,003,781		1,262,035		1,235,194		1,251,904
	49,683,336		46,679,555		45,417,520		44,182,326		42,930,422
\$	51,001,855	\$	49,683,336	\$	46,679,555	\$	45,417,520	\$	44,182,326
\$	1,327,774	\$	1,280,964	\$	1,292,988	\$	1,137,976	\$	1,062,338
	418,909		403,258		391,490		392,730		380,314
	—		—		—		—		—
	689,010		2,311,028		2,421,157		3,632,291		516,704
	(2,448,204)		(2,331,038)		(2,241,927)		(2,147,781)		(2,081,069)
	(36,211)		(36,715)		(40,578)		(39,521)		(35,067)
	(23,649)		(22,843)		(20,945)		(21,123)		(18,859)
	(1,169)		(1,448)		(2,167)		(3,238)		(222)
	(73,540)		1,603,206		1,800,018		2,951,334		(175,861)
	36,522,769		34,919,563		33,119,545		30,168,211		30,344,072
\$	36,449,229	\$	36,522,769	\$	34,919,563	\$	33,119,545	\$	30,168,211
\$	14,552,626	\$	13,160,567	\$	11,759,992	\$	12,297,975	\$	14,014,115
	71.47%		73.51%		74.81%		72.92%		68.28%
\$	8,766,667	\$	8,387,503	\$	8,086,986	\$	7,891,783	\$	7,624,612
	166.00 %		156.91 %		145.42 %		155.83 %		183.80 %

**REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY:
VIRGINIA RETIREMENT SYSTEM – POLITICAL SUBDIVISIONS**
FOR THE PLAN YEARS ENDED JUNE 30

	VRS Political Subdivisions*				
	2025	2024	2023	2022	2021
Total pension liability:					
Service cost	\$ 875,080	\$ 805,681	\$ 725,694	\$ 640,327	\$ 613,227
Interest	2,157,299	2,006,300	1,900,513	1,840,834	1,674,640
Benefit changes	3,054	4,867	2,891	9,042	13,157
Difference between actual and expected experience	441,938	977,207	363,648	(294,247)	(164,895)
Assumption changes	56,316	—	691	(15)	1,003,382
Benefit payments	(1,634,250)	(1,531,981)	(1,395,124)	(1,307,581)	(1,237,074)
Refunds of contributions	(44,687)	(41,948)	(43,391)	(48,297)	(42,460)
Net change in total pension liability	1,854,750	2,220,126	1,554,922	840,063	1,859,977
Total pension liability – beginning	31,924,404	29,704,278	28,149,356	27,309,293	25,449,316
Total pension liability – ending (a)	\$ 33,779,154	\$ 31,924,404	\$ 29,704,278	\$ 28,149,356	\$ 27,309,293
Plan fiduciary net position:					
Contributions – employer	\$ 943,478	\$ 814,134	\$ 736,843	\$ 608,879	\$ 579,989
Contributions – member	357,518	329,309	302,890	276,350	258,562
Net investment income	3,109,208	2,639,598	1,678,096	(26,243)	5,779,327
Benefit payments	(1,634,250)	(1,531,981)	(1,395,124)	(1,307,581)	(1,237,074)
Refunds of contributions	(44,687)	(41,948)	(43,391)	(48,297)	(42,460)
Administrative expense	(17,618)	(17,267)	(16,656)	(16,525)	(14,411)
Other	(1,288)	408	349	264	161
Net change in plan fiduciary net position	2,712,361	2,192,253	1,263,007	(513,153)	5,324,094
Plan fiduciary net position – beginning	29,500,291	27,308,038	26,045,031	26,558,184	21,234,090
Plan fiduciary net position – ending (b)	\$ 32,212,652	\$ 29,500,291	\$ 27,308,038	\$ 26,045,031	\$ 26,558,184
Net pension liability – ending (a-b)	\$ 1,566,502	\$ 2,424,113	\$ 2,396,240	\$ 2,104,325	\$ 751,109
Plan fiduciary net position as a percentage of the total pension liability (b/a)	95.36%	92.41%	91.93%	92.52%	97.25%
Covered payroll (c)	\$ 7,731,623	\$ 7,046,820	\$ 6,337,774	\$ 5,699,596	\$ 5,403,267
Net pension liability as a percentage of covered payroll ((a-b)/c)	20.26%	34.40%	37.81%	36.92%	13.90%

* Political subdivision data is from the consolidated report provided by Gabriel, Roeder, Smith and Company.

(EXPRESSED IN THOUSANDS)

VRS Political Subdivisions

2020		2019		2018		2017		2016	
\$	603,766	\$	556,149	\$	544,762	\$	541,594	\$	535,322
	1,593,594		1,535,532		1,472,680		1,422,753		1,362,892
	19,657		3,948		10,811		36,652		2,053
	221,364		45,032		(43,177)		(205,649)		(87,268)
	—		691,407		—		(64,510)		—
	(1,157,505)		(1,082,791)		(1,010,021)		(941,856)		(893,585)
	(38,323)		(40,249)		(41,324)		(42,068)		(37,380)
	1,242,553		1,709,028		933,731		746,916		882,034
	24,206,763		22,497,735		21,564,004		20,817,088		19,935,054
\$	25,449,316	\$	24,206,763	\$	22,497,735	\$	21,564,004	\$	20,817,088
\$	521,543	\$	499,293	\$	490,286	\$	477,563	\$	543,947
	258,408		248,421		241,339		238,636		231,934
	405,051		1,345,759		1,415,454		2,113,973		300,995
	(1,157,505)		(1,082,791)		(1,010,021)		(941,856)		(893,585)
	(38,323)		(40,249)		(41,324)		(42,068)		(37,380)
	(13,842)		(13,369)		(12,236)		(12,220)		(10,696)
	(274)		(853)		(30,924)		(1,887)		(130)
	(24,942)		956,211		1,052,574		1,832,141		135,085
	21,259,032		20,302,821		19,250,247		17,418,106		17,283,021
\$	21,234,090	\$	21,259,032	\$	20,302,821	\$	19,250,247	\$	17,418,106
\$	4,215,226	\$	2,947,731	\$	2,194,914	\$	2,313,757	\$	3,398,982
	83.44%		87.82%		90.24%		89.27%		83.67%
\$	5,368,250	\$	5,118,622	\$	4,932,344	\$	4,765,842	\$	4,628,806
	78.52%		57.59%		44.50%		48.55%		73.43%

**REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY:
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)**

FOR THE PLAN YEARS ENDED JUNE 30

	SPORS				
	2025	2024	2023	2022	2021
Total pension liability:					
Service cost	\$ 28,330	\$ 27,276	\$ 25,401	\$ 23,688	\$ 22,042
Interest	104,277	97,847	90,683	86,396	79,549
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	30,753	54,371	66,727	25,538	(9,431)
Assumption changes	(7,473)	—	—	—	58,257
Benefit payments	(88,715)	(80,552)	(75,578)	(71,466)	(73,227)
Refunds of contributions	(613)	(716)	(240)	(378)	(271)
Net change in total pension liability	66,559	98,226	106,993	63,778	76,919
Total pension liability – beginning	1,561,174	1,462,948	1,355,955	1,292,177	1,215,258
Total pension liability – ending (a)	\$ 1,627,733	\$ 1,561,174	\$ 1,462,948	\$ 1,355,955	\$ 1,292,177
Plan fiduciary net position:					
Contributions – employer	\$ 54,161	\$ 50,767	\$ 46,936	\$ 36,494	\$ 33,788
Contributions – member	8,633	8,546	7,952	7,131	6,489
Contributions – employer special	—	—	3,653	10,958	—
Net investment income	120,801	103,488	66,245	(902)	229,138
Benefit payments	(88,715)	(80,552)	(75,578)	(71,466)	(73,227)
Refunds of contributions	(613)	(717)	(240)	(378)	(271)
Administrative expense	(629)	(646)	(595)	(602)	(531)
Other	15	(105)	(1)	—	—
Net change in plan fiduciary net position	93,653	80,781	48,372	(18,765)	195,386
Plan fiduciary net position – beginning	1,160,536	1,079,755	1,031,383	1,050,148	854,762
Plan fiduciary net position – ending (b)	\$ 1,254,189	\$ 1,160,536	\$ 1,079,755	\$ 1,031,383	\$ 1,050,148
Net pension liability – ending (a-b)	\$ 373,544	\$ 400,638	\$ 383,193	\$ 324,572	\$ 242,029
Plan fiduciary net position as a percentage of the total pension liability (b/a)	77.05%	74.34%	73.81%	76.06%	81.27%
Covered payroll (c)	\$ 172,751	\$ 169,503	\$ 156,707	\$ 138,644	\$ 128,252
Net pension liability as a percentage of covered payroll ((a-b)/c)	216.23%	236.36%	244.53%	234.10%	188.71%

(EXPRESSED IN THOUSANDS)

SPORS

2020		2019		2018		2017		2016	
\$	22,167	\$	20,079	\$	18,187	\$	18,880	\$	18,700
	77,231		72,715		71,251		74,042		72,618
	—		—		—		—		—
	4,466		45,330		(7,248)		(5,327)		(14,711)
	—		31,773		—		(68,707)		—
	(64,991)		(62,683)		(58,197)		(57,814)		(53,515)
	(552)		(805)		(867)		(630)		(584)
	38,321		106,409		23,126		(39,556)		22,508
	1,176,937		1,070,528		1,047,402		1,086,958		1,064,450
\$	1,215,258	\$	1,176,937	\$	1,070,528	\$	1,047,402	\$	1,086,958
\$	32,497	\$	31,437	\$	35,806	\$	31,888	\$	31,536
	6,600		6,379		6,311		5,701		5,759
	—		—		—		—		2,119
	16,333		54,792		58,148		87,265		12,634
	(64,991)		(62,683)		(58,197)		(57,814)		(53,515)
	(552)		(805)		(867)		(630)		(584)
	(360)		(488)		(509)		(926)		(590)
	(38)		(61)		(63)		(99)		(23)
	(10,511)		28,571		40,629		65,385		(2,664)
	865,273		836,702		796,073		730,688		733,352
\$	854,762	\$	865,273	\$	836,702	\$	796,073	\$	730,688
\$	360,496	\$	311,664	\$	233,826	\$	251,329	\$	356,270
	70.34%		73.52%		78.16%		76.00%		67.22%
\$	130,759	\$	126,483	\$	124,003	\$	111,395	\$	114,395
	275.69%		246.41%		188.56%		225.62%		311.44%

**REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY:
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)**

FOR THE PLAN YEARS ENDED JUNE 30

	VaLORS				
	2025	2024	2023	2022	2021
Total pension liability:					
Service cost	\$ 49,871	\$ 48,553	\$ 46,317	\$ 44,326	\$ 47,606
Interest	182,885	171,987	165,299	159,759	149,677
Benefit changes	—	—	—	—	—
Difference between actual and expected experience	53,102	102,193	35,308	15,632	(25,405)
Assumption changes	2,311	—	—	—	66,216
Benefit payments	(162,702)	(152,250)	(138,022)	(129,974)	(124,045)
Refunds of contributions	(5,307)	(4,922)	(4,990)	(6,284)	(5,791)
Net change in total pension liability	120,160	165,561	103,912	83,459	108,258
Total pension liability – beginning	2,743,541	2,577,980	2,474,068	2,390,609	2,282,351
Total pension liability – ending (a)	\$ 2,863,701	\$ 2,743,541	\$ 2,577,980	\$ 2,474,068	\$ 2,390,609
Plan fiduciary net position:					
Contributions – employer	\$ 100,211	\$ 97,758	\$ 90,433	\$ 73,960	\$ 76,415
Contributions – member	20,712	20,044	18,769	17,276	17,602
Contributions – employer special	—	—	6,629	19,887	—
Net investment income	216,164	185,066	118,276	(1,666)	405,217
Benefit payments	(162,702)	(152,250)	(138,022)	(129,974)	(124,045)
Refunds of contributions	(5,308)	(4,922)	(4,990)	(6,284)	(5,791)
Administrative expense	(1,124)	(1,143)	(1,063)	(1,074)	(943)
Other	143	1,118	(12)	(8)	—
Net change in plan fiduciary net position	168,096	145,671	90,020	(27,883)	368,455
Plan fiduciary net position – beginning	2,076,732	1,931,061	1,841,041	1,868,924	1,500,469
Plan fiduciary net position – ending (b)	\$ 2,244,828	\$ 2,076,732	\$ 1,931,061	\$ 1,841,041	\$ 1,868,924
Net pension liability – ending (a-b)	\$ 618,873	\$ 666,809	\$ 646,919	\$ 633,027	\$ 521,685
Plan fiduciary net position as a percentage of the total pension liability (b/a)	78.39%	75.70%	74.91%	74.41%	78.18%
Covered payroll (c)	\$ 408,584	\$ 398,027	\$ 369,142	\$ 338,768	\$ 348,650
Net pension liability as a percentage of covered payroll ((a-b)/c)	151.47%	167.53%	175.25%	186.86%	149.63%

(EXPRESSED IN THOUSANDS)

VaLORS

2020		2019		2018		2017		2016	
\$	48,003	\$	44,526	\$	45,179	\$	47,189	\$	45,608
	143,708		139,307		136,289		135,453		129,756
	—		—		—		—		—
	22,645		11,067		(26,111)		(1,457)		4,997
	—		62,090		—		(63,457)		—
	(117,137)		(109,193)		(104,776)		(96,224)		(92,270)
	(4,893)		(4,933)		(5,604)		(4,938)		(4,524)
	92,326		142,864		44,977		16,566		83,567
	2,190,025		2,047,161		2,002,184		1,985,618		1,902,051
\$	2,282,351	\$	2,190,025	\$	2,047,161	\$	2,002,184	\$	1,985,618
\$	79,914	\$	75,327	\$	73,793	\$	73,816	\$	62,900
	18,712		17,871		17,496		17,598		17,574
	—		—		—		—		16,492
	28,579		93,872		98,292		146,039		20,899
	(117,137)		(109,193)		(104,776)		(96,224)		(92,270)
	(4,893)		(4,933)		(5,604)		(4,938)		(4,524)
	(623)		(831)		(861)		(1,540)		(940)
	(73)		(103)		(247)		(310)		(38)
	4,479		72,010		78,093		134,441		20,093
	1,495,990		1,423,980		1,345,887		1,211,446		1,191,353
\$	1,500,469	\$	1,495,990	\$	1,423,980	\$	1,345,887	\$	1,211,446
\$	781,882	\$	694,035	\$	623,181	\$	656,297	\$	774,172
	65.74%		68.31%		69.56%		67.22%		61.01%
\$	369,996	\$	349,998	\$	345,531	\$	344,468	\$	345,504
	211.32%		198.30%		180.35%		190.52%		224.07%

**REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY:
JUDICIAL RETIREMENT SYSTEM (JRS)**

FOR THE PLAN YEARS ENDED JUNE 30

	JRS				
	2025	2024	2023	2022	2021
Total pension liability:					
Service cost	\$ 20,871	\$ 20,305	\$ 19,735	\$ 18,630	\$ 19,335
Interest	54,244	51,365	50,938	50,036	44,788
Benefit changes	27,100	—	—	—	—
Difference between actual and expected experience	320	26,621	(12,421)	(7,256)	(10,245)
Assumption changes	(3,653)	—	—	—	53,040
Benefit payments	(58,037)	(54,211)	(50,572)	(47,679)	(47,750)
Refunds of contributions	—	(173)	(15)	(41)	(135)
Net change in total pension liability	40,845	43,907	7,665	13,690	59,033
Total pension liability – beginning	811,764	767,857	760,192	746,502	687,469
Total pension liability – ending (a)	\$ 852,609	\$ 811,764	\$ 767,857	\$ 760,192	\$ 746,502
Plan fiduciary net position:					
Contributions – employer	\$ 30,054	\$ 26,926	\$ 25,705	\$ 24,016	\$ 22,856
Contributions – member	2,874	2,590	2,320	2,033	1,868
Contributions – employer special	—	—	2,083	6,250	—
Net investment income	74,254	64,466	41,850	(477)	147,200
Benefit payments	(58,036)	(54,211)	(50,572)	(47,678)	(47,750)
Refunds of contributions	—	(173)	(15)	(41)	(135)
Administrative expense	(387)	(383)	(378)	(386)	(343)
Other	(2)	(9)	—	97	—
Net change in plan fiduciary net position	48,757	39,206	20,993	(16,186)	123,696
Plan fiduciary net position – beginning	717,164	677,958	656,965	673,151	549,455
Plan fiduciary net position – ending (b)	\$ 765,921	\$ 717,164	\$ 677,958	\$ 656,965	\$ 673,151
Net pension liability – ending (a-b)	\$ 86,688	\$ 94,600	\$ 89,899	\$ 103,227	\$ 73,351
Plan fiduciary net position as a percentage of the total pension liability (b/a)	89.83%	88.35%	88.29%	86.42%	90.17%
Covered payroll (c)	\$ 94,123	\$ 89,093	\$ 84,059	\$ 79,540	\$ 74,594
Net pension liability as a percentage of covered payroll ((a-b)/c)	92.10%	106.18%	106.95%	129.78%	98.33%

(EXPRESSED IN THOUSANDS)

JRS									
2020		2019		2018		2017		2016	
\$	20,650	\$	18,767	\$	19,228	\$	22,144	\$	21,978
	44,234		44,139		43,799		42,081		42,820
	—		—		—		—		(15,552)
	(9,446)		(7,158)		(15,786)		(14,774)		(18,681)
	—		14,077		—		16,114		—
	(46,546)		(43,587)		(41,165)		(40,895)		(41,341)
	(12)		—		—		—		—
	8,880		26,238		6,076		24,670		(10,776)
	678,589		652,351		646,275		621,605		632,381
\$	687,469	\$	678,589	\$	652,351	\$	646,275	\$	621,605
\$	24,819	\$	22,893	\$	28,096	\$	27,612	\$	33,036
	3,436		3,208		3,231		3,272		3,236
	—		—		—		—		8,466
	10,491		35,372		37,466		56,029		8,112
	(46,546)		(43,587)		(41,165)		(40,895)		(41,341)
	(12)		—		—		—		—
	(232)		(315)		(326)		(594)		(363)
	(42)		(39)		(42)		(64)		(15)
	(8,086)		17,532		27,260		45,360		11,131
	557,541		540,009		512,749		467,389		456,258
\$	549,455	\$	557,541	\$	540,009	\$	512,749	\$	467,389
\$	138,014	\$	121,048	\$	112,342	\$	133,526	\$	154,216
	79.92%		82.16%		82.78%		79.34%		75.19%
\$	74,769	\$	68,330	\$	68,245	\$	66,826	\$	66,621
	184.59%		177.15%		164.62%		199.81%		231.48%

REQUIRED SUPPLEMENTARY SCHEDULE OF EMPLOYER CONTRIBUTIONS: PENSION PLANS

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
VIRGINIA RETIREMENT SYSTEM (VRS) – STATE					
2025	\$ 760,846	\$ 760,846	\$ —	\$ 6,077,046	12.52%
2024	794,427	812,980	(18,553)	5,622,270	14.46%
2023	716,311	733,040	(16,729)	5,069,435	14.46%
2022	674,124	674,124	—	4,661,991	14.46%
2021	636,236	636,236	—	4,399,969	14.46%
2020	600,306	600,306	—	4,440,135	13.52%
2019	567,450	567,450	—	4,197,484	13.52%
2018	560,154	560,154	—	4,152,368	13.49%
2017	542,418	542,418	—	4,020,893	13.49%
2016	628,486	557,160	71,326	3,977,759	14.01%
VIRGINIA RETIREMENT SYSTEM (VRS) – TEACHER					
2025	\$ 1,621,177	\$ 1,621,177	\$ —	\$ 11,408,706	14.21%
2024	1,579,433	1,778,468	(199,035)	10,700,769	16.62%
2023	1,471,664	1,657,118	(185,454)	9,970,623	16.62%
2022	1,548,861	1,548,861	—	9,319,260	16.62%
2021	1,469,854	1,469,854	—	8,843,887	16.62%
2020	1,374,613	1,374,613	—	8,766,667	15.68%
2019	1,315,160	1,315,160	—	8,387,503	15.68%
2018	1,319,796	1,319,796	—	8,086,986	16.32%
2017	1,287,939	1,156,935	131,004	7,891,783	14.66%
2016	1,344,981	1,072,020	272,961	7,624,612	14.06%
VIRGINIA RETIREMENT SYSTEM (VRS) – POLITICAL SUBDIVISIONS*					
2025	\$ 943,917	\$ 943,917	\$ —	\$ 7,731,623	12.21%
2024	868,165	868,165	—	7,046,820	12.32%
2023	780,825	780,825	—	6,337,774	12.32%
2022	643,826	643,826	—	5,699,596	11.30%
2021	610,434	610,473	(39)	5,403,267	11.30%
2020	544,676	547,382	(2,706)	5,368,250	10.20%
2019	515,904	518,513	(2,609)	5,118,622	10.13%
2018	504,955	505,603	(648)	4,932,344	10.25%
2017	487,067	487,702	(635)	4,765,842	10.22%
2016	554,335	549,408	4,927	4,628,806	11.87%

REQUIRED SUPPLEMENTARY SCHEDULE OF EMPLOYER CONTRIBUTIONS: PENSION PLANS, cont.

(EXPRESSED IN THOUSANDS)

Year Ended June 30		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)		Covered Payroll	Contributions as a Percentage of Covered Payroll
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)							
2025	\$	54,106	\$ 54,106	\$ —	\$	172,751	31.32%
2024		50,817	50,817	—		169,503	29.98%
2023		46,981	46,981	—		156,707	29.98%
2022		36,505	36,505	—		138,644	26.33%
2021		33,769	33,769	—		128,252	26.33%
2020		32,533	32,533	—		130,759	24.88%
2019		31,469	31,469	—		126,483	24.88%
2018		35,391	35,391	—		124,003	28.54%
2017		31,792	31,792	—		111,395	28.54%
2016		35,211	31,561	3,650		114,395	27.59%
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)							
2025	\$	100,512	\$ 100,512	\$ —	\$	408,584	24.60%
2024		97,915	97,915	—		398,027	24.60%
2023		90,809	90,809	—		369,142	24.60%
2022		74,190	74,190	—		338,768	21.90%
2021		76,354	76,354	—		348,650	21.90%
2020		79,956	79,956	—		369,996	21.61%
2019		75,635	75,635	—		349,998	21.61%
2018		72,734	72,734	—		345,531	21.05%
2017		72,511	72,511	—		344,468	21.05%
2016		72,763	65,101	7,662		345,504	18.84%
JUDICIAL RETIREMENT SYSTEM (JRS)							
2025	\$	28,868	\$ 28,868	\$ —	\$	94,123	30.67%
2024		27,325	27,325	—		89,093	30.67%
2023		25,781	25,781	—		84,059	30.67%
2022		23,735	23,735	—		79,540	29.84%
2021		22,259	22,259	—		74,594	29.84%
2020		25,713	25,713	—		74,769	34.39%
2019		23,498	23,498	—		68,330	34.39%
2018		28,642	28,642	—		68,245	41.97%
2017		28,047	28,047	—		66,826	41.97%
2016		37,008	33,291	3,717		66,621	49.97%

* Political subdivision data is from the consolidated report provided by Gabriel, Roeder, Smith and Company.

REQUIRED SUPPLEMENTARY SCHEDULE OF INVESTMENT RETURNS

FOR THE PLAN YEARS ENDED JUNE 30

VRS Pooled Asset Portfolio*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	9.87%	9.86%	6.07%	0.70%	27.45%	1.42%	6.63%	7.57%	12.13%	1.83%

* Investments for all plans are pooled for investing purposes. Therefore, a money-weighted rate of return, net of investment expense, is only available for the pool and not for each individual plan.

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

Change in the Net OPEB Liability	2025	Group Life Insurance Fund			2022
		2024	2023		
Total OPEB liability:					
Service cost	\$ 93,747	\$ 85,358	\$ 88,493	\$	79,890
Interest	283,184	263,497	247,906		241,074
Changes in benefit terms	—	—	—		—
Difference between actual and expected experience	54,031	117,650	74,372		(54,700)
Changes of assumptions	(4,780)	—	—		—
Benefit payments ¹	(188,955)	(177,502)	(175,804)		(171,525)
Net change in total OPEB liability	237,227	289,003	234,967		94,739
Total OPEB liability – beginning	4,196,055	3,907,052	3,672,085		3,577,346
Total OPEB liability – ending (a)	\$ 4,433,282	\$ 4,196,055	\$ 3,907,052	\$	3,672,085
Plan fiduciary net position:					
Contributions – employer	\$ 129,433	\$ 139,355	\$ 127,427	\$	117,664
Contributions – member ¹	109,127	131,142	108,029		86,846
Contributions – special employer	—	—	3,053		9,154
Contributions – non-employer contributing entity	—	—	7,093		21,284
Net investment income	345,233	282,777	173,481		(5,235)
Benefit payments ¹	(188,955)	(177,502)	(175,804)		(171,525)
Administrative expense	(1,446)	(1,180)	(1,268)		(1,184)
Other	(2,431)	(2,198)	(2,261)		(2,089)
Net change in plan fiduciary net position	390,961	372,394	239,750		54,915
Plan fiduciary net position – beginning	3,080,133	2,707,739	2,467,989		2,413,074
Plan fiduciary net position – ending (b)	\$ 3,471,094	\$ 3,080,133	\$ 2,707,739	\$	2,467,989
Net OPEB liability – ending (a-b)	\$ 962,188	\$ 1,115,922	\$ 1,199,313	\$	1,204,096
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	78.30%	73.41%	69.30%		67.21%
Covered payroll (c)	\$ 27,616,998	\$ 25,719,148	\$ 23,592,896	\$	21,787,891
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	3.48%	4.34%	5.08%		5.53%

Note: This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

¹ Starting in 2021, member contributions and benefit payments are net of contributions and benefit payments for active life insurance.

(EXPRESSED IN THOUSANDS)

Group Life Insurance Fund

2021		2020		2019		2018		2017	
\$	96,894	\$	98,367	\$	86,912	\$	84,355	\$	81,479
	232,052		221,684		210,950		198,960		201,770
	—		—		—		—		—
	63,189		25,709		56,736		88,052		(39,461)
	(166,464)		—		122,011		—		(91,738)
	(172,263)		(212,060)		(199,879)		(200,285)		(184,092)
	53,408		133,700		276,730		171,082		(32,042)
	3,523,938		3,390,238		3,113,508		2,942,426		2,974,468
	3,577,346		3,523,938		3,390,238		3,113,508		2,942,426
\$	111,797	\$	107,252	\$	102,175	\$	98,530	\$	94,082
	86,509		162,925		155,153		150,402		146,002
	—		—		—		—		—
	—		—		—		—		—
	534,709		36,276		113,440		110,917		158,430
	(172,263)		(212,060)		(199,879)		(200,285)		(184,092)
	(862)		(824)		(709)		(664)		(31)
	(1,918)		(1,439)		(1,981)		(1,713)		(1,731)
	557,972		92,130		168,199		157,187		212,660
	1,855,102		1,762,972		1,594,773		1,437,586		1,224,926
\$	2,413,074	\$	1,855,102	\$	1,762,972	\$	1,594,773	\$	1,437,586
\$	1,164,272	\$	1,668,836	\$	1,627,266	\$	1,518,735	\$	1,504,840
	67.45%		52.64%		52%		51.22%		48.86%
\$	20,679,890	\$	20,612,888	\$	19,633,771	\$	19,044,361	\$	18,473,085
	5.63%		8.10%		8.29%		7.97%		8.15%

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS, cont.

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

	Disability Insurance Trust Fund			
Change in the Net OPEB Liability	2025	2024	2023	2022
Total OPEB liability:				
Service cost	\$ 41,278	\$ 37,701	\$ 33,331	\$ 30,802
Interest	24,651	23,034	21,978	19,115
Changes in benefit terms	—	—	—	—
Difference between actual and expected experience	(11,300)	(9,933)	(13,168)	20,274
Changes of assumptions	(39,979)	—	—	—
Benefit payments	(30,178)	(30,696)	(31,004)	(29,625)
Net change in total OPEB liability	(15,528)	20,106	11,137	40,566
Total OPEB liability – beginning	339,007	318,901	307,764	267,198
Total OPEB liability – ending (a)	\$ 323,479	\$ 339,007	\$ 318,901	\$ 307,764
Plan fiduciary net position:				
Contributions – employer	\$ 30,833	\$ 34,657	\$ 31,138	\$ 28,249
Contributions – member	—	—	—	—
Contributions – special employer	—	—	—	—
Contributions – non-employer contributing entity	—	—	—	—
Net investment income	72,381	61,089	38,938	(507)
Benefit payments	(30,178)	(30,696)	(31,004)	(29,625)
Third-party administrator charges	(7,625)	(7,708)	(7,350)	(7,247)
Administrative expense	(806)	(470)	(797)	(483)
Other	1,236	1,219	938	610
Net change in plan fiduciary net position	65,841	58,091	31,863	(9,003)
Plan fiduciary net position – beginning	692,870	634,779	602,916	611,919
Plan fiduciary net position – ending (b)	\$ 758,711	\$ 692,870	\$ 634,779	\$ 602,916
Net OPEB liability – ending (a-b)	\$ (435,232)	\$ (353,863)	\$ (315,878)	\$ (295,152)
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	234.55%	204.38%	199.05%	195.9%
Covered payroll (c)	\$ 6,174,181	\$ 5,693,402	\$ 5,103,828	\$ 4,637,755
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	(7.05)%	(6.22)%	(6.19)%	(6.36)%

Note: This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

(EXPRESSED IN THOUSANDS)

Disability Insurance Trust Fund

2021		2020		2019		2018		2017	
\$	32,679	\$	32,988	\$	29,232	\$	27,527	\$	27,884
	17,222		18,774		15,788		15,503		15,810
	—		—		—		—		—
	(22,057)		(46,473)		29,489		(11,237)		—
	(1,387)		—		4,180		—		(17,511)
	(28,790)		(27,804)		(24,376)		(31,073)		(30,056)
	(2,333)		(22,515)		54,313		720		(3,873)
	269,531		292,046		237,733		237,013		240,886
	267,198		269,531		292,046		237,733		237,013
\$	26,542	\$	26,994	\$	25,263	\$	27,260	\$	24,130
	—		—		—		—		—
	—		—		—		—		—
	—		—		—		—		—
	131,373		9,445		30,494		32,073		48,206
	(28,790)		(27,804)		(24,376)		(31,073)		(30,056)
	(7,137)		(6,611)		(6,431)		(6,637)		(7,001)
	(600)		(631)		(787)		(961)		(717)
	311		586		1,117		(35)		(54)
	121,699		1,979		25,280		20,627		34,508
	490,220		488,241		462,961		442,334		407,826
\$	611,919	\$	490,220	\$	488,241	\$	462,961	\$	442,334
\$	(344,721)	\$	(220,689)	\$	(196,195)	\$	(225,228)	\$	(205,321)
	229.01%		181.88%		167.18%		194.74%		186.63%
\$	4,355,154	\$	4,365,296	\$	4,077,627	\$	3,972,637	\$	3,799,590
	(7.92)%		(5.06)%		(4.81)%		(5.67)%		(5.4)%

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS, cont.

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

Change in the Net OPEB Liability	Virginia Local Disability Program			
	Teachers			
	2025	2024	2023	2022
Total OPEB liability:				
Service cost	\$ 2,693	\$ 2,291	\$ 1,950	\$ 1,598
Interest	996	835	586	411
Changes in benefit terms	—	—	—	—
Difference between actual and expected experience	1,459	140	1,888	1,102
Changes of assumptions	1,705	—	—	—
Benefit payments	(1,367)	(1,197)	(959)	(788)
Net change in total OPEB liability	5,486	2,069	3,465	2,323
Total OPEB liability – beginning	12,741	10,672	7,207	4,884
Total OPEB liability – ending (a)	\$ 18,227	\$ 12,741	\$ 10,672	\$ 7,207
Plan fiduciary net position:				
Contributions – employer	\$ 5,477	\$ 5,154	\$ 4,387	\$ 3,783
Contributions – member	—	—	—	—
Contributions – special employer	—	—	—	—
Contributions – non-employer contributing entity	—	—	—	—
Net investment income	1,494	1,019	547	(56)
Benefit payments	(1,367)	(1,197)	(959)	(788)
Third-party administrator charges	(1,408)	(1,250)	(1,176)	(1,116)
Administrative expense	(103)	(96)	(112)	(93)
Other	—	—	—	—
Net change in plan fiduciary net position	4,093	3,630	2,687	1,730
Plan fiduciary net position – beginning	13,637	10,007	7,320	5,590
Plan fiduciary net position – ending (b)	\$ 17,730	\$ 13,637	\$ 10,007	\$ 7,320
Net OPEB liability – ending (a-b)	\$ 497	\$ (896)	\$ 665	\$ (113)
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	97.27%	107.03%	93.77%	101.57%
Covered payroll (c)	\$ 1,237,815	\$ 1,079,152	\$ 933,836	\$ 804,858
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	0.04%	(0.08%)	0.07%	(0.01%)

Note: This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

(EXPRESSED IN THOUSANDS)

Virginia Local Disability Program

2021		2020		Teachers 2019		2018		2017	
\$	1,366	\$	1,109	\$	871	\$	668	\$	389
	237		144		92		57		29
	—		—		—		—		—
	(379)		406		(19)		(66)		—
	339		—		63		—		53
	(366)		(213)		(167)		(131)		(36)
	1,197		1,446		840		528		435
	3,687		2,241		1,401		873		438
	4,884		3,687		2,241		1,401		873
\$	3,166	\$	2,426	\$	1,966	\$	1,160	\$	589
	—		—		—		—		—
	—		—		—		—		—
	—		—		—		—		—
	1,031		45		83		29		—
	(366)		(213)		(167)		(131)		(36)
	(988)		(935)		(829)		(794)		(484)
	(140)		(97)		(39)		(76)		(84)
	—		—		—		180		294
	2,703		1,226		1,014		368		279
	2,887		1,661		647		279		—
\$	5,590	\$	2,887	\$	1,661	\$	647	\$	279
\$	(706)	\$	800	\$	580	\$	754	\$	594
	114.46%		78.3%		74.12%		46.18%		31.96%
\$	672,908	\$	591,499	\$	479,535	\$	372,869	\$	282,200
	(0.10)%		0.14 %		0.12 %		0.20 %		0.21 %

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS, cont.

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

Change in the Net OPEB Liability	Virginia Local Disability Program			
	Political Subdivisions*			
	2025	2024	2023	2022
Total OPEB liability:				
Service cost	\$ 4,140	\$ 3,312	\$ 2,585	\$ 2,039
Interest	1,045	814	633	458
Changes in benefit terms	—	—	—	—
Difference between actual and expected experience	(116)	131	83	517
Changes of assumptions	864	—	—	—
Benefit payments	(1,771)	(1,552)	(1,136)	(810)
Net change in total OPEB liability	4,162	2,705	2,165	2,204
Total OPEB liability – beginning	12,230	9,525	7,360	5,156
Total OPEB liability – ending (a)	\$ 16,392	\$ 12,230	\$ 9,525	\$ 7,360
Plan fiduciary net position:				
Contributions – employer	\$ 7,094	\$ 6,680	\$ 5,200	\$ 3,888
Contributions – member	—	—	—	—
Contributions – special employer	—	—	—	—
Contributions – non-employer contributing entity	—	—	—	—
Net investment income	1,935	1,320	649	(56)
Benefit payments	(1,771)	(1,552)	(1,136)	(811)
Third-party administrator charges	(1,823)	(1,620)	(1,394)	(1,146)
Administrative expense	(133)	(125)	(133)	(93)
Other	—	—	—	—
Net change in plan fiduciary net position	5,302	4,703	3,186	1,782
Plan fiduciary net position – beginning	15,837	11,134	7,948	6,166
Plan fiduciary net position – ending (b)	\$ 21,139	\$ 15,837	\$ 11,134	\$ 7,948
Net OPEB liability – ending (a-b)	\$ (4,747)	\$ (3,607)	\$ (1,609)	\$ (588)
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	128.96%	129.49%	116.89%	107.99%
Covered payroll (c)	\$ 974,712	\$ 773,440	\$ 612,072	\$ 468,489
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	(0.49%)	(0.47%)	(0.26%)	(0.13%)

* Political subdivision data is from the consolidated report provided by Gabriel, Roeder, Smith and Company.

Note: This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

(EXPRESSED IN THOUSANDS)

Virginia Local Disability Program

Political Subdivisions									
2021		2020		2019		2018		2017	
\$	1,820	\$	1,553	\$	1,191	\$	876	\$	664
	278		261		105		58		25
	—		—		—		—		—
	(603)		(1,250)		1,224		(95)		—
	(271)		—		69		—		(110)
	(385)		(236)		(188)		(165)		(44)
	839		328		2,401		674		535
	4,317		3,989		1,588		914		379
	5,156		4,317		3,989		1,588		914
\$	3,338	\$	2,684	\$	2,226	\$	1,463	\$	740
	—		—		—		—		—
	—		—		—		—		—
	—		—		—		—		—
	1,086		48		93		36		—
	(385)		(236)		(188)		(165)		(44)
	(1,042)		(1,034)		(940)		(1,000)		(609)
	(148)		(107)		(45)		(96)		(106)
	—		—		—		227		370
	2,849		1,355		1,146		465		351
	3,317		1,962		816		351		—
\$	6,166	\$	3,317	\$	1,962	\$	816	\$	351
\$	(1,010)	\$	1,000	\$	2,027	\$	772	\$	563
	119.59%		76.84%		49.19%		51.39%		38.4%
\$	401,715	\$	372,635	\$	309,020	\$	242,807	\$	183,629
	(0.25)%		0.27 %		0.66 %		0.32 %		0.31 %

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS, cont.

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

Change in the Net OPEB Liability	Line of Duty Trust Fund			
	2025	2024	2023	2022
Total OPEB liability:				
Service cost	\$ 34,692	\$ 35,588	\$ 31,836	\$ 40,357
Interest	16,830	16,745	15,125	10,413
Changes in benefit terms	—	3,467	8,664	—
Difference between actual and expected experience	(2,107)	(35,896)	(16,526)	(14,082)
Changes of assumptions	(45,286)	(11,742)	(3,329)	(85,924)
Benefit payments ¹	(18,313)	(15,978)	(15,228)	(13,637)
Net change in total OPEB liability	(14,184)	(7,816)	20,542	(62,873)
Total OPEB liability – beginning	398,395	406,211	385,669	448,542
Total OPEB liability – ending (a)	\$ 384,211	\$ 398,395	\$ 406,211	\$ 385,669
Plan fiduciary net position:				
Contributions – employer	\$ 18,276	\$ 15,074	\$ 13,271	\$ 13,770
Contributions – member	—	—	—	—
Contributions – special employer	—	—	—	—
Contributions – non-employer contributing entity	—	—	—	—
Net investment income	1,119	1,202	583	262
Benefit payments ¹	(18,313)	(15,978)	(15,228)	(13,638)
Administrative expense	(1,131)	(1,013)	(702)	(911)
Other	180	245	173	178
Net change in plan fiduciary net position	131	(470)	(1,903)	(339)
Plan fiduciary net position – beginning	4,841	5,311	7,214	7,553
Plan fiduciary net position – ending (b)	\$ 4,972	\$ 4,841	\$ 5,311	\$ 7,214
Net OPEB liability – ending (a-b)	\$ 379,239	\$ 393,554	\$ 400,900	\$ 378,455
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	1.29%	1.22%	1.31%	1.87%
Covered payroll (c)	*	*	*	*
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	N/A	N/A	N/A	N/A

* Contributions to the Line of Duty Trust Fund are based on the number of participants in the program using a per-capita-based contribution versus a payroll-based contribution.

¹ Starting in 2022, benefit payments are net of the Health Insurance Credit Offset.

Note: This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

(EXPRESSED IN THOUSANDS)

Line of Duty Trust Fund

2021	2020	2019	2018	2017
\$ 21,241	\$ 16,019	\$ 13,292	\$ 15,197	\$ 17,648
9,207	12,443	12,019	9,258	8,305
—	—	—	—	—
(18,371)	(64,121)	14,833	51,048	—
26,413	109,371	18,941	(13,962)	(30,500)
(13,095)	(12,191)	(12,854)	(12,398)	(10,255)
25,395	61,521	46,231	49,143	(14,802)
423,147	361,626	315,395	266,252	281,054
448,542	423,147	361,626	315,395	266,252
\$ 13,633	\$ 13,567	\$ 13,377	\$ 10,035	\$ 11,024
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
3,031	346	277	678	683
(13,095)	(12,191)	(12,854)	(12,398)	(10,255)
(979)	(810)	(508)	(742)	(1,283)
630	581	659	855	584
3,220	1,493	951	(1,572)	753
4,333	2,840	1,889	3,461	2,708
\$ 7,553	\$ 4,333	\$ 2,840	\$ 1,889	\$ 3,461
\$ 440,989	\$ 418,814	\$ 358,786	\$ 313,506	\$ 262,791
1.68%	1.02%	0.79%	0.60%	1.30%
*	*	*	*	*
N/A	N/A	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS, cont.

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

	Health Insurance Credit			
	State			
Change in the Net OPEB Liability	2025	2024	2023	2022
Total OPEB liability:				
Service cost	\$ 20,021	\$ 20,233	\$ 17,076	\$ 18,311
Interest	72,395	73,134	68,998	69,707
Changes in benefit terms	—	—	68,280	—
Difference between actual and expected experience	(21,470)	(23,546)	(18,609)	(34,169)
Changes of assumptions	(7,615)	—	—	13,522
Benefit payments	(83,152)	(77,968)	(77,273)	(76,023)
Net change in total OPEB liability	(19,821)	(8,147)	58,472	(8,652)
Total OPEB liability – beginning	1,094,073	1,102,220	1,043,748	1,052,400
Total OPEB liability – ending (a)	\$ 1,074,252	\$ 1,094,073	\$ 1,102,220	\$ 1,043,748
Plan fiduciary net position:				
Contributions – employer	110,802	102,236	92,376	85,324
Contributions – special employer	—	52,800	27,159	8,523
Contributions – non-employer contributing entity	—	—	—	—
Net investment income	41,326	27,632	14,169	(358)
Benefit payments	(83,152)	(77,968)	(77,273)	(76,023)
Administrative expense	(606)	(444)	(374)	(357)
Transfers	—	—	(18)	(387)
Other	(11)	(35)	(15)	(7)
Net change in plan fiduciary net position	68,359	104,221	56,024	16,715
Plan fiduciary net position – beginning	384,820	280,599	224,575	207,860
Plan fiduciary net position – ending (b)	\$ 453,179	\$ 384,820	\$ 280,599	\$ 224,575
Net OPEB liability – ending (a-b)	\$ 621,073	\$ 709,253	\$ 821,621	\$ 819,173
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	42.19%	35.17%	25.46%	21.52%
Covered payroll (c)	\$ 9,886,404	\$ 9,115,841	\$ 8,241,227	\$ 7,612,495
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	6.28%	7.78%	9.97%	10.76%

Note: This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

(EXPRESSED IN THOUSANDS)

Health Insurance Credit

2021		2020		State 2019		2018		2017	
\$	20,432	\$	20,143	\$	19,446	\$	19,645	\$	19,231
	68,014		67,289		68,023		66,883		66,641
	—		—		—		—		—
	(20,219)		(5,703)		(13,402)		745		—
	12,326		—		22,700		—		(12,229)
	(71,536)		(70,440)		(72,857)		(69,117)		(71,256)
	9,017		11,289		23,910		18,156		2,387
	1,043,383		1,032,094		1,008,184		990,028		987,641
	1,052,400		1,043,383		1,032,094		1,008,184		990,028
\$	81,191	\$	84,849	\$	79,926	\$	79,416	\$	75,058
	38,656		—		—		—		—
	—		—		—		—		—
	34,790		2,185		6,189		5,706		7,706
	(71,536)		(70,440)		(72,857)		(69,117)		(71,256)
	(589)		(230)		(135)		(149)		(131)
	—		—		—		—		—
	(30)		(9)		(8)		536		(546)
	82,482		16,355		13,115		16,392		10,831
	125,378		109,023		95,908		79,516		68,685
\$	207,860	\$	125,378	\$	109,023	\$	95,908	\$	79,516
\$	844,540	\$	918,005	\$	923,071	\$	912,276	\$	910,512
	19.75%		12.02%		10.56%		9.51%		8.03%
\$	7,239,781	\$	7,237,090	\$	6,844,807	\$	6,764,917	\$	6,489,069
	11.67 %		12.68 %		13.49 %		13.49 %		14.03 %

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS, cont.

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

Change in the Net OPEB Liability	Health Insurance Credit			
	Teacher			
	2025	2024	2023	2022
Total OPEB liability:				
Service cost	\$ 18,358	\$ 18,141	\$ 18,138	\$ 18,621
Interest	97,689	97,525	97,248	97,797
Changes in benefit terms	—	—	—	—
Difference between actual and expected experience	(15,034)	(15,447)	(14,161)	(38,198)
Changes of assumptions	(24,808)	—	—	10,085
Benefit payments	(98,438)	(97,585)	(96,645)	(95,288)
Net change in total OPEB liability	(22,233)	2,634	4,580	(6,983)
Total OPEB liability – beginning	1,478,105	1,475,471	1,470,891	1,477,874
Total OPEB liability – ending (a)	\$ 1,455,872	\$ 1,478,105	\$ 1,475,471	\$ 1,470,891
Plan fiduciary net position:				
Contributions – employer	137,122	130,582	120,623	112,832
Contributions – special employer	—	—	—	—
Contributions – non-employer contributing entity	—	—	4,004	12,013
Net investment income	35,125	25,776	14,645	(919)
Benefit payments	(98,438)	(97,586)	(96,645)	(95,289)
Administrative expense	(520)	(365)	(359)	(334)
Transfers	—	—	(38)	(755)
Other	(13)	(4)	(21)	(8)
Net change in plan fiduciary net position	73,276	58,403	42,209	27,540
Plan fiduciary net position – beginning	322,457	264,054	221,845	194,305
Plan fiduciary net position – ending (b)	\$ 395,733	\$ 322,457	\$ 264,054	\$ 221,845
Net OPEB liability – ending (a-b)	\$ 1,060,139	\$ 1,155,648	\$ 1,211,417	\$ 1,249,046
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	27.18%	21.82%	17.90%	15.08%
Covered payroll (c)	\$ 11,410,819	\$ 10,713,832	\$ 9,971,090	\$ 9,320,159
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	9.29%	10.79%	12.15%	13.40%

Note: This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

(EXPRESSED IN THOUSANDS)

Health Insurance Credit

2021		2020		Teacher 2019		2018		2017	
\$	21,713	\$	21,738	\$	20,979	\$	20,887	\$	20,351
	94,626		93,964		93,526		92,399		91,661
	—		—		—		—		—
	(9,325)		(13,054)		(2,398)		(7,255)		—
	15,792		—		35,149		—		(15,003)
	(93,607)		(92,086)		(90,456)		(89,420)		(83,510)
	29,199		10,562		56,800		16,611		13,499
	1,448,675		1,438,113		1,381,313		1,364,702		1,351,203
	1,477,874		1,448,675		1,438,113		1,381,313		1,364,702
\$	107,172	\$	105,210	\$	100,643	\$	99,469	\$	87,613
	—		—		—		—		—
	—		—		—		—		—
	37,093		2,291		7,350		6,097		8,818
	(93,607)		(92,086)		(90,455)		(89,420)		(83,510)
	(501)		(258)		(152)		(152)		(120)
	—		—		—		—		—
	(13)		(12)		(9)		(446)		436
	50,144		15,145		17,377		15,548		13,237
	144,161		129,016		111,639		96,091		82,854
\$	194,305	\$	144,161	\$	129,016	\$	111,639	\$	96,091
\$	1,283,569	\$	1,304,514	\$	1,309,097	\$	1,269,674	\$	1,268,611
	13.15%		9.95%		8.97%		8.08%		7.04%
\$	8,843,941	\$	8,766,759	\$	8,387,684	\$	8,087,389	\$	7,892,011
	14.51 %		14.88 %		15.61 %		15.70 %		16.07 %

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS, cont.

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

	Health Insurance Credit				
	Political Subdivisions*				
Change in the Net OPEB Liability	2025	2024	2023	2022	
Total OPEB liability:					
Service cost	\$ 1,170	\$ 1,153	\$ 1,134	\$	1,545
Interest	5,021	5,132	5,968		5,468
Changes in benefit terms	—	228	97		1,513
Difference between actual and expected experience	874	(3,586)	(15,216)		(2,642)
Changes of assumptions	1,779	(6)	(9)		6,225
Benefit payments	(4,726)	(4,465)	(4,303)		(4,460)
Net change in total OPEB liability	4,118	(1,544)	(12,329)		7,649
Total OPEB liability – beginning	75,800	77,344	89,673		82,024
Total OPEB liability – ending (a)	\$ 79,918	\$ 75,800	\$ 77,344	\$	89,673
Plan fiduciary net position:					
Contributions – employer	7,787	7,600	6,752		5,683
Contributions – special employer	—	—	—		—
Contributions – non-employer contributing entity	—	—	—		—
Net investment income	5,093	3,964	2,236		3
Benefit payments	(4,727)	(4,465)	(4,303)		(4,460)
Administrative expense	(74)	(56)	(55)		(62)
Transfers	—	—	(113)		—
Other	(9)	(2)	—		1,142
Net change in plan fiduciary net position	8,070	7,041	4,517		2,306
Plan fiduciary net position – beginning	47,098	40,057	35,540		33,234
Plan fiduciary net position – ending (b)	\$ 55,168	\$ 47,098	\$ 40,057	\$	35,540
Net OPEB liability – ending (a-b)	\$ 24,750	\$ 28,702	\$ 37,287	\$	54,133
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	69.03%	62.13%	51.79%		39.63%
Covered payroll (c)	\$ 2,143,520	\$ 1,965,836	\$ 1,755,661	\$	1,574,328
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	1.15 %	1.46 %	2.12 %		3.44 %

* Political subdivision data is from the consolidated report provided by Gabriel, Roeder, Smith and Company.

Note: This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

(EXPRESSED IN THOUSANDS)

Health Insurance Credit

Political Subdivisions									
2021		2020		2019		2018		2017	
\$	1,532	\$	1,063	\$	997	\$	960	\$	972
	5,113		2,797		2,721		2,644		2,618
	—		32,238		—		—		—
	(669)		624		964		339		—
	1,656		220		1,066		—		(1,015)
	(3,098)		(2,996)		(2,564)		(2,707)		(1,676)
	4,534		33,946		3,184		1,236		899
	77,490		43,544		40,360		39,124		38,225
	82,024		77,490		43,544		40,360		39,124
\$	5,239	\$	2,553	\$	2,406	\$	2,291	\$	2,164
	—		—		—		—		—
	—		—		—		—		—
	6,711		490		1,490		1,570		2,273
	(3,098)		(2,996)		(2,564)		(2,707)		(1,676)
	(86)		(47)		(32)		(37)		(37)
	—		—		—		—		—
	2		(2)		(2)		(103)		111
	8,768		(2)		1,298		1,014		2,835
	24,466		24,468		23,170		22,156		19,321
\$	33,234	\$	24,466	\$	24,468	\$	23,170	\$	22,156
\$	48,790	\$	53,024	\$	19,076	\$	17,190	\$	16,968
	40.52%		31.57%		56.19%		57.41%		56.63%
\$	1,489,771	\$	1,477,727	\$	1,081,702	\$	1,022,007	\$	966,611
	3.27 %		3.59 %		1.76 %		1.68 %		1.76 %

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS, cont.

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

Change in the Net OPEB Liability	Health Insurance Credit			
	Constitutional Officers			
	2025	2024	2023	2022
Total OPEB liability:				
Service cost	\$ 790	\$ 758	\$ 637	\$ 920
Interest	2,733	2,680	2,261	2,257
Changes in benefit terms	—	—	6,010	—
Difference between actual and expected experience	(1,026)	(297)	(727)	(1,240)
Changes of assumptions	390	—	—	492
Benefit payments	(2,626)	(2,125)	(2,069)	(2,121)
Net change in total OPEB liability	261	1,016	6,112	308
Total OPEB liability – beginning	41,017	40,001	33,889	33,581
Total OPEB liability – ending (a)	\$ 41,278	\$ 41,017	\$ 40,001	\$ 33,889
Plan fiduciary net position:				
Contributions – employer	3,761	3,488	3,101	2,836
Contributions – special employer	—	1,576	92	276
Contributions – non-employer contributing entity	—	—	—	—
Net investment income	1,697	1,488	925	(27)
Benefit payments	(2,626)	(2,125)	(2,069)	(2,121)
Administrative expense	(25)	(24)	(24)	(27)
Transfers	—	—	138	—
Other	(2)	(2)	—	(1)
Net change in plan fiduciary net position	2,805	4,401	2,163	936
Plan fiduciary net position – beginning	14,168	9,767	7,604	6,668
Plan fiduciary net position – ending (b)	\$ 16,973	\$ 14,168	\$ 9,767	\$ 7,604
Net OPEB liability – ending (a-b)	\$ 24,305	\$ 26,849	\$ 30,234	\$ 26,285
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	41.12%	34.54%	24.42%	22.44%
Covered payroll (c)	\$ 1,015,388	\$ 929,716	\$ 847,657	\$ 774,013
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	2.39 %	2.89 %	3.57 %	3.40 %

This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

(EXPRESSED IN THOUSANDS)

Health Insurance Credit

Constitutional Officers									
2021		2020		2019		2018		2017	
\$	776	\$	746	\$	687	\$	677	\$	671
	2,118		2,050		2,010		1,913		1,890
	—		—		—		—		—
	(241)		223		97		569		—
	567		—		759		—		(578)
	(2,047)		(1,969)		(1,824)		(1,723)		(1,568)
	1,173		1,050		1,729		1,436		415
	32,408		31,358		29,629		28,193		27,778
	33,581		32,408		31,358		29,629		28,193
\$	2,666	\$	2,526	\$	2,794	\$	2,378	\$	2,320
	—		—		—		—		—
	—		—		—		—		—
	954		87		238		183		215
	(2,047)		(1,970)		(1,825)		(1,723)		(1,568)
	(16)		(9)		(6)		(4)		(4)
	—		—		—		—		—
	(1)		—		—		17		(15)
	1,556		634		1,201		851		948
	5,112		4,479		3,278		2,427		1,479
\$	6,668	\$	5,113	\$	4,479	\$	3,278	\$	2,427
\$	26,913	\$	27,295	\$	26,879	\$	26,351	\$	25,766
	19.86%		15.78%		14.28%		11.06%		8.61%
\$	733,933	\$	719,390	\$	682,376	\$	655,995	\$	633,397
	3.67 %		3.79 %		3.94 %		4.02 %		4.07 %

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS, cont.

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

	Health Insurance Credit				
	Social Services Employees				
Change in the Net OPEB Liability	2025	2024	2023	2022	
Total OPEB liability:					
Service cost	\$ 182	\$ 181	\$ 180	\$	290
Interest	1,006	987	982		993
Changes in benefit terms	—	—	—		—
Difference between actual and expected experience	(514)	201	(15)		(524)
Changes of assumptions	252	—	—		276
Benefit payments	(1,092)	(1,072)	(1,074)		(1,113)
Net change in total OPEB liability	(166)	297	73		(78)
Total OPEB liability – beginning	15,269	14,972	14,899		14,977
Total OPEB liability – ending (a)	\$ 15,103	\$ 15,269	\$ 14,972	\$	14,899
Plan fiduciary net position:					
Contributions – employer	1,496	1,386	1,876		1,212
Contributions – special employer	—	724	1,032		122
Contributions – non-employer contributing entity	—	—	—		—
Net investment income	604	346	743		(4)
Benefit payments	(1,092)	(1,072)	(1,074)		(1,113)
Administrative expense	(9)	(6)	(20)		(5)
Transfers	—	—	30		—
Other	—	—	—		—
Net change in plan fiduciary net position	999	1,378	2,587		212
Plan fiduciary net position – beginning	6,523	5,145	2,558		2,346
Plan fiduciary net position – ending (b)	\$ 7,522	\$ 6,523	\$ 5,145	\$	2,558
Net OPEB liability – ending (a-b)	\$ 7,581	\$ 8,746	\$ 9,827	\$	12,341
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	49.80%	42.72%	34.36%		17.17%
Covered payroll (c)	\$ 396,650	\$ 374,068	\$ 342,719	\$	314,734
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	1.91 %	2.34 %	2.87 %		3.92 %

This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

(EXPRESSED IN THOUSANDS)

Health Insurance Credit

Social Services Employees									
2021		2020		2019		2018		2017	
\$	301	\$	291	\$	260	\$	257	\$	263
	964		958		960		933		928
	—		—		—		—		—
	(254)		(106)		(27)		186		—
	229		—		327		—		(162)
	(1,078)		(1,058)		(1,012)		(970)		(928)
	162		85		508		406		101
	14,815		14,730		14,222		13,816		13,715
	14,977		14,815		14,730		14,222		13,816
\$	1,160	\$	689	\$	1,847	\$	1,120	\$	1,069
	—		—		—		—		—
	—		—		—		—		—
	335		34		122		72		98
	(1,078)		(1,058)		(1,012)		(970)		(928)
	(6)		(3)		(3)		(1)		(2)
	—		—		—		—		—
	—		—		—		7		(7)
	411		(338)		954		228		230
	1,935		2,273		1,319		1,091		861
\$	2,346	\$	1,935	\$	2,273	\$	1,319	\$	1,091
\$	12,631	\$	12,880	\$	12,457	\$	12,903	\$	12,725
	15.66%		13.06%		15.43%		9.27%		7.90%
\$	300,727	\$	298,257	\$	279,503	\$	263,298	\$	251,084
	4.20 %		4.32 %		4.46 %		4.90 %		5.07 %

REQUIRED SUPPLEMENTARY SCHEDULE OF CHANGES IN EMPLOYERS' NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS, cont.

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

Change in the Net OPEB Liability	Health Insurance Credit			
	Registrars			
	2025	2024	2023	2022
Total OPEB liability:				
Service cost	\$ 13	\$ 12	\$ 11	\$ 20
Interest	38	37	37	41
Changes in benefit terms	—	—	—	—
Difference between actual and expected experience	(24)	5	(9)	(16)
Changes of assumptions	14	—	—	(54)
Benefit payments	(37)	(36)	(37)	(38)
Net change in total OPEB liability	4	18	2	(47)
Total OPEB liability – beginning	576	558	556	603
Total OPEB liability – ending (a)	\$ 580	\$ 576	\$ 558	\$ 556
Plan fiduciary net position:				
Contributions – employer	80	70	64	68
Contributions – special employer	—	—	2	6
Contributions – non-employer contributing entity	—	—	—	—
Net investment income	64	38	23	(1)
Benefit payments	(37)	(36)	(37)	(37)
Administrative expense	(1)	(1)	—	(1)
Transfers	—	—	1	—
Other	—	—	—	—
Net change in plan fiduciary net position	106	71	53	35
Plan fiduciary net position – beginning	327	256	203	168
Plan fiduciary net position – ending (b)	\$ 433	\$ 327	\$ 256	\$ 203
Net OPEB liability – ending (a-b)	\$ 147	\$ 249	\$ 302	\$ 353
Plan fiduciary net position as a percentage of the total OPEB liability (b/a)	74.66%	56.77%	45.88%	36.51%
Covered payroll (c)	\$ 23,787	\$ 21,825	\$ 19,199	\$ 17,043
Net OPEB liability as a percentage of covered payroll ((a-b)/c)	0.62%	1.14%	1.57%	2.07%

This schedule should present 10 years of data; however, the information prior to 2017 is unavailable.

(EXPRESSED IN THOUSANDS)

Health Insurance Credit

2021		2020		Registrars 2019		2018		2017	
\$	18	\$	16	\$	16	\$	12	\$	12
	39		40		39		36		35
	—		—		—		—		—
	(21)		(44)		(22)		1		—
	7		—		12		—		(10)
	(35)		(7)		(12)		(12)		(27)
	8		5		33		37		10
	595		590		557		520		510
	603		595		590		557		520
\$	54	\$	44	\$	36	\$	32	\$	47
	—		—		—		—		—
	—		—		—		—		—
	23		2		5		4		3
	(35)		(7)		(12)		(12)		(27)
	—		—		—		—		—
	—		—		—		—		—
	42		39		29		24		23
	126		87		58		34		11
\$	168	\$	126	\$	87	\$	58	\$	34
\$	435	\$	469	\$	503	\$	499	\$	486
	27.86%		21.18%		14.75%		10.41%		6.54%
\$	13,391	\$	12,745	\$	11,770	\$	11,512	\$	11,047
	3.25 %		3.68 %		4.27 %		4.33 %		4.4 %

**REQUIRED SUPPLEMENTARY SCHEDULE OF EMPLOYER CONTRIBUTIONS:
OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS**

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
GROUP LIFE INSURANCE FUND					
2025	\$ 129,800	\$ 129,800	\$ —	\$ 27,616,998	0.47%
2024	123,452	138,883	(15,431)	25,719,148	0.54%
2023	113,246	127,402	(14,156)	23,592,896	0.54%
2022	117,655	117,655	—	21,787,891	0.54%
2021	111,671	111,671	—	20,679,890	0.54%
2020	107,187	107,187	—	20,612,888	0.52%
2019	102,096	102,096	—	19,633,771	0.52%
2018	99,031	99,031	—	19,044,361	0.52%
2017	96,060	96,060	—	18,473,085	0.52%
2016	95,383	86,385	8,998	17,996,821	0.48%
DISABILITY INSURANCE TRUST FUND					
2025	\$ 30,871	\$ 30,871	\$ —	\$ 6,174,181	0.50%
2024	31,883	34,730	(2,847)	5,693,402	0.61%
2023	28,581	31,133	(2,552)	5,103,828	0.61%
2022	28,290	28,290	—	4,637,755	0.61%
2021	26,566	26,566	—	4,355,154	0.61%
2020	27,065	27,065	—	4,365,296	0.62%
2019	25,281	25,281	—	4,077,627	0.62%
2018	26,219	26,219	—	3,972,637	0.66%
2017	25,077	25,077	—	3,799,590	0.66%
2016	27,187	24,580	2,607	3,724,248	0.66%
VIRGINIA LOCAL DISABILITY PROGRAM – TEACHER					
2025	\$ 5,570	\$ 5,570	\$ —	\$ 1,237,815	0.45%
2024	5,072	5,072	—	1,079,152	0.47%
2023	4,389	4,389	—	933,836	0.47%
2022	3,783	3,783	—	804,858	0.47%
2021	3,163	3,163	—	672,908	0.47%
2020	2,425	2,425	—	591,499	0.41%
2019	1,966	1,966	—	479,535	0.41%
2018	1,156	1,156	—	372,869	0.31%
2017	875	875	—	282,200	0.31%
2016	536	536	—	184,729	0.29%

**REQUIRED SUPPLEMENTARY SCHEDULE OF EMPLOYER CONTRIBUTIONS:
OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS, cont.**

FOR THE PLAN YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

VIRGINIA LOCAL DISABILITY PROGRAM – POLITICAL SUBDIVISIONS*							
2025	\$	7,213	\$	7,213	—	\$	974,712 0.74%
2024		6,574		6,574	—		773,440 0.85%
2023		5,203		5,203	—		612,072 0.85%
2022		3,888		3,888	—		468,489 0.83%
2021		3,334		3,334	—		401,715 0.83%
2020		2,683		2,683	—		372,635 0.72%
2019		2,225		2,225	—		309,020 0.72%
2018		1,457		1,457	—		242,807 0.60%
2017		1,102		1,102	—		183,629 0.60%
2016		741		741	—		123,509 0.60%
LINE OF DUTY TRUST FUND**							
2025	\$	36,342	\$	18,284	\$	18,058	N/A N/A
2024		34,818		15,074		19,744	N/A N/A
2023		33,199		13,271		19,928	N/A N/A
2022		24,756		13,773		10,983	N/A N/A
2021		24,929		13,767		11,162	N/A N/A
2020		24,481		13,590		10,891	N/A N/A
2019		24,176		13,421		10,755	N/A N/A
2018		23,214		10,652		12,562	N/A N/A
2017		23,503		10,785		12,718	N/A N/A
2016		23,328		9,756		13,572	N/A N/A

**REQUIRED SUPPLEMENTARY SCHEDULE OF EMPLOYER CONTRIBUTIONS:
OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS, cont.**

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
HEALTH INSURANCE CREDIT – STATE					
2025	\$ 88,978	\$ 110,728	\$ (21,750)	\$ 9,886,404	1.12%
2024	94,805	102,097	(7,292)	9,115,841	1.12%
2023	85,709	92,302	(6,593)	8,241,227	1.12%
2022	85,260	85,260	—	7,612,495	1.12%
2021	81,086	81,086	—	7,239,781	1.12%
2020	84,674	84,674	—	7,237,090	1.17%
2019	80,084	80,084	—	6,844,807	1.17%
2018	79,802	79,802	—	6,762,917	1.18%
2017	76,571	76,571	—	6,489,069	1.18%
2016	73,961	66,375	7,586	6,321,454	1.05%
HEALTH INSURANCE CREDIT – TEACHER					
2025	\$ 117,531	\$ 138,071	\$ (20,539)	\$ 11,410,819	1.21%
2024	129,637	129,637	—	10,713,832	1.21%
2023	120,650	120,650	—	9,971,090	1.21%
2022	112,774	112,774	—	9,320,159	1.21%
2021	107,012	107,012	—	8,843,941	1.21%
2020	105,201	105,201	—	8,766,759	1.20%
2019	100,652	100,652	—	8,387,684	1.20%
2018	99,475	99,475	—	8,087,389	1.23%
2017	97,072	87,601	9,471	7,892,011	1.11%
2016	89,976	80,826	9,150	7,625,071	1.06%
HEALTH INSURANCE CREDIT – POLITICAL SUBDIVISIONS*					
2025	\$ 7,790	\$ 7,790	\$ —	\$ 2,143,520	0.36%
2024	7,403	7,403	—	1,965,836	0.38%
2023	6,659	6,659	—	1,755,661	0.38%
2022	5,501	5,501	—	1,574,328	0.35%
2021	5,191	5,191	—	1,489,771	0.35%
2020	2,494	2,494	—	1,477,727	0.17%
2019	2,353	2,353	—	1,081,702	0.22%
2018	2,208	2,208	—	1,022,007	0.22%
2017	2,088	2,088	—	966,611	0.22%
2016	1,936	1,936	—	921,923	0.21%
HEALTH INSURANCE CREDIT – CONSTITUTIONAL OFFICERS					
2025	\$ 3,249	\$ 3,655	\$ (406)	\$ 1,015,388	0.36%
2024	3,347	3,347	—	929,716	0.36%
2023	3,052	3,052	—	847,657	0.36%
2022	2,786	2,786	—	774,013	0.36%
2021	2,642	2,642	—	733,933	0.36%
2020	2,734	2,734	—	719,390	0.38%
2019	2,593	2,593	—	682,376	0.38%
2018	2,362	2,362	—	655,995	0.36%
2017	2,280	2,280	—	633,397	0.36%
2016	1,950	1,830	120	609,359	0.30%

**REQUIRED SUPPLEMENTARY SCHEDULE OF EMPLOYER CONTRIBUTIONS:
OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS, cont.**

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
HEALTH INSURANCE CREDIT – SOCIAL SERVICES EMPLOYEES					
2025	\$ 1,031	\$ 1,468	\$ (436)	\$ 396,650	0.37%
2024	1,384	1,384	—	374,068	0.37%
2023	1,268	1,268	—	342,719	0.37%
2022	1,196	1,196	—	314,734	0.38%
2021	1,143	1,143	—	300,727	0.38%
2020	1,283	1,283	—	298,257	0.43%
2019	1,202	1,202	—	279,503	0.43%
2018	1,106	1,106	—	263,298	0.42%
2017	1,055	1,055	—	251,084	0.42%
2016	961	824	137	240,250	0.34%
HEALTH INSURANCE CREDIT – REGISTRARS					
2025	\$ 40	\$ 76	\$ (36)	\$ 23,787	0.32%
2024	70	70	—	21,825	0.32%
2023	61	61	—	19,199	0.32%
2022	66	66	—	17,043	0.39%
2021	52	52	—	13,391	0.39%
2020	50	50	—	12,745	0.39%
2019	46	46	—	11,770	0.39%
2018	47	47	—	11,512	0.41%
2017	45	45	—	11,047	0.41%
2016	36	30	6	9,987	0.30%

* Political subdivision data is from the consolidated report provided by Gabriel, Roeder, Smith and Company.

** Contributions to the Line of Duty Trust Fund are based on the number of participants in the program using a per-capita-based contribution versus a payroll-based contribution.

**SCHEDULE OF FIDUCIARY NET POSITION:
OTHER CUSTODIAL PLANS**

AS OF JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	VRS Investment Portfolio DC Plans	Commonwealth Health Research Fund	Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund	Commonwealth's Attorneys Training Fund	Total Custodial Plans
Assets:					
Cash (Note 5)	\$ 60	\$ 39	\$ 72	\$ 21	\$ 192
Receivables:					
Contributions	—	—	—	—	—
Interest and Dividends	255	165	21	89	530
Receivables for Security Transactions	4,734	3,070	395	1,650	9,849
Other Investment Receivables	59	39	5	21	124
Other Receivables	—	—	—	—	—
Total Receivables	5,048	3,274	421	1,760	10,503
Investments: (Note 5)					
Bonds and Mortgage Securities	16,060	10,416	1,341	5,597	33,414
Stocks	21,105	13,687	1,763	7,356	43,911
Fixed-Income Commingled Funds	2	1	—	1	4
Index and Pooled Funds	10,298	6,679	859	3,589	21,425
Real Estate	10,525	6,825	879	3,668	21,897
Private Equity	27,653	17,935	2,309	9,638	57,535
Short-Term Investments	354	230	30	123	737
Total Investments	85,997	55,773	7,181	29,972	178,923
Collateral on Loaned Securities	2,890	1,874	241	1,007	6,012
Other Capital Assets, Net (Note 6)	—	—	—	—	—
Total Assets	93,995	60,960	7,915	32,760	195,630
Liabilities:					
Retirement Benefits Payable	—	—	—	—	—
Refunds Payable	—	—	—	—	—
Accounts Payable and Accrued Expenses	15	10	1	5	31
Compensated Absences Payable	—	—	—	—	—
Insurance Premiums and Claims Payable	—	—	—	—	—
Payable for Security Transactions	6,943	4,503	580	2,420	14,446
Other Investment Payables	28	18	2	10	58
Lease Liabilities (Note 7)	—	—	—	—	—
Other Payables	—	—	—	—	—
Obligations Under Security Lending Program	3,860	2,503	322	1,345	8,030
Total Liabilities	10,846	7,034	905	3,780	22,565
Net Position – Restricted for Benefits (Note 4)	\$ 83,149	\$ 53,926	\$ 7,010	\$ 28,980	\$ 173,065

The accompanying Notes to Financial Statements are an integral part of this statement.

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION: OTHER CUSTODIAL PLANS

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	VRS Investment Portfolio DC Plans	Commonwealth Health Research Fund	Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund	Commonwealth's Attorneys Training Fund	Total Custodial Plans
Additions:					
Contributions:					
Members	\$ —	\$ —	\$ 51	\$ —	\$ 51
Employers	1,149	—	73	—	1,222
Special Employer	—	—	—	—	—
Non-employer Contributing Entity	—	—	—	—	—
Total Contributions	1,149	—	124	—	1,273
Investment Income:					
Interest, Dividends and Other Investment Income	1,434	725	94	399	2,652
Net Appreciation/(Depreciation) in Fair Value of Investments	5,299	4,824	620	2,622	13,365
Securities Lending Income	137	114	15	63	329
Total Investment Income Before Investment Expenses	6,870	5,663	729	3,084	16,346
Investment Expenses:					
Direct Investment Expenses	(362)	(346)	(45)	(190)	(943)
Securities Lending Management Fees and Borrower Rebates	(123)	(102)	(13)	(56)	(294)
Total Investment Expenses	(485)	(448)	(58)	(246)	(1,237)
Net Investment Income	6,385	5,215	671	2,838	15,109
Miscellaneous Revenue	—	—	2	—	2
Total Additions	7,534	5,215	797	2,838	16,384
Deductions:					
Retirement Benefits	—	—	—	—	—
Refunds of Member Contributions	—	—	218	—	218
Insurance Premiums and Claims	—	—	—	—	—
Retiree Health Insurance Reimbursements	—	—	—	—	—
Disability Insurance Premiums and Benefits	—	—	—	—	—
Line of Duty Benefits	—	—	—	—	—
Administrative Expenses	—	—	—	—	—
Transfers	—	—	—	—	—
Other Expenses	1,741	1,809	—	1,243	4,793
Total Deductions	1,741	1,809	218	1,243	5,011
Net Increase (Decrease)	5,793	3,406	579	1,595	11,373
Net Position – Restricted for Benefits – Beginning of Year	77,356	50,520	6,431	27,385	161,692
Net Position – Restricted for Benefits – End of Year	\$ 83,149	\$ 53,926	\$ 7,010	\$ 28,980	\$ 173,065

The accompanying Notes to Financial Statements are an integral part of this statement.

SCHEDULE OF INVESTMENT EXPENSES

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

	2025	2024
Management Fees:		
Public Equity Managers	\$ 51,697	\$ 48,665
Fixed Income Managers	4,215	3,697
Credit Strategies Managers	156,712	134,897
Real Assets Managers	144,585	140,490
Alternative Investment (Private Equity) Managers	169,072	175,535
Hedge Fund Managers	59,103	61,663
Multi-Asset Class/Other Managers	36,873	31,597
Total External Management Fees	622,257	596,544
Performance Fees	10,701	19,657
Miscellaneous Fees and Expenses:		
Custodial Fees	4,500	4,500
Legal Fees	1,811	1,718
Other Fees and Expenses	103,828	17,332
Total Miscellaneous Fees and Expenses	110,139	23,550
In-House Investment Management	58,509	50,399
Total Direct Investment Expenses	\$ 801,606	\$ 690,150

SCHEDULE OF ADMINISTRATIVE EXPENSES: ACTUAL TO BUDGET

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(EXPRESSED IN THOUSANDS)

	Totals	
	2025	2024
Personnel Services:		
Salaries and Wages	\$ 51,750	\$ 47,384
Retirement Contributions	5,844	5,719
Social Security	3,592	3,398
Group Life and Medical Insurance	7,317	6,854
Compensated Absences	8,268	8,451
Personnel Development Services	309	159
Total Personnel Services	77,080	71,965
Data Processing	27,006	22,738
Professional Services:		
Actuarial and Consulting Services	2,696	2,488
Legal Services	379	387
Medical Review Services	572	663
Management Services	647	428
Total Professional Services	4,294	3,966
Communication Services:		
Media Services	70	30
Printing	262	244
Postal and Delivery Services	873	921
Telecommunications	918	1,105
Total Communication Services	2,123	2,300
Rentals:		
Business Equipment	91	99
Office Space	2,061	2,245
Total Rentals	2,152	2,344
Other Services and Charges:		
Skilled and Clerical Services	542	585
Depreciation	4,672	5,660
Dues and Memberships	258	214
Building Expense	19	—
Equipment	7,521	5,244
Insurance	455	477
Repairs and Maintenance	658	419
Supplies and Materials	272	157
Travel and Transportation	955	805
Miscellaneous	611	506
Total Other Services and Charges	15,963	14,067

(Continued)

SCHEDULE OF ADMINISTRATIVE EXPENSES: ACTUAL TO BUDGET, cont.

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(EXPRESSED IN THOUSANDS)

Total Administrative Expenses	\$ 128,618	\$ 117,380
Adjustment for Capitalization of Expenses	(124)	1,988
Total Administrative Expenses (GAAP basis)	128,494	119,368
Adjustments Necessary to Convert Administrative Expenses on the GAAP Basis to the Budgetary Basis at Year End (Net)	(2,524)	(7,695)
Administrative Expenses (Budgetary Basis)	\$ 125,970	\$ 111,673
Administrative Expenses Appropriated	\$ 136,527	\$ 121,314
Distribution of Administrative Expenses:		
Total Administrative Expenses	128,494	119,368
Less: In-house Investment Management	(58,509)	(50,399)
Net Administrative Expenses	\$ 69,985	\$ 68,969

SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

Actuarial and Consulting Services

Gabriel, Roeder, Smith & Company	Actuarial Services and Benefits Consulting	\$	629
Albourne America LLC	Investment Consultant Services		424
The Bank of New York Mellon	Investment Consultant Services		334
Ernst & Young LLP	Information Technology Consulting Services		235
Mercer Investment Consulting	Investment Consultant Services		237
Auditor of Public Accounts	Financial Reporting Auditor		189
Townsend Holdings LLC	Investment Consultant Services		170
CEM Benchmarking Inc.	Benchmarking Analysis		134
Lenox Park Solutions LLC	Investment Consultant Services		90
Joint Legislative Audit & Review Committee	Oversight Responsibilities		79
Costar Realty Information Inc.	Investment Consultant Services		59
Aivaly Investment Management and Consulting	Investment Consultant Services		36
FX Transparency LLC	Investment Consultant Services		30
Wolfe HoldCo LLC	Investment Consultant Services		30
Aon Hewitt Investment Consulting Inc.	Investment Consultant Services		20
MRB Research Partners Inc.	Investment Consultant Services		14
Finadium LLC	Investment Consultant Services		12
Findley Inc DBA USI Consulting Group	Defined Contribution Incentive Plan Recordkeeping		2

Total Actuarial and Consulting Services		\$	2,724
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Legal Services

Daniel Scott Gordon	Fact Finding Hearing Officer for Disability Cases	\$	106
Ice Miller LLP	Legal Services		58
McGuireWoods LLP	Legal Services		51
Guynn, Waddell, Carroll & Lockaby	Fact Finding Hearing Officer for Disability Cases		48
County Court Reporters Inc.	Court Reporting Services		32
Attorney General Office	Legal Services		25
Sarah P. Campbell	Fact Finding Hearing Officer for Disability Cases		24
Advantage 2000 Consultants	Social Security Advocacy and Disability Tracking		20
Christian & Barton LLP	Fact Finding Hearing Officer for Disability Cases		14
Williams Mullen Clark & Dobbins PC	Fact Finding Hearing Officer for Disability Cases		1
Fragomen, Del Rey	Legal Services		1

Total Legal Services		\$	380
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(Continued)

SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES, cont.

Management Services

Bishops Services Inc.	Due Diligence Services	\$	141
Mercer Health & Benefits LLC	Consulting Services		134
Longevity Holding	Due Diligence Services		112
The IQ Business Group Inc.	Records Management Consulting Services		71
SingleStone Consulting	Due Diligence Services		65
Civic Initiatives LLC	Consulting Services		21
SageView	Consulting Services		15
Manpowergroup Public Sector Inc.	Contractors		84
Department of State Police	Due Diligence Services		4

Total Management Services		\$	647
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Medical Services

Managed Medical Review Organization	Due Diligence Services	\$	571
Genex Services Inc.	Due Diligence Services		1

Total Medical Services		\$	572
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Total Professional and Consulting Services		\$	4,323
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Virginia
Retirement
System®

Investment Section

Investment Section

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Description of Defined Contribution Plans Investment Options

Investment Option Performance Summary: Defined Contribution Plans

Chief Investment Officer's Letter



Virginia
Retirement
System®

Andrew H. Junkin, Chief Investment Officer

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September 30, 2025

**To: Members of the Board of Trustees
and Participants of the Virginia Retirement System**

MARKET & ECONOMIC OVERVIEW

Fiscal year 2025 unfolded against a backdrop that looked familiar in several respects: Inflation moderated but remained above the Federal Reserve's 2% target, interest rates stayed elevated even as the Fed began to ease, and geopolitical risks persisted. In the U.S., inflation generally ran in the high 2% to low 3% range, while unemployment hovered near 4%. Balancing its dual mandate — maximum employment and stable prices — the Federal Reserve cut rates during the fiscal year as inflation cooled, seeking to preserve the expansion and guide the economy toward a “soft landing.”

A significant development during the fiscal year was President Donald Trump's announcement of new tariffs in early April. Unlike previous, more targeted measures, this round of tariffs was far broader in scope, applying to a wide range of imported goods across multiple regions, including key trading partners in Asia, Europe and the Americas. The announcement surprised financial markets with its breadth and swift implementation schedule, sparking a sharp — though short-lived — sell-off in global equities and a spike in volatility as investors reevaluated earnings expectations. There was also a tariff-driven spike in inflation and supply-chain implications. On April 9, President Trump announced a 90-day “pause” on many of the new tariffs to allow for negotiations and adjustments, which helped stabilize markets and contributed to the recovery seen by the end of the fiscal year.

Geopolitical developments remained a source of uncertainty. The war in Ukraine entered its third year, tensions in the Middle East continued and U.S.-China frictions over trade and technology persisted. Even so, financial markets proved resilient, led by strong gains in public equities and broadly positive returns across most major asset classes.

PERFORMANCE OVERVIEW

For the fiscal year ended June 30, 2025, the VRS total fund returned 9.9%, ahead of the custom benchmark's 9.7% and comfortably above the 6.75% long-term assumed rate of return. The portfolio remains deliberately diversified across public and private markets and multiple sources of return, reflecting our emphasis on prudent risk-taking and loss avoidance as required by the *Code of Virginia*.

ANNUALIZED RETURN FOR PERIODS ENDED JUNE 30, 2025

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	25 Years
VRS Total Fund	9.9%	8.6%	10.4%	8.1%	8.9%	7.4%	6.5%
Benchmark*	9.7%	9.2%	9.0%	7.3%	8.1%	6.7%	5.9%

* Investment return calculations were prepared using a time-weighted return methodology based on market value, net of investment expenses.

Longer-term performance continues to demonstrate the value of diversification and our program architecture. Over five- and 10-year horizons, the total fund outperformed its benchmark, while the three-year period modestly trailed, reflecting the unusual market dynamics of recent years.

PERFORMANCE COMMENTARY

- Public Equity returned 17.8%, outpacing the 16.7% benchmark. Non-U.S. equity strategies contributed meaningfully to returns for the year as the program's global diversification and active structure added value.
- Fixed Income gained 6.9%, ahead of the 6.4% benchmark. Positioning across duration, sectors and security selection sustained the investment team's multi-year record of steady outperformance.
- Credit Strategies returned 9.1% versus 8.3% for the benchmark. Elevated interest rates and healthy origination supported private credit. A focus on diversification and manager selection remained central to results.
- Real Assets delivered 3.7%, exceeding the 2.9% benchmark. While commercial real estate remains challenged by higher interest rates and tenant demand in certain sectors, infrastructure and other inflation-sensitive exposures provided ballast.
- Private Equity returned 5.7% versus 7.4% for the benchmark for the year; however, it continues to be a leading contributor to long-term results – 10-year: 14.1% versus 11.1% benchmark; five-year: 16.9% versus 15.8% – underscoring the program's importance to total-fund value creation.
- Diversifying Strategies returned 3.6% compared with 7.2% for the benchmark, reflecting the role these strategies play in risk mitigation and liquidity rather than return maximization in strong equity markets.
- Private Investment Partnerships returned 8.8%, outperforming the 6.2% benchmark, contributing incremental alpha and further diversification.

Overall, fiscal-year results were broad-based, with public equity, fixed income, credit strategies, real assets and private investment partnerships all outperforming their respective benchmarks. This mix helped the total fund edge past its benchmark and, more important, sustain meaningful value-add over the five- and 10-year periods.

MARKET OUTLOOK

With inflation moderating and the Fed easing policy, the forward backdrop is more balanced than a year ago. We remain mindful of risks – from growth slowdowns to geopolitical shocks and refinancing needs in interest-sensitive sectors – but the portfolio is built to navigate varying scenarios. Our focus remains unchanged: Broad diversification, prudent risk management and selective deployment across public and private markets where we see compelling, risk-adjusted opportunities.

We believe the portfolio is well positioned to continue meeting the commonwealth's benefit obligations over the long term, aiming to deliver returns commensurate with our responsibilities while carefully managing downside risk.

Sincerely,



Andrew H. Junkin
Chief Investment Officer

The Investment Section provides detailed information regarding the structure of the investment portfolio. This information includes performance, asset allocations, portfolio highlights, a list of VRS' money managers and public equity commissions for the fiscal year. The section also presents the System's investment management fees and expenses and an investment summary.

Investment Account

The VRS Board of Trustees has fiduciary responsibility to invest the fund solely in the interest of the beneficiaries of the System. As established by the *Code of Virginia*, "the Board shall invest the assets of the Retirement System with the care, skill, prudence and due diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims."

Benefit payments are projected to occur over a long period of time, allowing VRS to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the VRS investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. The asset-liability analysis considers both sides of the VRS balance sheet in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact on funded status and contribution rates.

The Board delegates authority to the Chief Investment Officer to allocate the System's investments within the approved asset allocation policy and within the Board-approved active risk budget. The total fund active risk budget describes the degree of tolerance for yearly variation in the fund's performance relative to the Total Fund VRS Custom Benchmark.

The primary risk measure used for this purpose is Total Fund Tracking Error, calculated as the standard deviation of the difference between the fund's return and the return of the Total Fund VRS Custom Benchmark. From this measure, probability estimates can be derived to help the Board estimate the risk of underperforming the benchmark by certain margins.

The investment staff manages the VRS portfolio on a day-to-day basis according to policies and guidelines established by the Board. The staff manages assets on a direct basis and through outside investment managers. Managers employ both active and passive investment strategies. The Board has established various performance benchmarks to serve as tools for measuring progress toward the achievement of long-term investment goals.

The asset allocation mix of the VRS fund as of June 30, 2025, is shown in Figure 3.1.

FIGURE 3.1: ASSET ALLOCATION MIX

AS OF JUNE 30, 2025

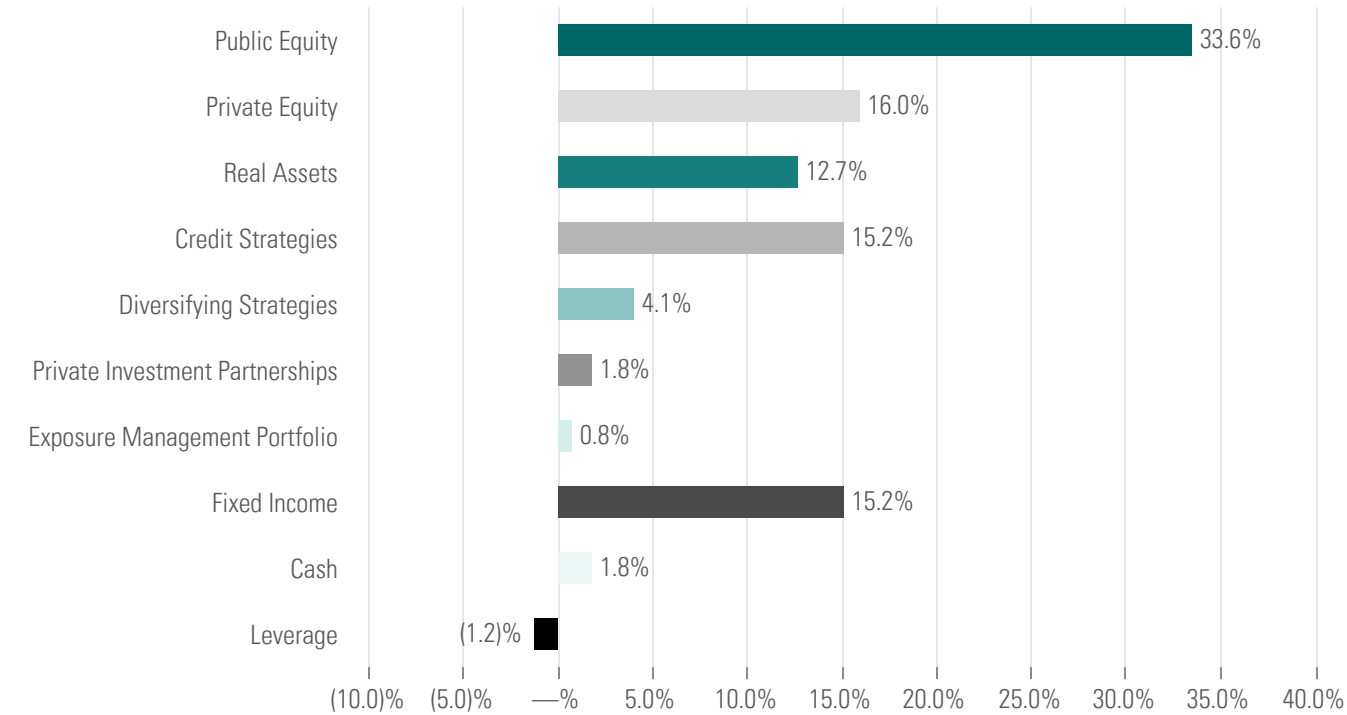


FIGURE 3.2: INVESTMENT PERFORMANCE SUMMARY

ANNUALIZED DATA FOR THE PERIOD ENDING JUNE 30, 2025

	1 Year	3 Years	5 Years	10 Years
1. Total Fund				
VRS	9.9%	8.6%	10.4%	8.1%
VRS Custom Benchmark ¹	9.7%	9.2%	9.0%	7.3%
2. Total Public Equity				
VRS	17.8%	17.9%	14.5%	9.8%
Custom Benchmark ²	16.7%	17.1%	13.7%	9.8%
3. Total Private Equity				
VRS	5.7%	3.6%	16.9%	14.1%
Custom Benchmark ³	7.4%	7.3%	15.8%	11.1%
4. Total Real Assets				
VRS	3.7%	0.7%	6.7%	7.4%
Custom Benchmark ⁴	2.9%	-1.3%	3.9%	5.4%
5. Total Credit Strategies				
VRS	9.1%	8.8%	9.1%	6.9%
Custom Benchmark ⁵	8.3%	9.4%	6.4%	5.6%
6. Total Diversifying Strategies				
VRS	3.6%	7.0%	7.0%	N/A
Custom Benchmark ⁶	7.2%	7.9%	6.1%	N/A
7. Total Private Investment Partnerships				
VRS	8.8%	6.3%	12.9%	9.0
Custom Benchmark ⁷	6.2%	5.3%	9.3%	7.8
8. Total Fixed Income				
VRS	6.9%	3.7%	0.6	2.7
Custom Benchmark ⁸	6.4%	3.2%	-0.3	1.9

Investment return calculations were prepared using a time-weighted return methodology based on market value, net of investment expenses.

¹ The VRS Custom Benchmark is a blend of the Asset Class Benchmarks at policy weights.

² Effective January 2024, the Public Equity Custom Benchmark is a weighted average of the MSCI ACWI IMI Index (net VRS tax rate) (85%) and the MSCI World Min Vol Index (net VRS tax rate) (15%).

³ Effective January 2024, the Private Equity Custom Benchmark is the regional benchmarks of the MSCI ACWI IMI Index (net VRS tax rate) lagged by three months, weighted to reflect the Private Equity opportunity set (currently 75% North America, 20% Europe, and 5% Asia and Emerging Markets).

⁴ Effective January 2023, the Real Assets Custom Benchmark is the market value weighted blend of the NCREIF Private Real Estate Benchmark (ODCE Index (net) lagged by three months) and the Other Real Assets Custom Benchmark (the CPI-U Index plus 400 basis points per annum lagged by three months).

⁵ Effective July 2023, the Credit Strategies Custom Benchmark is a blend of the Morningstar LSTA Performing Loan Index (50%) and the Bloomberg U.S. HY Ba/B 2% Issuer Cap Index (50%).

⁶ Effective January 2024, the Diversifying Strategies Custom Benchmark is the ICE BofA U.S. 3-Month Treasury Bill Index plus 250 basis points per annum.

⁷ Effective January 2024, the Private Investment Partnerships (PIP) Custom Benchmark is the weighted average of the Private Equity Custom Benchmark (33%), the NCREIF Private Real Estate Benchmark (25%), the Other Real Assets Custom Benchmark (8%), the Bloomberg U.S. HY Ba/B 2% Issuer Cap Index (17%), and the Morningstar LSTA Performing Loan Index (17%).

⁸ Effective July 2020, the Fixed Income Custom Benchmark is a blend of the Bloomberg U.S. Aggregate Bond Index (90%), Bloomberg U.S. HY Ba/B 2% Issuer Cap Index (5%), and JP Morgan EMBI Global Core Index (5%).

Portfolio Highlights

PUBLIC EQUITY

The market value of the Total Public Equity Program as of June 30, 2025, was \$41.3 billion, representing approximately 33.6% of the total fund. The program is dominated by traditional strategies valued at \$35.3 billion, or 85.6%. The program also employs equity-oriented hedge fund strategies valued at \$5.9 billion, or 14.4%. The objective of the portfolio is to exceed the Custom Benchmark over longer-term periods, net of all costs. The current Custom Benchmark is a blended index

comprised of 85% Morgan Stanley Capital International All Country World Index (MSCI ACWI) IMI and 15% MSCI World Minimum Volatility Index (both net of VRS tax rates). The Traditional Public Equity portfolio had 61% invested in domestic equity and 39% in international equity. Internal assets represent 51% of Total Public Equity.

At fiscal year-end, the custom benchmark was comprised of 64% U.S. equity, 27% developed non-U.S. equity and 9% emerging markets equity.

FIGURE 3.3: TRADITIONAL EQUITY CUSTOM BENCHMARK SECTORS AND REGIONS*

Strategic Sectors	VRS	Custom Benchmark	Regions	VRS	Custom Benchmark
Communication Services	9.08%	8.75%	North America	62.84%	66.75%
Consumer Discretionary	11.23%	9.88%	Europe/Middle East/Africa	21.24%	16.42%
Consumer Staples	5.94%	6.50%	Asia Pacific	15.38%	16.25%
Energy	2.30%	3.48%	Latin and South America	0.54%	0.58%
Financials	17.85%	17.16%	Total	100.00%	100.00%
Health Care	9.57%	9.77%			
Industrials	13.48%	11.43%			
Information Technology	21.33%	23.83%			
Materials	4.04%	3.58%			
Real Estate	2.21%	2.28%			
Utilities	2.97%	3.34%			
Total	100.00%	100.00%			

* Based on Barra's classification of sectors and regions and excludes cash.

The top 10 holdings in the Traditional Public Equity Program comprised 12.4% of the program at fiscal year-end.

Three companies, Berkshire Hathaway, J.P. Morgan and Novo Nordisk, were replaced by 3I Group, Johnson & Johnson and Novartis on this year's schedule.

FIGURE 3.4: PUBLIC EQUITY – TOP 10 HOLDINGS*

AS OF JUNE 30, 2025

Company	Fair Value	Shares
Nvidia	\$ 997,482,759	6,313,181
Microsoft Corp.	977,439,002	1,965,057
Apple Inc.	711,288,075	3,466,823
Amazon.com	577,322,152	2,631,488
Meta Platforms	519,572,551	703,942
Alphabet Inc.	413,079,620	2,337,110
Taiwan Semiconductor Manufacturing Co.	379,910,516	8,129,493
3I Group	184,074,506	3,227,063
Johnson & Johnson	181,517,408	1,188,330
Novartis AG	165,257,030	1,367,834

* Aggregated various share classes based on parent company. Refer to the "More Information" section on page 180 for details on how to request additional information.

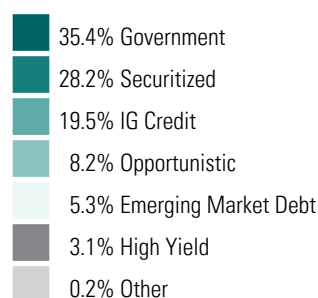
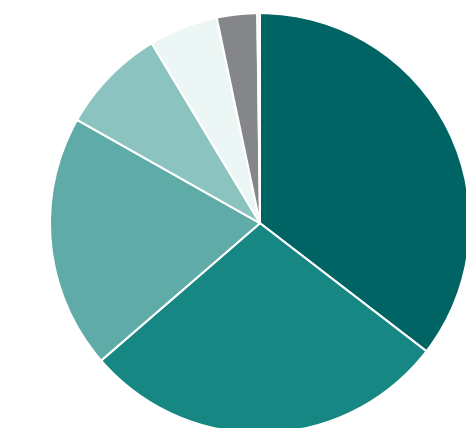
FIXED INCOME

VRS invests a portion of its portfolio in fixed income investments to reduce total fund volatility, produce income and provide for some protection in the event of a deflationary environment.

The market value of the Fixed Income Program as of June 30, 2025, was \$18.6 billion, representing approximately 15.2% of the total fund.

**FIGURE 3.5: FIXED INCOME PORTFOLIO
BY SECTOR ALLOCATION**

AS OF JUNE 30, 2025



The Fixed Income Program is invested in a diversified portfolio of debt securities, such as government securities, corporate securities, mortgage-backed securities and emerging market debt. The objective of the program is to exceed the return of the Fixed Income blended benchmark comprised of 90% Bloomberg Barclays U.S. Aggregate Index, 5% JPM EMBI Global Core Index and 5% Bloomberg Barclays U.S. HY Ba/B 2% Issuer Constrained Index, while staying in compliance with risk limits. Approximately 95% of the Fixed Income Program is managed internally. For fiscal year 2025, the return of the program was 6.9% versus a return of 6.4% for the benchmark.

FIGURE 3.6: FIXED INCOME – TOP 10 HOLDINGS BY MARKET VALUE*

AS OF JUNE 30, 2025

Security	Par Value	Fair Value
UNIFORM MORTGAGE BACK SECURITY (UMBS)	\$966,500,000	\$765,285,332
GINNIE MAE TBA	446,000,000	446,521,820
UNIFORM MORTGAGE BACK SECURITY (UMBS)	411,000,000	340,963,134
GINNIE MAE TBA	340,000,000	333,953,780
UNIFORM MORTGAGE BACK SECURITY (UMBS)	300,000,000	291,140,625
FANNIE MAE UNIFORM MORTGAGE BACK SECURITY (UMBS)	254,605,740	237,343,181
TREASURY NOTE	215,000,000	214,850,360
GINNIE MAE TBA	202,000,000	204,676,500
UNIFORM MORTGAGE BACK SECURITY (UMBS)	200,000,000	201,374,000
TREASURY NOTE	165,000,000	153,926,952

* Refer to the "More Information" section on page 180 for details on how to request additional information.

**SHORT-TERM INVESTMENTS
AND TRANSITION ACTIVITY**

Generally, VRS desires to remain fully invested at all times and seeks to optimize its holdings of cash investments. Temporary cash balances are invested in short-term money market instruments with the goal of maintaining high credit quality and liquidity, as well as synthetically replicating exposure to equity and/or fixed income.

PRIVATE EQUITY

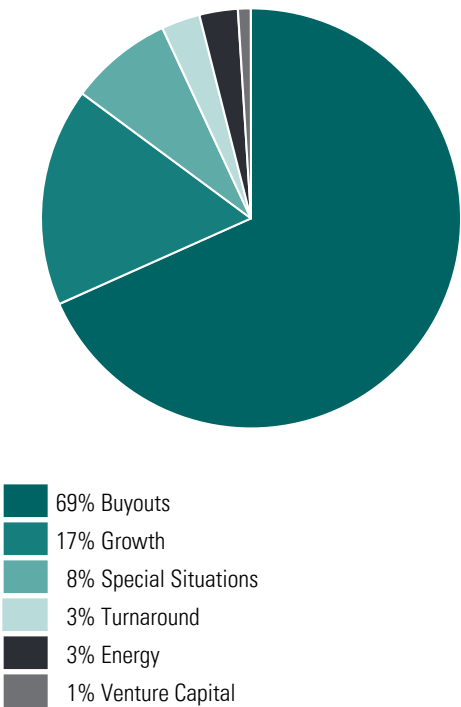
VRS invests in private equity to achieve returns greater than those available in the public equity markets. Specifically, the program seeks to outperform a custom region-weighted Morgan Stanley Capital International All Country World Index (MSCI ACWI). Program returns are calculated on both a time-weighted basis and a dollar-weighted, or internal rate-of-return (IRR) basis.

On a time-weighted basis, the program return for fiscal year 2025 was 5.7%. On a dollar-weighted, or IRR basis, the private equity one-year return was 5.1% as of March 31, 2025.

As of June 30, 2025, the carrying value of the program was approximately \$19.6 billion. Most of the program is invested in limited partnerships.

Sectors in which the program invests include leveraged buyouts, venture capital, growth, sub-debt, turnaround, energy and special situations. The Private Equity Program’s market value by subclass was as follows:

FIGURE 3.7: PRIVATE EQUITY PROGRAM
AS OF JUNE 30, 2025



REAL ASSETS

A portion of the VRS portfolio is invested in real assets to diversify the Total Fund, reduce correlation with public markets, while aiming for competitive risk-adjusted returns, significant cash flows, and inflation linkages. The size of the portfolio increased by approximately \$1.5 billion in fiscal year 2025, after posting a modest 3.7% return. The Real Assets portfolio outperformed its blended benchmark by approximately 80 basis points. The private real estate portfolio delivered a 2.4% return versus its benchmark of 1.2%. Investments in infrastructure, natural resources, timberland and farmland produced a 6.4% return for the fiscal year, exactly matching the other real assets benchmark of 6.4%.

The percentage of the Total Fund represented by the Real Assets portfolio fluctuated over the course of the year and stood at 12.7% at fiscal year-end. In dollar terms, the real asset portfolio increased rather significantly by \$1.5 billion to end the fiscal year at \$15.6 billion. This increase was due primarily to contributions to new investments outpacing distributions from existing investments by approximately \$965 million, as well as income and appreciation.

At fiscal year-end, the portfolio strategy composition was approximately 67% private real estate, 20% infrastructure, 7% energy and mining, 4% timberland and 2% farmland. Portfolio leverage as a percentage of total real assets was 33.8% as of June 30, 2025.

FIGURE 3.8: REAL ASSETS BY SECTOR

AS OF JUNE 30, 2025

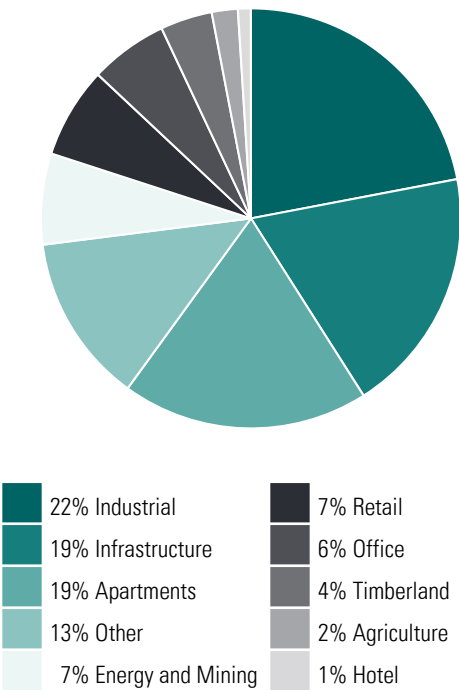
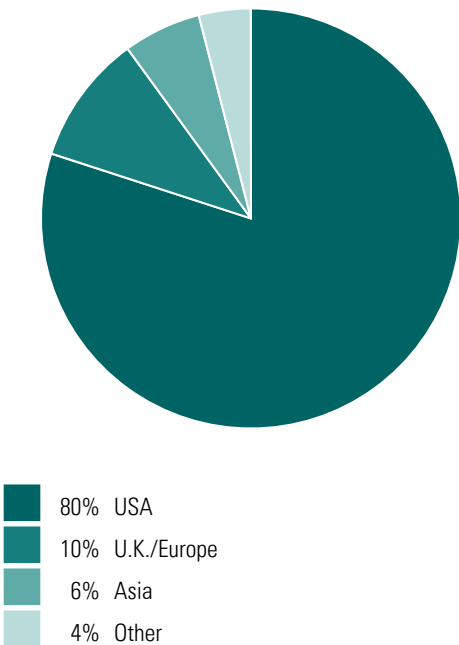


FIGURE 3.9: REAL ASSETS BY GEOGRAPHIC REGION

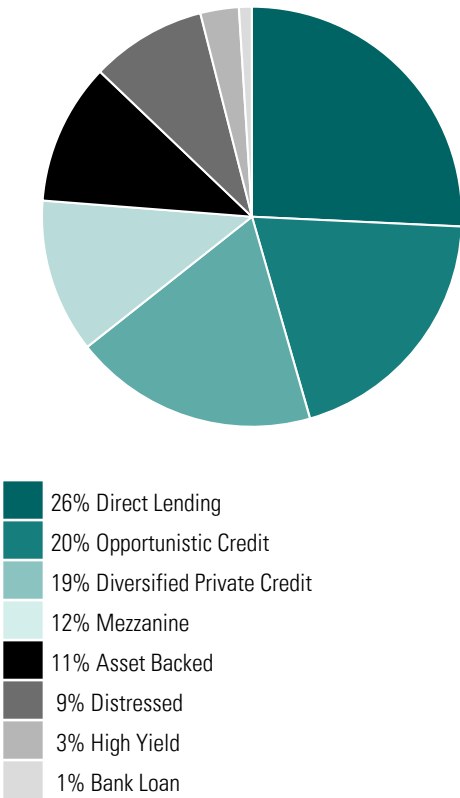
AS OF JUNE 30, 2025



CREDIT STRATEGIES

The Credit Strategies program generates returns through income and capital appreciation from a diversified portfolio of credit and credit-related investments. The objective of the program is to provide an attractive risk/return profile relative to the Custom Credit Strategies benchmark. For the fiscal year, the program returned 9.1%, while the program’s custom benchmark returned 8.3%.

FIGURE 3.10: CREDIT STRATEGIES PROGRAM
AS OF JUNE 30, 2025



DIVERSIFYING STRATEGIES

The Diversifying Strategies program seeks to diversify the VRS return and risk exposures across market cycles and investment environments. It consists of an actively managed mix of risk responding and return enhancing strategies. An additional goal of the program is to provide actionable knowledge transfer to the overall Plan. As of June 30, 2025, the total program had a market value of \$5.0 billion and was invested with ten multi-asset class public investments managers. During the fiscal year, it returned 3.6% against the program’s custom benchmark, which returned 7.2%.

PRIVATE INVESTMENT PARTNERSHIPS

Beginning July 1, 2018, the VRS Board approved a strategic allocation to Private Investment Partnerships (PIP). These investments had previously been part of the Strategic Opportunities Portfolio. The objective of the program is to provide an attractive risk/return profile relative to the Private Investment Partnerships benchmark.

Managers in this program invest broadly across the private and less liquid components of the credit, private equity, real asset and real estate markets. During the fiscal year, the program returned 8.8% while its custom benchmark returned 6.2%.

LEVERAGE

The long-term strategic asset allocation (SAA) approved by the VRS Board of Trustees in June 2023 incorporates a prudent amount of leverage to enhance diversification and improve risk-return efficiency for the Fund. The Board also approved rebalancing leverage. Staff plans to transition to this SAA over the next few years.

MORE INFORMATION

A complete list of the investment portfolio is available upon request. Address requests to the VRS FOIA Coordinator, Virginia Retirement System, P.O. Box 2500, Richmond, VA 23218-2500. More information is available at varetire.org/web-policy/foia.

VRS Money Managers

The diversified investment structure as of June 30, 2025, is reflected in the following tables, which list VRS managers by investment program and style.

PUBLIC EQUITY MONEY MANAGERS

External Managers	Style Description
Acadian Asset Management	Emerging, Non-U.S. Small Cap
Ariel	Global
Arrowstreet Capital	Global
Baillie Gifford	Emerging, Global
J.P. Morgan	Global
Lansdowne	Global
LSV Asset Management	Global, Non-U.S. Small Cap, U.S. Small Cap
WCM Investment Management	Global
Internal Portfolios	Style Description
Afton	U.S. Small Cap
Amherst	U.S. Large Cap
Bearfence	Global
Rivanna	Global
Tuckahoe	Emerging
Equity Hedge Funds	Style Description
CET Energy Dynamics	Long/Short
Cevian	Activist
Coatue	Long/Short Extension
Eminence	Long/Short Extension
Farallon	Long/Short, Multi-Strat
Maverick Capital	Long/Short Extension
Select	Long/Short
Theleme	Long/Short
ValueAct Capital	Activist

FIXED INCOME

Internal Portfolios	Style Description
VRS Investment Grade Credit	High-Quality Corporates
VRS Securitized	Mortgage and Other Asset-Backed Securities
VRS Government	U.S. and Other Government-Related Debt
VRS Emerging Market Debt	EM Sovereign and Quasi-Sovereign Debt
VRS Systematic High Yield	High-Yield Corporates
VRS Fixed-Income Opportunistic	Various Fixed-Income Related Assets

(Continued)

VRS Money Managers, cont.

FIXED INCOME, *cont.*

External Portfolios	Style Description
FI Man Numeric High Yield	High-Yield Corporates
FI Payden & Rygel EMD	Emerging Market Debt
FI PIMCO EMD	Emerging Market Debt

PRIVATE EQUITY – TOP 10 MANAGERS

	Style Description
Apax Partners	Buyout
Bain Capital	Buyout
CVC Capital	Buyout
General Atlantic	Growth
GTCR	Buyout
Grosvenor	Customized Separate Account
Hellman and Friedman	Buyout
Stone Point Capital	Buyout
TA Associates	Growth
Veritas Capital	Buyout

CREDIT STRATEGIES – TOP 10 MANAGERS

	Style Description
Ares Management	Direct Lending, Mezzanine, Opportunistic, Asset Backed
Beach Point Capital Management	Distressed, Opportunistic
HPS Investment Partners	Direct Lending, Mezzanine, Asset Backed
BlackRock	Direct Lending
Carlyle	Diversified Private Credit
Sixth Street Partners	Distressed, Opportunistic
Magnetar Financial	Diversified Private Credit
Aksia	Diversified Private Credit
Solus	Opportunistic, Broadly Syndicated Loans
KKR	Direct Lending, Asset Backed, Distressed

PRIVATE INVESTMENT PARTNERSHIPS

	Style Description
Carlyle	Multi-Asset Class Private Investments
KKR	Multi-Asset Class Private Investments

VRS Money Managers, cont.

REAL ASSETS – TOP 10 MANAGERS

	Style Description
Blackstone Real Estate Partners	Core, Enhanced Core & Opportunistic Real Estate
Carson Companies	Core Real Estate
Clarion Partners	Enhanced Core Real Estate
Harrison Street	Core & Core Enhanced Real Estate
Industry Funds Management	Global Infrastructure
J.P. Morgan Investment Management	Mixed Core
Morgan Stanley	Core Real Estate, Global Infrastructure
Pantheon Ventures	Global Infrastructure, Global Natural Resources
PGIM	Core & Enhanced Core Real Estate
Pritzker Realty Group	Core & Enhanced Core Real Estate

DIVERSIFYING STRATEGIES

	Style Description
Aksia	Multi-Asset Class Public Investments
AQR	Multi-Asset Class Public Investments
BlackRock	Multi-Asset Class Public Investments
Brean Howard	Multi-Asset Class Public Investments
Capstone	Multi-Asset Class Public Investments
Internal Portfolio Strategy	Multi-Asset Class Public Investments
J.P. Morgan	Multi-Asset Class Public Investments
Man Group	Multi-Asset Class Public Investments
Neuberger Berman	Multi-Asset Class Public Investments
NISA	Multi-Asset Class Public Investments
PineBridge	Multi-Asset Class Public Investments

Public Equity Commissions

AS OF JUNE 30, 2025

Broker	Commission	Shares	Average Commission Per Share
Bank of America Corp., Charlotte	\$ 1,567,112.64	129,533,984	\$ 0.0121
Goldman Sachs & Co., New York	1,382,779.78	134,039,888	0.0103
UBS Equities, London	631,301.48	177,502,248	0.0036
Morgan Stanley and Co., LLC, New York	227,894.61	133,344,630	0.0017
UBS Warburg Asia Ltd., Hong Kong	223,712.49	85,011,912	0.0026
Societe Generale, Paris	217,924.97	46,897,828	0.0046
Pershing LLC, Jersey City	210,754.50	13,704,422	0.0154
National Financial Services Corp., New York	207,970.21	7,007,647	0.0297
UBS Securities LLC, Stamford	177,196.02	30,973,083	0.0057
Barclays Capital, London	164,698.51	172,388,962	0.0010
Other Brokers	2,689,044.08	966,212,205	0.0028
Total FY 2025	\$ 7,700,399.29	1,896,616,809	\$ 0.0041

SCHEDULE OF INVESTMENT EXPENSES

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Assets Under Management	Management Fees and Expenses
External Management:		
Public Equity Managers	\$ 13,671,180	\$ 58,850
Fixed Income Managers	3,823,928	4,215
Credit Strategies Managers	18,368,041	156,712
Real Assets Managers	16,991,537	148,133
Alternative Investment (Private Equity) Managers	19,731,284	169,072
Hedge Funds Managers	8,183,426	59,103
Multi-Asset Class/Other Managers	6,365,004	36,873
Subtotal: External Management	87,134,400	632,958
Internal Management	40,954,564	58,509
Miscellaneous Fees and Expenses:		
Custodial Fees	—	4,500
Legal Fees	—	1,811
Other Fees and Expenses	—	103,828
Subtotal: Miscellaneous Fees and Expenses	—	110,139
Total	\$ 128,088,964	\$ 801,606

Investment Summary

In accordance with Section 51.1-124.31 of the *Code of Virginia* (1950), as amended, the Board of Trustees has pooled substantially all defined benefit plan assets of the Virginia Retirement System, the State Police Officers' Retirement System, the Judicial Retirement System, the Group Life

Insurance Fund and the Retiree Health Insurance Credit Fund into a common investment pool. The common investment pool of the pension trust funds, other trust funds and custodial funds held the following composition of investments at June 30, 2025 and 2024:

(EXPRESSED IN THOUSANDS)

	2025 Fair Value	Percent of Total Value	2024 Fair Value	Percent of Total Value
Bonds and Mortgage Securities:				
U.S. Government and Agencies	\$ 10,212,909	7.94%	\$ 7,811,767	6.71%
Mortgage Securities	5,969,560	4.64%	5,736,229	4.92%
Corporate and Other Bonds	7,829,572	6.09%	8,251,049	7.08%
Total Bonds and Mortgage Securities	24,012,041	18.67%	21,799,045	18.71%
Common and Preferred Stocks	31,555,655	24.54%	27,035,632	23.21%
Index and Pooled Funds:				
Equity Index and Pooled Funds	15,397,921	11.98%	14,484,488	12.43%
Fixed-Income Commingled Funds	2,836	0.00%	0	0.00%
Total Index and Pooled Funds	15,400,757	11.98%	14,484,488	12.43%
Real Assets	15,735,405	12.24%	14,153,874	12.15%
Private Equity	41,346,341	32.16%	38,502,907	33.06%
Short-Term Investments:				
Treasurer of Virginia – LGIP Investment Pool	490,417	0.38%	482,233	0.42%
Foreign Currencies	38,765	0.03%	24,562	0.02%
Total Short-Term Investments	529,182	0.41%	506,795	0.44%
Total Investments	\$ 128,579,381	100.00%	\$ 116,482,741	100.00%

Description of Hybrid Defined Contribution Plan

Defined contribution plan assets for Hybrid Retirement Plan members are maintained in two separate accounts. The Hybrid 401(a) Cash Match Plan account contains the hybrid plan member and employer mandatory contributions and the employer match on the voluntary member

contributions. The Hybrid 457 Deferred Compensation Plan account contains the hybrid plan member's voluntary contributions. The schedule below shows the assets in each investment option and the accumulated plan assets in each option.

HYBRID PARTICIPANT ACCOUNT PLAN ASSETS BY FUND OPTION

AS OF JUNE 30, 2025

Fund Name	Hybrid 401(a)	Hybrid 457	Total
Retirement Portfolio	\$ 142,010,593	\$ 83,876,309	\$ 225,886,902
Target Date 2030 Portfolio	163,906,992	99,964,652	263,871,644
Target Date 2035 Portfolio	215,437,427	126,728,036	342,165,464
Target Date 2040 Portfolio	229,206,966	129,721,542	358,928,508
Target Date 2045 Portfolio	267,127,589	146,853,356	413,980,945
Target Date 2050 Portfolio	317,266,118	163,674,421	480,940,538
Target Date 2055 Portfolio	451,012,455	209,896,895	660,909,350
Target Date 2060 Portfolio	296,231,679	128,039,762	424,271,441
Target Date 2065 Portfolio	77,783,343	24,622,718	102,406,061
Target Date 2070 Portfolio	1,406,855	424,738	1,831,593
Money Market Fund	13,675,883	8,648,771	22,324,654
Stable Value Fund	5,108,523	5,448,773	10,557,296
Bond Fund	5,377,540	6,156,253	11,533,793
Inflation-Protected Bond Fund	1,937,745	1,908,330	3,846,075
High-Yield Bond Fund	3,084,657	3,842,347	6,927,003
Stock Fund	81,404,756	79,124,770	160,529,526
Small/Mid-Cap Stock Fund	17,274,166	17,913,457	35,187,623
International Stock Fund	13,614,699	13,238,971	26,853,670
Global Real Estate Fund	4,052,416	4,219,819	8,272,236
VRS Investment Portfolio – PIPVRSIP	57,655	38,791	96,446
VRS Investment Portfolio	668,255	790,757	1,459,012
Self-Directed Brokerage	4,888,934	4,885,256	9,774,190
Total Plan Assets*	\$ 2,312,535,245	\$ 1,260,018,723	\$ 3,572,553,969

* Fund totals have been rounded to the nearest dollar amount and may not foot due to rounding.

Description of Defined Contribution Plans Investment Options

Participants in the System's Hybrid Retirement Plan benefit structure have access to a number of core investment options for contributions to their defined contribution plan. These options are intended to provide participants with a variety of investment choices while controlling the associated costs. In addition to the option-specific annual operating expense detailed in the Investment Option Performance Summary, participants pay an annual record-keeping fee of \$35.50 that is deducted from their accounts on a monthly basis (approximately \$2.96 per month).

Participants with more than one account in the Plan pay only one annual fee of \$35.50. At June 30, 2025, the plans provided the following core investment options to participants.

DO-IT-FOR-ME FUNDS

Retirement Portfolio: Seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. In pursuit of that object, the portfolio will be broadly diversified across global asset classes.

U.S. Bonds: 49.8% U.S. Large/Mid-Cap Stocks: 22.8% International Stocks: 12.8%
U.S. Inflation-Index Bonds: 10.0% Commodities: 2.2% Global Infrastructure: 1.4%
Real Estate: 0.6% U.S. Small-Cap Stocks: 0.5%

Target Date 2030 Portfolio: Seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. In pursuit of that objective, the portfolio will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

U.S. Bonds: 39.6% U.S. Large/Mid-Cap Stocks: 29.7% International Stocks: 18.0%
U.S. Inflation-Index Bonds: 7.9% Real Estate: 1.9% Global Infrastructure: 1.5%
Commodities: 0.9% U.S. Small-Cap Stocks: 0.6%

Target Date 2035 Portfolio: Seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. In pursuit of that objective, the portfolio will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

U.S. Large/Mid-Cap Stocks: 36.1% U.S. Bonds: 35.1% International Stocks: 22.8%
Real Estate: 2.7% Global Infrastructure: 1.8%
U.S. Small-Cap Stocks: 1.2% U.S. Inflation-Index Bonds: 0.4%

Target Date 2040 Portfolio: Seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. In pursuit of that objective, the portfolio will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

U.S. Large/Mid-Cap Stocks: 41.7% International Stocks: 27.2% U.S. Bonds: 23.6%
Real Estate: 3.3% Global Infrastructure: 2.0%
U.S. Small-Cap Stocks: 1.9% U.S. Inflation-Index Bonds: 0.3%

Target Date 2045 Portfolio: Seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. In pursuit of that objective, the portfolio will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

U.S. Large/Mid-Cap Stocks: 47.3% International Stocks: 32.1% U.S. Bonds: 13.4%
Real Estate: 4.1% U.S. Small-Cap Stocks: 2.8% Global Infrastructure: 0.4%

Target Date 2050 Portfolio: Seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. In pursuit of that objective, the portfolio will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

U.S. Large/Mid-Cap Stocks: 52.7% International Stocks: 36.1% U.S. Bonds: 5.3%
U.S. Small-Cap Stocks: 3.6% Real Estate: 2.3%

Target Date 2055 Portfolio: Seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. In pursuit of that objective, the portfolio will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

U.S. Large/Mid-Cap Stocks: 55.5% International Stocks: 37.9% U.S. Small-Cap Stocks: 3.9%
U.S. Bonds: 1.5% Real Estate: 1.1%

Target Date 2060 Portfolio: Seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. In pursuit of that objective, the portfolio will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

U.S. Large/Mid-Cap Stocks: 56.0% International Stocks: 38.2%
U.S. Small-Cap Stocks: 3.9% U.S. Bonds: 1.0% Real Estate: 0.9%

Target Date 2065 Portfolio: Seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. In pursuit of that objective, the portfolio will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

U.S. Large/Mid-Cap Stocks: 56.0% International Stocks: 38.2%
U.S. Small-Cap Stocks: 3.9% U.S. Bonds: 1.0% Real Estate: 0.9%

Target Date 2070 Portfolio: Seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. In pursuit of that objective, the portfolio will be broadly diversified across global asset classes, with asset allocations becoming more conservative over time.

U.S. Large/Mid-Cap Stocks: 56.0% International Stocks: 38.2%
U.S. Small-Cap Stocks: 3.9% U.S. Bonds: 1.0% Real Estate: 0.9%

HELP-ME-DO-IT FUNDS

Money Market Fund: Seeks to provide a high level of current income as is consistent with liquidity and stability of principal.

Other Repurchase Agreement: 56.9% Asset-Backed Commercial Paper: 11.1%

Certificate of Deposit: 10.2% Financial Company Commercial Paper: 10.0%

Non-Financial Company Commercial Paper: 7.0% U.S. Treasury Debt: 1.7%

U.S. Treasury Repurchase Agreement: 1.7% U.S. Government Agency Repurchase Agreement: 1.3%

Stable Value Fund: Seeks to provide safety of principal, while earning a level of interest income consistent with an underlying portfolio of short- to intermediate-duration high-quality fixed income (bond) securities and cash or cash equivalents, and liquidity to accommodate participant transactions.

Corporates: 25.6% Asset-Backed: 20.2% Agency MBS: 15.7% Other U.S. Government: 11.8% U.S. Treasury/Agency: 10.0%

CMBS: 8.3% Cash/Equivalents: 4.5% Taxable Municipals: 3.4% Non-Agency MBS: 0.4%

Bond Fund: Seeks to track the performance of the Bloomberg U.S. Aggregate Bond Index. The index is an unmanaged index that represents the broad U.S. investment-grade bond market and is comprised of U.S. treasury securities, government agency bonds, corporate bonds, mortgage-backed securities, asset-backed securities and a small amount of foreign bonds traded in the U.S.

Treasury: 44.6% Mortgages: 24.5% Industrials: 13.6% Financials: 8.0% Non-U.S. Credit: 3.1% Utilities: 2.3%

CMBS: 1.5% Cash: 0.8% Agencies: 0.7% Taxable Municipals: 0.5% Asset-Backed Securities: 0.4%

Inflation-Protected Bond Fund: Seeks to track the performance of the Bloomberg U.S. Treasury Inflation-Protected Securities Index. The index is an unmanaged index that represents the U.S. Treasury Inflation-Protection Securities (TIPS) market. The index includes investment-grade TIPS with one or more years to final maturity.

U.S. Treasury: 100.0%

High-Yield Bond Fund: Seeks to achieve returns that exceed, over time, its benchmark, the ICE BofA U.S. High-Yield BB-B Constrained Index. The index is an unmanaged index of BB-B rated securities that caps any single issuer exposure to 2.0%. The index is indicative of the higher quality high-yield bond market.

Consumer Cyclical: 19.6% Communications: 17.8% Consumer Non-Cyclical: 15.0%

Energy: 12.2% Capital Goods: 12.1% Technology: 8.1% Basic Industry: 4.3%

Transportation: 3.5% Finance: 2.8% Utilities: 1.8% Other/Cash: 1.5% Other Industrial: 1.2%

Stock Fund: Seeks to track the performance of the Standard & Poor's 500 Index. The index is an unmanaged index that represents the broad large-capitalization U.S. stock market and is comprised of 500 widely held U.S. stocks chosen by Standard & Poor's.

Information Technology: 33.1% Financials: 14.0% Consumer Discretionary: 10.4%

Communication Services: 9.8% Health Care: 9.3% Industrials: 8.6% Consumer Staples: 5.5%

Energy: 3.0% Utilities: 2.4% Real Estate: 2.0% Materials: 1.9%

Small/Mid-Capitalization Stock Fund: Seeks to track the performance of the Russell 2500 Index. The index is an unmanaged index that represents the broad middle- to smaller-capitalization U.S. stock market.

Industrials: 19.8% Financials: 17.9% Information Technology: 13.7% Consumer Discretionary: 12.0%
Health Care: 11.4% Real Estate: 6.7% Materials: 5.0%
Consumer Staples: 3.8% Energy: 3.7% Communication Services: 3.1% Utilities: 2.9%

International Stock Fund: Seeks to track the performance of the MSCI ACWI ex-U.S. IMI Index. The index is an unmanaged index that represents the equity performance of large, mid- and small-cap segments of developed and emerging markets, excluding the U.S.

Financials: 23.3% Industrials: 15.7% Information Technology: 13.0%
Consumer Discretionary: 10.4% Health Care: 7.8% Materials: 6.9% Consumer Staples: 6.5%
Communication Services: 6.1% Energy: 4.4% Utilities: 3.2% Real Estate: 2.8%

Global Real Estate Fund: Seeks to track the performance of the FTSE EPRA/NAREIT Developed Index. The index is an unmanaged index that is designed to reflect the performance of listed real estate companies worldwide, including the U.S.

Specialized REITs: 18.2% Retail REITs: 16.0% Industrial REITs: 13.9%
Real Estate Management & Development: 13.4% Residential REITs: 12.0% Health Care REITs: 11.6%
Diversified REITs: 7.1% Office REITs: 5.4% Hotel & Resort REITs: 2.1%

VRS Investment Portfolio (VRSIP): Seeks to maximize return while managing risk within an acceptable range. Due to the long-term nature of the defined benefit plan's liabilities, the horizon for investment decisions is generally defined as 10 years or longer.

Public Equity: 33.6% Private Equity: 16.0% Fixed Income: 15.2% Credit Strategies: 15.2%
Real Assets: 12.7% Diversified Strategies: 4.1% PIP: 1.8% EMP: 0.8% Cash: 1.8% Leverage: -1.2%

DO-IT-MYSELF FUNDS

Self-Directed Brokerage Account (SDBA): Allows investors to select from thousands of publicly traded mutual funds, exchange-traded funds (ETFs) and individual securities in addition to the available core investment options. The SDBA option is offered through Charles Schwab & Co. The SDBA option is for knowledgeable investors who acknowledge and understand the risks and costs associated with the investments contained in this option.

In addition to the annual record-keeping fee and operating expenses, this option is subject to transaction fees charged by Charles Schwab & Co. and investment management-related fees and expenses for the funds or investments selected.

Investment Option Performance Summary: Defined Contribution Plans

AS OF JUNE 30, 2025

(RETURNS GREATER THAN ONE YEAR ARE ANNUALIZED)

DO-IT-FOR-ME PATH: TARGET DATE PORTFOLIOS

Investment Options	Inception Date	1 Year	3 Years	5 Years	10 Years or Since Inception	Total Annual Operating Expenses	
						As a %	Per \$1,000
Retirement Portfolio	08/01/05	9.85%	7.73%	5.04%	5.14%	0.06%	\$0.60
Custom Benchmark ¹		9.82%	7.75%	5.05%	5.12%		
Target Date 2030 Portfolio	08/01/05	11.16%	10.01%	7.72%	6.85%	0.06%	\$0.60
Custom Benchmark ¹		11.09%	10.02%	7.71%	6.79%		
Target Date 2035 Portfolio	07/05/06	12.37%	11.73%	9.36%	7.76%	0.06%	\$0.60
Custom Benchmark ¹		12.26%	11.72%	9.33%	7.68%		
Target Date 2040 Portfolio	08/01/05	13.49%	13.39%	10.89%	8.58%	0.06%	\$0.60
Custom Benchmark ¹		13.36%	13.37%	10.83%	8.48%		
Target Date 2045 Portfolio	07/05/06	14.55%	14.95%	12.20%	9.26%	0.06%	\$0.60
Custom Benchmark ¹		14.42%	14.92%	12.13%	9.14%		
Target Date 2050 Portfolio	09/30/07	15.60%	16.09%	13.06%	9.69%	0.06%	\$0.60
Custom Benchmark ¹		15.47%	16.06%	12.98%	9.56%		
Target Date 2055 Portfolio	05/19/10	16.14%	16.55%	13.35%	9.82%	0.06%	\$0.60
Custom Benchmark ¹		16.01%	16.53%	13.28%	9.70%		
Target Date 2060 Portfolio	11/17/14	16.20%	16.58%	13.36%	9.82%	0.06%	\$0.60
Custom Benchmark ¹		16.10%	16.57%	13.30%	9.71%		
Target Date 2065 Portfolio	09/23/19	16.22%	16.60%	13.35%	11.48%	0.06%	\$0.60
Custom Benchmark ¹		16.10%	16.57%	13.29%	11.45%		
Target Date 2070 Portfolio	09/27/24	N/A	N/A	N/A	8.51%	0.06%	\$0.60
Custom Benchmark ¹		N/A	N/A	N/A	8.07%		

(Continued)

Investment Option Performance Summary: Defined Contribution Plans, cont.

HELP-ME-DO-IT PATH: INDIVIDUAL OPTIONS

Investment Options	Inception Date	1 Year	3 Years	5 Years	10 Years or Since Inception	Total Annual Operating Expenses	
						As a %	Per \$1,000
Money Market Fund	11/01/99	4.98%	4.93%	3.04%	2.19%	0.08%	\$0.80
Benchmark: FTSE 3-Month Treasury Bill Index							
Yield as of June 30, 2025, was 4.55%		4.88%	4.75%	2.88%	2.01%		
Stable Value Fund	02/01/95	3.50%	2.92%	2.42%	2.22%	0.24%	\$2.40
Custom Benchmark ²							
Yield as of June 30, 2025, was 3.57%		4.28%	4.48%	3.08%	2.48%		
Bond Fund	11/01/99	6.09%	2.58%	-0.69%	1.80%	0.03%	\$0.30
Benchmark: Bloomberg U.S. Aggregate Bond Index		6.08%	2.55%	-0.73%	1.76%		
Inflation-Protected Bond Fund	07/30/02	5.89%	2.40%	1.66%	2.76%	0.03%	\$0.30
Benchmark: Bloomberg U.S. Treasury Inflation-Protected Securities Index		5.84%	2.34%	1.61%	2.67%		
High-Yield Bond Fund	05/31/04	10.47%	9.12%	6.27%	5.45%	0.40%	\$4.00
Benchmark: ICE BofA U.S. High-Yield BB-B Constrained Index		9.08%	9.24%	5.36%	5.07%		
Stock Fund	11/01/99	15.15%	19.70%	16.64%	13.66%	0.01%	\$0.10
Benchmark: S&P 500 Index		15.16%	19.71%	16.64%	13.65%		
Small/Mid-Cap Stock Fund	11/01/99	9.98%	11.41%	11.53%	8.47%	0.02%	\$0.20
Benchmark: Russell 2500 Index		9.91%	11.31%	11.44%	8.39%		
International Stock Fund	11/01/99	18.39%	14.04%	10.43%	6.40%	0.06%	\$0.60
Benchmark: MSCI ACWI ex-U.S. IMI Index ³		17.83%	13.92%	10.20%	6.14%		
Global Real Estate Fund	10/01/02	12.30%	4.57%	6.06%	4.10%	0.08%	\$0.80
Benchmark: FTSE EPRA/NAREIT Developed Index		11.18%	3.52%	5.10%	3.17%		
VRS Investment Portfolio (VRSIP)	07/01/08	9.88%	8.60%	10.44%	8.12%	0.62%	\$6.20
VRS Custom Benchmark ⁴		9.75%	9.19%	9.04%	7.32%		

¹ Benchmarks are calculated using blended returns of third-party indices that proportionately reflect the respective weightings of the Portfolios' asset classes. Weightings are adjusted quarterly to reflect the Portfolios' asset allocation shifts over time. Indices currently used to calculate the custom benchmarks are Russell 1000 Index, Russell 2000 Index, MSCI ACWI ex-U.S. IMI Net Dividend Return Index, Bloomberg U.S. Long Credit Bond Index, Bloomberg U.S. Intermediate Credit Bond Index, Bloomberg U.S. Long Government Bond Index, Bloomberg U.S. Intermediate Government Bond Index, Bloomberg U.S. Securitized: MBS, ABS, and CMBS Index, Bloomberg U.S. Treasury Inflation Protection Securities 0-5 (TIPS) Index, FTSE EPRA NAREIT All Equity REITS Index, FTSE Global Core Infrastructure 50/50, and the Bloomberg Enhanced Roll Yield Index.

² Effective August 2016, the benchmark represents a hypothetical return generated by the monthly yields of actively traded U.S. Treasuries based on [50% two-year maturity + 50% three-year maturity] plus an annualized spread of 0.25% and is representative of the Fund's expected return profile, given how the Fund is managed and book value accounting treatment. Prior to August 2016, the custom benchmark was based on the monthly yield of actively traded U.S. Treasuries with a three-year maturity plus an annualized spread of 0.50%. The benchmark returns are linked.

³ Effective August 2016, the performance benchmark is the MSCI ACWI ex-U.S. IMI Index. It was the MSCI World ex-U.S. Index from July 2012 through July 2016. The benchmark returns are linked.

⁴ The VRS Custom Benchmark is a blend of the asset class benchmarks at policy weights.



Virginia
Retirement
System®

Actuarial Section

Actuarial Section

Pension Trust Funds:

Actuary's Certification Letter: Pension Plans

Summary of Actuarial Assumptions and Methods: Pension Plans

Solvency Test: Pension Plans

Solvency Test: VRS Pension Plans

Schedule of Funding (Actuarial Value Basis): All Pension Plans

Schedule of Funding (Actuarial Value Basis): VRS Pension Plans

Schedule of Active Member Valuation Data: Pension Plans

Schedule of Active Member Valuation Data: VRS Pension Plans

Schedule of Retiree and Beneficiary Valuation Data: Pension Plans

Schedule of Retiree and Beneficiary Valuation Data: VRS Pension Plans

Actuarial Assumptions and Methods

Additional Information About Actuarial Assumptions and Methods: Pension Plans

Summary of Pension Plan Provisions

Summary of Pension Plan Changes

Other Post-Employment Benefit (OPEB) Plan Funds:

Actuary's Certification Letter: OPEB Plans

Actuary's Certification Letter: OPEB Plans – Line of Duty Act Fund

Summary of Actuarial Assumptions and Methods: OPEB Plans

Solvency Test: OPEB Plans

Schedule of Active Member Valuation Data: OPEB Plans

Schedule of Retiree and Beneficiary Valuation Data: OPEB Plans

Additional Information About Actuarial Assumptions and Methods: OPEB Plans

Summary of OPEB Plan Provisions

Summary of OPEB Plan Changes

Actuary's Certification Letter: Pension Plans



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January 28, 2025

Board of Trustees
Virginia Retirement System
1200 E. Main Street
Richmond, VA 23219

Re: Virginia Retirement System Actuarial Valuation as of June 30, 2024
Actuarial Disclosures – State Pension Plans

Dear Trustees:

The results of the June 30, 2024 Annual Actuarial Valuation of the Virginia Retirement System (VRS) are presented in this report (see employers.varetire.org/media/shared/pdf/valuations/valuation-report-2024-vrs.pdf). This report [the GRS report, not the *Annual Comprehensive Financial Report*] was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure each Statewide System's funding progress as of June 30, 2024 and to determine the informational employer contribution rates for the fiscal year ended June 30, 2026. In addition, this report provides select aggregated valuation results for the participating Political Subdivisions. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The employer contribution rates in this report are determined using the actuarial assumptions and methods as adopted by the Board. This report includes risk metrics on pages 28 through 33 but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund the VRS. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through June 30, 2024. The valuation was based upon information furnished by the VRS, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the VRS. For a summary of the benefit provisions used, please refer to the appendix available on the VRS website.

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Valuation results are developed through the use of multiple models.

Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

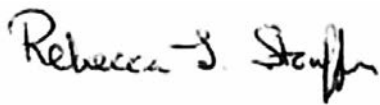
Financial results were prepared using our financing model which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). All calculations, including all actuarial assumptions and methods used for funding purposes in the valuation follow the guidance and meet the parameters set by the applicable Actuarial Standards of Practice. For a full list of the assumptions and methods used, please refer to the appendix available on the VRS website.

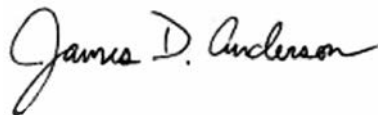
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the VRS as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Rebecca L. Stouffer, James D. Anderson, Richard C. Koch Jr., and Michael D. Kosciuk are Members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

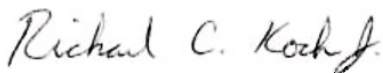
Respectfully submitted,
Gabriel, Roeder, Smith & Company



Rebecca L. Stouffer, ASA, FCA, MAAA



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



Richard C. Koch Jr., FSA, EA, FCA, MAAA



Michael D. Kosciuk, FSA, EA, FCA, MAAA

RLS/JDA/RCK/MDK:rmn

Executive Summary

1. Introduction

Each year actuarial valuations are prepared for the Virginia Retirement System (VRS). This report contains the results of the June 30, 2024 actuarial valuation for each of the Statewide Retirement Systems administered by the VRS.

As referenced throughout this report, the Statewide Retirement Systems are as follows:

- Virginia Retirement System
 - State Employees
 - Teachers
 - Political Subdivisions
- State Police Officers' Retirement System (State Police)
- Judicial Retirement System (Judicial)
- Virginia Law Officers' Retirement System (Virginia Law Officers)

In addition, the report presents aggregated results for the participating Political Subdivisions within the agent-multiple employer plan. The funded status and employer contribution rates for participating Political Subdivisions are developed individually at the employer level.

2. Total Employer Contribution Rates to Support Retirement System Benefits – Including an Actuarially Determined Employer Contribution (ADEC) Rate

Fiscal Year(s) Ending:	2023 & 2024		2025 & 2026		Informational - 2026
Valuation Date:	June 30, 2021		June 30, 2023		June 30, 2024
Employer Contribution Rate / System	Board Approved ²	General Assembly Approved ²	Board Approved ³	General Assembly Approved ³	ADEC For Defined Benefit (DB) Plan
State Employees	14.13%	14.46%	12.52%	12.52%	11.77%
Teachers	14.76%	16.62%	14.21%	14.21%	13.63%
State Police	29.98%	29.98%	31.32%	31.32%	31.39%
Judicial	30.67%	30.67%	30.66%	30.67%	28.36%
Virginia Law Officers	24.60%	24.60%	22.81%	24.60%	23.00%
Political Subdivisions (Average) ¹	12.36%	N/A	12.25%	N/A	11.76%

¹ Fiscal years ending 2023 and 2024 were restated as weighted average from prior actuary's published results by individual employer. The General Assembly does not approve the Political Subdivision rates.

² Rates include the Defined Contribution for Hybrid Members.

³ During the 2023 valuation cycle, the Board adopted a change to the VRS Funding Policy Statement which generally reset the remaining amortization period to 20 years for the total unfunded accrued liability as of June 30, 2023.

The Annual Recommended Contribution rates determined in this report for the Statewide Retirement Systems are reasonable under Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, based on:

- The use of reasonable actuarial assumptions and cost methods,
- The use of reasonable amortization and asset valuation methods; and
- Application of the VRS funding policy which will accumulate sufficient assets to make benefit payments when due, assuming all assumptions will be realized and Annual Recommended Contributions are made when due.

The Employer Defined Benefit Contribution rate for each participating Political Subdivision is determined individually, as this is an agent multiple-employer plan. Commentary regarding the reasonability of these contribution rates is provided under separate cover.

Contribution rates for the VRS employers are established every two years. Odd valuation years are rate setting valuations. A measure of the funded status and recommended employer contribution rates are determined by the Actuary and approved by the Board of Trustees. Actual employer contribution rates (for all except Political Subdivisions) are established by the General Assembly for the biennium, subject to intermediate updates. Even valuation years are considered informational. Even year valuations provide a current measure of the System’s funded status and an illustrative measure of the employer contribution rate, after accounting for updates to demographic data, financial data, plan provisions, and assumption and/or method changes since the previous valuation measurement.

The table on the prior page shows the employer contribution rates for fiscal years ending 2023-2026 based on the June 30, 2021 and June 30, 2023 actuarial valuations. The budget maintains funding for fiscal years ending 2025 and 2026 based on the prior biennium’s higher contribution rates for Judicial (30.67% vs. 30.66%) and Virginia Law Officers (24.60% vs. 22.81%). The actuarially determined employer contribution rates based on the June 30, 2024 valuation presented in this report are *informational* in nature.

3. Funded Ratio

The funded ratio of the plan is the percentage of the dollar value of the accrued liability that is covered by the actuarial value of assets. While the funded ratio may be a useful plan measurement, understanding a plan’s funding trend may be more important than a particular point in time. The chart below compares the funded ratio for the current valuation with the results of the prior valuation.

System	Funded Ratio	
	June 30, 2024	June 30, 2023
State Employees	79.99%	78.96%
Teachers	80.60%	79.66%
State Police	71.14%	70.28%
Judicial	86.02%	84.20%
Virginia Law Officers	72.48%	71.19%
Political Subdivisions	88.86%	87.84%

4. Reasons for Change

There are three general reasons why contribution rates change from one valuation to the next.

- Changes in the benefit or eligibility conditions of the plan;
- Change in the valuation assumptions and/or methods used to project future occurrences; and
- Experience of the plan, the difference during the year between the plan’s actual experience and that expected under the actuarial assumptions.

There were no significant changes in plan benefits or eligibility conditions since the prior valuation. Some Political Subdivisions made changes to benefits provided to members in hazardous duty positions. Additionally, some entities became participating Political Subdivisions since the previous valuation. In aggregate, the impact of these changes on the Political Subdivision plans is not significant. Please refer to the individual reports for the benefit provisions of each participating Political Subdivision.

There were no changes in the valuation assumptions or methods since the last valuation. Plan experience differed from expectations as follows:

- For the period ending June 30, 2024, the VRS reported investment return of 9.9% on a market value basis, compared to the assumed level of 6.75%. Under the asset valuation method, investment gains and losses are spread over a 5-year period, subject to a corridor. Partial recognition of this year's gain, combined with the continued phase-in of investment gains and losses from prior years resulted in a net recognized asset gain for the funding value of assets for all plans. In addition, the return on the funding value of assets was approximately 8.6%.
- Pay increases were greater than assumed.
- Cost of Living Adjustments (COLA) were greater than expected for eligible recipients:
 - An actual COLA of 3.56% for Plan 1 recipients compared to a 2.50% assumption; and
 - An actual COLA of 3.00% for Plan 2 / Hybrid recipients compared to a 2.25% assumption.
- The net impact of plan experience will depend upon the specific make up (demographic and financial) of each Plan and is reflected in the computed Total Employer Contribution Rate determined in this report.

5. General Comments

HB 473 and SB 70 separate the employer contribution into Defined Benefit and Defined Contribution components effective for contribution rates beginning July 1, 2024. The 2022 valuation continued to show the Defined Contribution Rate to allow continued communication to employers in the interim. The 2023 rate-setting valuation and this 2024 informational valuation do not include the estimated Defined Contribution Rate since the rates set herein will be paid beginning July 1, 2024.

Throughout this report [the GRS report, not the *Annual Comprehensive Financial Report*] there may be cases when the schedules do not add due to rounding.

Conclusion. Based upon the results of the June 30, 2023 regular annual actuarial valuation, it is our opinion that the Virginia Retirement System continues to operate in accordance with actuarial principles of level percent-of-payroll financing.

Other Observations

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 6.75% on the actuarial value of assets), it is expected that:

1. The normal cost as a percentage of pay will trend to the level associated with Plan 2 and/or Hybrid as members are replaced into the ultimate benefit tier.
2. The unfunded liability will decrease in dollar amount until it is fully funded.
3. The funded status of the plan will move toward a 100% funded ratio.

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded ratio measurement presented in this report is based upon the actuarial accrued liability and the actuarial value of assets. Unless otherwise indicated, with regard to any funded status measurements presented in this report:

1. The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations; in other words, of transferring the obligations to an unrelated third party in an arm's length market value type transaction.
2. The measurement is dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. The amount of future contributions will most certainly differ from those assumed in this report due to future actual experience differing from assumed experience based upon actuarial assumptions. A funded ratio measurement in this report of 100% is not synonymous with no required future contributions. If the funded ratio were 100%, the plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit).
3. The measurement would produce a different result if the market value of assets were used instead of the actuarial value of assets, unless the market value of assets is used in the measurement.

Limitation of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entity to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.



The Actuarial Section presents information about the assumptions adopted by the Board of Trustees and used by the VRS actuary to evaluate the funded status of the pension plans. This information includes trend data about retirements, disabilities, terminations and salary increase rates. The section also provides summaries of the pension plans administered by the System and any changes.

Summary of Actuarial Assumptions and Methods

On April 26, 2021, the VRS Board of Trustees adopted most of the actuarial assumptions and methods on the recommendation of its actuary. They were based on an analysis of plan experience for the four-year period July 1, 2016, through June 30, 2020, and were used for the June 30, 2024, valuation.

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS: PENSION PLANS

	2013	2014-2016	2017	2018	2019-2020	2021	2022	2023	2024
Investment Rate of Return	7.00%	7.00%	7.00%	7.00%	6.75%	6.75%	6.75%	6.75%	6.75%
Inflation Assumption	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Cost of Living (COLA) Assumption									
Plan 1	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Plan 2	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Hybrid	N/A	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Change in Decremental Assumptions	Yes	No	Yes	No	No	No	No	No	No
Value of Ancillary Benefits Included	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Value of Post-Retirement Adjustments to Date Included	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Assets Valuation Method	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market

SOLVENCY TEST: PENSION PLANS

(EXPRESSED IN THOUSANDS)

Valuation Date (June 30)	Aggregate Accrued Liabilities for				Portion of			
	(1) Active	(2) Retirees	(3) Active Members*	Valuation Assets	Accrued Liabilities Covered by Assets			
	Member Contributions	and Beneficiaries			(1)	(2)	(3)	
VIRGINIA RETIREMENT SYSTEM (VRS)								
2024	\$ 12,145,134	\$ 74,992,400	\$ 37,416,468	\$ 102,879,012	100.00%	100.00%	42.07%	
2023	11,718,388	71,786,785	35,005,430	96,708,759	100.00%	100.00%	37.72%	
2022	11,415,519	67,605,525	33,012,077	91,177,020	100.00%	100.00%	36.82%	
2021	14,452,659	64,528,079	27,662,643	85,027,965	100.00%	100.00%	21.86%	
2020	14,082,163	60,926,216	26,884,877	78,759,722	100.00%	100.00%	13.95%	
2019	13,613,905	58,337,920	27,182,146	76,244,148	100.00%	100.00%	15.79%	
2018	13,221,525	54,132,391	25,820,902	73,204,795	100.00%	100.00%	22.66%	
2017	12,887,047	51,247,606	25,716,631	69,214,246	100.00%	100.00%	19.75%	
2016	12,518,183	48,717,939	25,882,870	65,203,736	100.00%	100.00%	15.33%	
2015	12,176,530	46,783,519	25,751,093	62,083,601	100.00%	100.00%	12.13%	
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)								
2024	\$ 108,918	\$ 886,662	\$ 594,401	\$ 1,131,058	100.00%	100.00%	22.79%	
2023	105,315	841,682	566,884	1,063,882	100.00%	100.00%	20.62%	
2022	100,990	803,632	513,842	1,001,822	100.00%	100.00%	18.92%	
2021	106,923	782,487	437,236	937,332	100.00%	100.00%	10.96%	
2020	109,787	707,082	389,555	880,834	100.00%	100.00%	16.42%	
2019	105,943	682,809	392,368	858,632	100.00%	100.00%	17.81%	
2018	103,710	646,580	362,603	830,978	100.00%	100.00%	22.25%	
2017	99,643	622,206	318,779	785,677	100.00%	100.00%	20.02%	
2016	100,291	585,837	395,852	744,656	100.00%	100.00%	14.79%	
2015	95,394	586,984	368,323	710,864	100.00%	100.00%	7.73%	
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)								
2024	\$ 150,842	\$ 2,006,329	\$ 636,114	\$ 2,024,638	100.00%	93.39%	—%	
2023	154,856	1,871,522	647,333	1,903,501	100.00%	93.43%	—%	
2022	157,404	1,718,160	631,580	1,789,127	100.00%	94.97%	—%	
2021	251,678	1,640,876	514,599	1,668,802	100.00%	86.36%	—%	
2020	250,900	1,498,644	509,009	1,546,528	100.00%	86.45%	—%	
2019	244,233	1,432,206	534,799	1,484,995	100.00%	86.63%	—%	
2018	240,390	1,317,732	499,382	1,413,876	100.00%	89.05%	—%	
2017	240,517	1,219,673	517,591	1,328,178	100.00%	89.18%	—%	
2016	237,416	1,160,507	586,334	1,235,490	100.00%	86.00%	—%	
2015	232,824	1,088,742	585,155	1,155,767	100.00%	84.77%	—%	
JUDICIAL RETIREMENT SYSTEM (JRS)								
2024	\$ 41,820	\$ 564,094	\$ 206,150	\$ 698,566	100.00%	100.00%	44.94%	
2023	41,898	548,027	202,869	667,563	100.00%	100.00%	38.27%	
2022	40,990	518,851	188,716	637,696	100.00%	100.00%	41.25%	
2021	42,082	498,777	192,549	600,670	100.00%	100.00%	31.06%	
2020	42,320	452,071	183,481	566,239	100.00%	100.00%	39.16%	
2019	42,660	427,846	199,235	553,136	100.00%	100.00%	41.47%	
2018	41,009	413,609	191,044	536,022	100.00%	100.00%	42.61%	
2017	39,104	407,862	184,556	505,834	100.00%	100.00%	31.90%	
2016	37,648	395,698	174,452	476,321	100.00%	100.00%	24.63%	
2015	36,784	390,690	172,914	442,250	100.00%	100.00%	8.55%	

* Employer-financed portion.

Aggregate Accrued Liabilities are determined under the entry age normal cost method (System-funded method used to determine employer contribution requirements).

The progress of a retirement system in accumulating assets to pay benefits when due can be measured by examining the extent to which assets accumulated for benefits cover 1) active member contributions to the System; 2) liabilities for future benefits to retirees and beneficiaries; and 3) liabilities for the employer-financed portion of service already rendered by active members. In a system receiving actuarially determined employer contributions, the liabilities for member contributions and future benefits to retirees and beneficiaries will generally be fully covered by accumulated assets. In addition, the liabilities for service already rendered will be partially covered by the remainder of the accumulated assets and will increase over time.

SOLVENCY TEST: VRS PENSION PLANS

(EXPRESSED IN THOUSANDS)

Valuation Date (June 30)	Aggregate Accrued Liabilities for				Valuation Assets	Portion of Accrued Liabilities					
	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Members*	(1)		(2)	(3)				
VRS – STATE											
2024	\$	2,919,580	\$	19,594,191	\$	7,734,305	\$	24,196,357	100.00%	100.00%	21.75%
2023		2,853,544		18,873,948		7,398,819		22,997,717	100.00%	100.00%	17.17%
2022		2,814,123		17,936,921		7,028,127		21,917,849	100.00%	100.00%	16.60%
2021		3,566,175		17,161,682		6,000,114		20,615,301	100.00%	99.34%	—%
2020		3,514,856		16,410,519		5,825,960		19,333,674	100.00%	96.39%	—%
2019		3,459,343		15,831,694		6,107,151		18,932,104	100.00%	97.73%	—%
2018		3,416,685		14,911,769		5,786,703		18,392,939	100.00%	100.00%	1.11%
2017		3,374,835		14,148,870		5,787,829		17,547,764	100.00%	100.00%	0.42%
2016		3,324,003		13,408,506		6,145,734		16,672,776	100.00%	99.55%	—%
2015		3,267,188		12,960,842		6,063,528		15,881,597	100.00%	97.33%	—%
VRS – TEACHER											
2024	\$	6,158,899	\$	36,136,139	\$	19,670,270	\$	49,943,207	100.00%	100.00%	38.88%
2023		5,905,122		34,776,881		18,079,068		46,810,231	100.00%	100.00%	33.90%
2022		5,713,400		32,957,731		17,091,402		43,970,442	100.00%	100.00%	31.01%
2021		7,036,408		31,496,785		14,214,403		40,725,782	100.00%	100.00%	15.43%
2020		6,811,064		30,055,902		13,967,817		37,556,121	100.00%	100.00%	4.93%
2019		6,520,986		28,810,438		13,972,535		36,233,796	100.00%	100.00%	6.46%
2018		6,282,723		26,726,567		13,506,886		34,673,952	100.00%	100.00%	12.32%
2017		6,082,982		25,474,535		13,448,500		32,684,868	100.00%	100.00%	8.38%
2016		5,871,258		24,559,074		13,151,297		30,768,277	100.00%	100.00%	2.57%
2015		5,679,555		23,776,912		13,107,711		29,441,485	100.00%	99.94%	—%
VRS – POLITICAL SUBDIVISIONS											
2024	\$	3,066,656	\$	19,262,070	\$	10,011,893	\$	28,739,448	100.00%	100.00%	64.03%
2023		2,959,723		18,135,956		9,527,543		26,900,812	100.00%	100.00%	60.93%
2022		2,887,997		16,710,873		8,892,548		25,288,728	100.00%	100.00%	63.98%
2021		3,850,076		15,869,613		7,448,126		23,686,882	100.00%	100.00%	53.26%
2020		3,756,243		14,459,794		7,091,101		21,869,927	100.00%	100.00%	51.53%
2019		3,633,576		13,695,788		7,102,460		21,078,248	100.00%	100.00%	52.78%
2018		3,522,117		12,494,055		6,527,313		20,137,904	100.00%	100.00%	63.15%
2017		3,429,230		11,624,201		6,480,302		18,981,614	100.00%	100.00%	60.62%
2016		3,322,922		10,750,359		6,585,839		17,762,683	100.00%	100.00%	56.02%
2015		3,229,787		10,045,765		6,579,854		16,760,519	100.00%	100.00%	52.96%
VRS – TOTAL											
2024	\$	12,145,134	\$	74,992,400	\$	37,416,468	\$	102,879,012	100.00%	100.00%	42.07%
2023		11,718,388		71,786,785		35,005,430		96,708,759	100.00%	100.00%	37.72%
2022		11,415,519		67,605,525		33,012,077		91,177,020	100.00%	100.00%	36.82%
2021		14,452,659		64,528,079		27,662,643		85,027,965	100.00%	100.00%	21.86%
2020		14,082,163		60,926,216		26,884,877		78,759,722	100.00%	100.00%	13.95%
2019		13,613,905		58,337,920		27,182,146		76,244,148	100.00%	100.00%	15.79%
2018		13,221,525		54,132,391		25,820,902		73,204,795	100.00%	100.00%	22.66%
2017		12,887,047		51,247,606		25,716,631		69,214,246	100.00%	100.00%	19.75%
2016		12,518,183		48,717,939		25,882,870		65,203,736	100.00%	100.00%	15.33%
2015		12,176,530		46,783,519		25,751,093		62,083,601	100.00%	100.00%	12.13%

* Employer-financed portion.

Aggregate Accrued Liabilities are determined under the entry age normal cost method (System-funded method used to determine employer contribution requirements).

The progress of a retirement system in accumulating assets to pay benefits when due can be measured by examining the extent to which assets accumulated for benefits cover 1) active member contributions to the System; 2) liabilities for future benefits to retirees and beneficiaries; and 3) liabilities for the employer-financed portion of service already rendered by active members. In a system receiving actuarially determined employer contributions, the liabilities for member contributions and future benefits to retirees and beneficiaries will generally be fully covered by accumulated assets. In addition, the liabilities for service already rendered will be partially covered by the remainder of the accumulated assets and will increase over time.

SCHEDULE OF FUNDING (ACTUARIAL VALUE OF ASSETS BASIS): ALL PENSION PLANS

(EXPRESSED IN THOUSANDS)

Actuarial Valuation Date June 30	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
VIRGINIA RETIREMENT SYSTEM (VRS) **						
2024	\$ 102,879,012	\$ 124,554,003	\$ 21,674,991	82.6%	\$ 24,461,824	88.6%
2023	96,708.76	118,510.604	21,801.844	81.6%	22,345.513	97.6%
2022	91,177.019	112,033.122	20,856.103	81.4%	20,781.227	100.4%
2021*	85,027.965	106,643.382	21,615.417	79.7%	19,060.681	113.4%
2020	78,759.722	101,893.256	23,133.534	77.3%	18,749.343	123.4%
2019	76,244.148	99,133.971	22,889.823	76.9%	18,242.017	125.5%
2018	73,204.795	93,174.818	19,970.023	78.6%	17,614.448	113.4%
2017*	69,214.246	89,851.284	20,637.038	77.0%	16,764.876	123.1%
2016	65,203.736	87,118.992	21,915.256	74.8%	16,325.998	134.2%
2015	62,083.601	84,711.142	22,627.541	73.3%	15,901.38	142.3%
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)						
2024	\$ 1,131.058	\$ 1,589.981	\$ 458.923	71.1%	\$ 176.481	260.0%
2023	1,063.882	1,513.881	449.999	70.3%	168.611	266.9%
2022	1,001.822	1,418.464	416.642	70.6%	159.212	261.7%
2021*	937.332	1,326.646	389.314	70.7%	142.795	272.6%
2020	880.834	1,206.424	325.59	73.0%	131.255	248.1%
2019	858.632	1,181.12	322.488	72.7%	132.23	243.9%
2018	830.978	1,112.893	281.915	74.7%	126.523	222.8%
2017*	785.677	1,040.628	254.951	75.5%	110.265	231.2%
2016	744.656	1,081.98	337.324	68.8%	114.877	293.6%
2015	710.864	1,050.701	339.837	67.7%	110.543	307.4%
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)						
2024	\$ 2,024.638	\$ 2,793.285	\$ 768.647	72.5%	\$ 407.759	188.5%
2023	1,903.501	2,673.711	770.21	71.2%	398.11	193.5%
2022	1,789.127	2,507.144	718.017	71.4%	372.486	192.8%
2021*	1,668.802	2,407.153	738.351	69.3%	351.086	210.3%
2020	1,546.528	2,258.553	712.025	68.5%	363.896	195.7%
2019	1,484.995	2,211.238	726.243	67.2%	369.776	196.4%
2018	1,413.876	2,057.504	643.628	68.7%	346.106	186.0%
2017*	1,328.178	1,977.781	649.603	67.2%	339.15	191.5%
2016	1,235.49	1,984.257	748.767	62.3%	352.677	212.3%
2015	1,155.767	1,906.721	750.954	60.6%	330.397	227.3%
JUDICIAL RETIREMENT SYSTEM (JRS)						
2024	\$ 698.566	\$ 812.064	\$ 113.498	86.0%	\$ 95.361	119.0%
2023	667.563	792.794	125.231	84.2%	88.391	141.7%
2022	637.696	748.557	110.861	85.2%	80.745	137.3%
2021*	600.67	733.408	132.738	81.9%	79.125	167.8%
2020	566.239	677.872	111.633	83.5%	74.734	149.4%
2019	553.136	669.741	116.605	82.6%	76.848	151.7%
2018	536.022	645.662	109.64	83.0%	67.424	162.6%
2017*	505.834	631.522	125.688	80.1%	66.288	189.6%
2016	476.321	607.798	131.477	78.4%	65.524	200.7%
2015	442.25	600.388	158.138	73.7%	61.881	255.6%

* Revised economic and demographic assumptions due to experience study.

** The breakdown of VRS data into state, teacher and political subdivisions is also presented in the Statistical Section.

SCHEDULE OF FUNDING (ACTUARIAL VALUE OF ASSETS BASIS): VRS PENSION PLANS

(EXPRESSED IN THOUSANDS)

Actuarial Valuation Date June 30	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
VIRGINIA RETIREMENT SYSTEM (VRS) – STATE						
2024	\$ 24,196.357	\$ 30,248.076	\$ 6,051.719	80.0%	\$ 5,979.308	101.2%
2023	22,997.717	29,126.311	6,128.594	79.0%	5,448.985	112.5%
2022	21,917.849	27,779.171	5,861.322	78.9%	4,946.307	118.5%
2021*	20,615.301	26,727.971	6,112.67	77.1%	4,594.347	133.0%
2020	19,333.674	25,751.335	6,417.661	75.1%	4,428.496	144.9%
2019	18,932.104	25,398.188	6,466.084	74.5%	4,375.061	147.8%
2018	18,392.939	24,115.157	5,722.218	76.3%	4,161.922	137.5%
2017*	17,547.764	23,311.534	5,763.77	75.3%	4,037.072	142.8%
2016	16,672.776	22,878.243	6,205.467	72.9%	4,002.477	155.0%
2015	15,881.597	22,291.558	6,409.961	71.2%	3,872.724	165.5%
VIRGINIA RETIREMENT SYSTEM (VRS) – TEACHER						
2024	\$ 49,943.207	\$ 61,965.308	\$ 12,022.101	80.6%	\$ 11,008.61	109.2%
2023	46,810.231	58,761.071	11,950.84	79.7%	10,134.322	117.9%
2022	43,970.442	55,762.533	11,792.091	78.9%	9,713.229	121.4%
2021*	40,725.782	52,747.596	12,021.814	77.2%	8,971.605	134.0%
2020	37,556.121	50,834.783	13,278.662	73.9%	8,911.307	149.0%
2019	36,233.796	49,303.959	13,070.163	73.5%	8,608.489	151.8%
2018	34,673.952	46,516.176	11,842.224	74.5%	8,479.023	139.7%
2017*	32,684.868	45,006.017	12,321.149	72.6%	7,919.45	155.6%
2016	30,768.277	43,581.629	12,813.352	70.6%	7,666.824	167.1%
2015	29,441.485	42,564.178	13,122.693	69.2%	7,488.507	175.2%
VIRGINIA RETIREMENT SYSTEM (VRS) – POLITICAL SUBDIVISIONS						
2024	\$ 28,739.448	\$ 32,340.619	\$ 3,601.171	88.9%	\$ 7,473.906	48.2%
2023	26,900.812	30,623.222	3,722.41	87.8%	6,762.206	55.0%
2022	25,288.728	28,491.418	3,202.69	88.8%	6,121.691	52.3%
2021*	23,686.882	27,167.815	3,480.933	87.2%	5,494.729	63.4%
2020	21,869.927	25,307.138	3,437.211	86.4%	5,409.54	63.5%
2019	21,078.248	24,431.824	3,353.576	86.3%	5,258.467	63.8%
2018	20,137.904	22,543.485	2,405.581	89.3%	4,973.503	48.4%
2017*	18,981.614	21,533.733	2,552.119	88.1%	4,808.354	53.1%
2016	17,762.683	20,659.12	2,896.437	86.0%	4,656.697	62.2%
2015	16,760.519	19,855.406	3,094.887	84.4%	4,540.149	68.2%
VIRGINIA RETIREMENT SYSTEM (VRS) – TOTAL						
2024	\$ 102,879.012	\$ 124,554.003	\$ 21,674.991	82.6%	\$ 24,461.824	88.6%
2023	96,708.76	118,510.604	21,801.844	81.6%	22,345.513	97.6%
2022	91,177.019	112,033.122	20,856.103	81.4%	20,781.227	100.4%
2021*	85,027.965	106,643.382	21,615.417	79.7%	19,060.681	113.4%
2020	78,759.722	101,893.256	23,133.534	77.3%	18,749.343	123.4%
2019	76,244.148	99,133.971	22,889.823	76.9%	18,242.017	125.5%
2018	73,204.795	93,174.818	19,970.023	78.6%	17,614.448	113.4%
2017*	69,214.246	89,851.284	20,637.038	77.0%	16,764.876	123.1%
2016	65,203.736	87,118.992	21,915.256	74.8%	16,325.998	134.2%
2015	62,083.601	84,711.142	22,627.541	73.3%	15,901.38	142.3%

* Revised economic and demographic assumptions due to experience study.

SCHEDULE OF ACTIVE MEMBER VALUATION DATA: PENSION PLANS

Valuation Date (June 30)	Active Members				
		Annual	Average	Annualized %	Number of Employers
	Number	Payroll (000s)	Annual Pay	Change in Average Pay	
VIRGINIA RETIREMENT SYSTEM (VRS)					
2024	355,982	\$ 24,461,824	\$ 68,716	5.9%	623
2023	344,262	22,345,513	64,908	5.4%	612
2022	337,310	20,781,227	61,609	7.3%	611
2021	332,092	19,060,681	57,396	3.0%	608
2020	336,604	18,749,343	55,701	2.2%	608
2019	334,610	18,242,017	54,517	3.6%	608
2018	334,858	17,614,448	52,603	4.3%	604
2017	332,538	16,764,876	50,415	2.0%	606
2016	330,257	16,325,998	49,434	2.2%	606
2015	328,833	15,901,380	48,357	1.4%	602
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)					
2024	1,890	\$ 176,481	\$ 93,376	4.2%	1
2023	1,882	168,611	89,591	6.1%	1
2022	1,885	159,212	84,463	15.2%	1
2021	1,947	142,795	73,341	7.5%	1
2020	1,924	131,255	68,220	(1.3)%	1
2019	1,914	132,230	69,086	2.9%	1
2018	1,885	126,523	67,121	14.6%	1
2017	1,882	110,265	58,589	(1.1)%	1
2016	1,940	114,877	59,215	6.8%	1
2015	1,994	110,543	55,438	(0.7)%	1
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)					
2024	7,307	\$ 407,759	\$ 55,804	4.8%	1
2023	7,478	398,110	53,237	4.2%	1
2022	7,289	372,486	51,102	13.9%	1
2021	7,823	351,086	44,879	5.5%	1
2020	8,554	363,896	42,541	—%	1
2019	8,692	369,776	42,542	7.2%	1
2018	8,718	346,106	39,700	2.1%	1
2017	8,718	339,150	38,902	0.4%	1
2016	9,106	352,677	38,730	3.4%	1
2015	8,820	330,397	37,460	0.1%	1
JUDICIAL RETIREMENT SYSTEM (JRS)					
2024	471	\$ 95,361	\$ 202,465	4.9%	1
2023	458	88,391	192,993	10.2%	1
2022	461	80,745	175,152	0.3%	1
2021	453	79,125	174,669	4.9%	1
2020	449	74,734	166,445	0.1%	1
2019	462	76,848	166,338	2.6%	1
2018	416	67,424	162,077	2.9%	1
2017	421	66,288	157,454	—%	1
2016	416	65,524	157,510	2.1%	1
2015	401	61,881	154,317	0.1%	1

SCHEDULE OF ACTIVE MEMBER VALUATION DATA: VRS PENSION PLANS

Date (June 30)	Number	Active Members				Number of Employers
		Annual Payroll (000s)	Average Annual Pay	Annualized % Change in Average Pay		
VRS – STATE						
2024	80,017	\$ 5,979,308	\$ 74,725	5.4%	1	
2023	76,876	5,448,985	70,880	6.1%	1	
2022	74,048	4,946,307	66,799	7.1%	1	
2021	73,686	4,594,347	62,350	5.7%	1	
2020	75,069	4,428,496	58,992	0.9%	1	
2019	74,799	4,375,061	58,491	4.8%	1	
2018	74,582	4,161,922	55,803	3.4%	1	
2017	74,807	4,037,072	53,967	1.1%	1	
2016	74,968	4,002,477	53,389	3.7%	1	
2015	75,256	3,872,724	51,461	1.1%	1	
VRS – TEACHER						
2024	156,504	\$ 11,008,610	\$ 70,341	6.3%	142	
2023	153,107	10,134,322	66,191	4.5%	142	
2022	153,356	9,713,229	63,338	5.8%	144	
2021	149,793	8,971,605	59,893	1.3%	144	
2020	150,681	8,911,307	59,140	2.6%	144	
2019	149,396	8,608,489	57,622	3.0%	144	
2018	151,585	8,479,023	55,936	6.2%	144	
2017	150,416	7,919,450	52,650	2.3%	145	
2016	149,018	7,666,824	51,449	1.4%	145	
2015	147,645	7,488,507	50,720	1.2%	145	
VRS – POLITICAL SUBDIVISIONS						
2024	119,461	\$ 7,473,906	\$ 62,564	5.7%	480	
2023	114,279	6,762,206	59,173	6.2%	469	
2022	109,906	6,121,691	55,699	10.1%	466	
2021	108,613	5,494,729	50,590	3.7%	463	
2020	110,854	5,409,540	48,799	2.5%	463	
2019	110,415	5,258,467	47,625	4.1%	463	
2018	108,691	4,973,503	45,758	2.1%	459	
2017	107,315	4,808,354	44,806	2.3%	460	
2016	106,271	4,656,697	43,819	2.2%	460	
2015	105,932	4,540,149	42,859	1.8%	456	
VRS – TOTAL						
2024	355,982	\$ 24,461,824	\$ 68,716	5.9%	623	
2023	344,262	22,345,513	64,908	5.4%	612	
2022	337,310	20,781,227	61,609	7.3%	611	
2021	332,092	19,060,681	57,396	3.0%	608	
2020	336,604	18,749,343	55,701	2.2%	608	
2019	334,610	18,242,017	54,517	3.6%	608	
2018	334,858	17,614,448	52,603	4.3%	604	
2017	332,538	16,764,876	50,415	2.0%	606	
2016	330,257	16,325,998	49,434	2.2%	606	
2015	328,833	15,901,380	48,357	1.4%	602	

SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA: PENSION PLANS

Valuation Date (June 30)	Retirees and Beneficiaries						Annualized % Increase in Annual Allowances	Average Annual Allowance
	Added to Rolls		Removed From Rolls		Rolls at End of Year			
	Number	Allowances*	Number	Allowances	Number	Allowances		
VIRGINIA RETIREMENT SYSTEM (VRS)								
2024	11,668	\$ 596,910,000	7,460	\$ 285,050,000	220,984	\$ 5,615,043,000	5.9%	\$ 25,409
2023	11,796	548,622,000	7,479	267,645,000	216,776	5,303,183,000	5.6%	24,464
2022	12,205	475,427,000	7,181	169,902,000	212,459	5,022,206,000	6.5%	23,638
2021	13,241	365,278,000	6,924	146,446,000	207,435	4,716,681,000	4.9%	22,738
2020	12,633	369,352,000	5,618	113,124,000	201,118	4,497,849,000	6.0%	22,364
2019	12,067	309,556,000	5,432	101,892,000	194,103	4,241,621,000	5.1%	21,852
2018	12,444	272,010,000	4,944	93,004,000	187,468	4,033,957,000	4.6%	21,518
2017	12,348	313,032,000	5,067	90,733,000	179,968	3,854,951,000	6.1%	21,420
2016	11,912	289,092,000	4,719	89,997,000	172,687	3,632,652,000	5.8%	21,036
2015	11,297	303,240,000	4,574	83,618,000	165,494	3,433,557,000	6.8%	20,747
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)								
2024	63	\$ 5,937,000	44	\$ 2,675,000	1,613	\$ 79,198,000	4.3%	\$ 49,100
2023	79	7,419,000	52	2,844,000	1,594	75,936,000	6.4%	47,639
2022	45	4,003,000	32	1,294,000	1,567	71,361,000	3.9%	45,540
2021	110	6,238,000	37	1,357,000	1,554	68,652,000	7.7%	44,178
2020	75	4,770,000	31	1,694,000	1,481	63,771,000	5.1%	43,059
2019	78	4,973,000	21	1,850,000	1,437	60,695,000	5.4%	42,237
2018	63	3,942,000	29	1,618,000	1,380	57,572,000	4.2%	41,719
2017	97	4,994,000	31	1,178,000	1,346	55,248,000	7.4%	41,046
2016	45	1,775,000	36	1,512,000	1,280	51,432,000	0.5%	40,181
2015	66	3,871,000	34	1,555,000	1,271	51,169,000	4.7%	40,259
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)								
2024	320	\$ 15,075,000	144	\$ 6,423,000	6,103	\$ 152,054,000	6.0%	\$ 24,915
2023	308	16,389,000	122	5,842,000	5,927	143,402,000	7.9%	24,195
2022	384	9,263,000	153	1,215,000	5,741	132,855,000	6.4%	23,141
2021	366	11,321,000	117	3,129,000	5,510	124,807,000	7.0%	22,651
2020	342	10,265,000	104	4,536,000	5,261	116,615,000	5.2%	22,166
2019	345	10,633,000	83	3,335,000	5,023	110,886,000	7.0%	22,076
2018	422	11,565,000	74	3,584,000	4,761	103,588,000	8.3%	21,758
2017	354	9,403,000	65	3,496,000	4,413	95,607,000	6.6%	21,665
2016	365	8,051,000	67	2,737,000	4,124	89,700,000	6.3%	21,751
2015	397	10,242,000	36	2,006,000	3,826	84,386,000	10.8%	22,056
JUDICIAL RETIREMENT SYSTEM (JRS)								
2024	26	\$ 4,639,000	23	\$ 2,646,000	575	\$ 52,736,000	3.9%	\$ 91,715
2023	29	4,442,000	19	1,925,000	572	50,743,000	5.2%	88,712
2022	25	4,098,000	24	2,269,000	562	48,226,000	3.9%	85,811
2021	35	3,101,000	27	2,116,000	561	46,397,000	2.2%	82,704
2020	38	3,944,000	28	1,938,000	553	45,412,000	4.6%	82,119
2019	29	3,069,000	12	1,225,000	543	43,406,000	4.4%	79,937
2018	22	2,442,000	16	1,537,000	526	41,562,000	2.2%	79,015
2017	28	2,408,000	25	1,539,000	520	40,657,000	2.2%	78,187
2016	26	2,332,000	20	1,317,000	517	39,788,000	2.6%	76,959
2015	40	3,844,000	34	2,147,000	511	38,773,000	4.6%	75,877

* Additions to allowances include added retirees and the annual COLA provided to existing retirees and beneficiaries.

SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA: VRS PENSION PLANS

Valuation Date (June 30)	Retirees and Beneficiaries						Annualized % Increase in Annual Allowances	Average Annual Allowance
	Added to Rolls		Removed From Rolls		Rolls at End of Year			
	Number	Allowances*	Number	Allowances	Number	Allowances		
	VRS – STATE							
2024	3,028	\$ 177,275,000	2,409	\$ 101,307,000	63,231	\$ 1,675,263,000	4.8%	\$ 26,494
2023	3,061	149,496,000	2,390	96,352,000	62,612	1,599,295,000	3.4%	25,543
2022	3,429	133,175,000	2,589	59,751,000	61,941	1,546,151,000	5.0%	24,962
2021	3,318	98,283,000	2,286	50,665,000	61,101	1,472,727,000	3.3%	24,103
2020	3,439	108,643,000	2,077	45,694,000	60,069	1,425,109,000	4.6%	23,725
2019	3,490	115,623,000	1,956	44,964,000	58,707	1,362,160,000	5.5%	23,203
2018	3,448	107,317,000	1,943	39,665,000	57,173	1,291,501,000	5.5%	22,589
2017	3,323	90,543,000	1,961	38,698,000	55,668	1,223,849,000	4.4%	21,985
2016	3,338	78,366,000	1,734	32,636,000	54,306	1,172,004,000	4.1%	21,581
2015	3,263	89,596,000	1,824	31,662,000	52,702	1,126,274,000	5.4%	21,371
VRS – TEACHER								
2024	4,644	\$ 264,532,000	2,860	\$ 126,978,000	106,739	\$ 2,968,175,000	4.9%	\$ 27,808
2023	4,760	242,629,000	2,785	120,513,000	104,955	2,830,621,000	4.5%	26,970
2022	4,178	195,299,000	1,738	49,085,000	102,980	2,708,505,000	5.7%	26,301
2021	5,631	160,425,000	2,494	63,379,000	100,540	2,562,291,000	3.9%	25,485
2020	5,637	175,626,000	2,268	54,987,000	97,403	2,465,245,000	5.1%	25,310
2019	6,064	195,493,000	2,060	53,519,000	94,034	2,344,606,000	6.4%	24,934
2018	5,030	157,985,000	1,997	45,558,000	90,030	2,202,632,000	5.4%	24,466
2017	4,850	132,452,000	1,922	43,246,000	86,997	2,090,205,000	4.5%	24,026
2016	5,085	115,790,000	1,733	38,675,000	84,069	2,000,999,000	4.0%	23,802
2015	5,135	140,493,000	1,816	38,434,000	80,717	1,923,884,000	5.6%	23,835
VRS – POLITICAL SUBDIVISIONS								
2024	3,996	\$ 155,103,000	2,191	\$ 56,765,000	65,957	\$ 1,519,666,000	6.9%	\$ 23,040
2023	3,975	156,497,000	2,304	50,780,000	64,152	1,421,328,000	8.0%	22,156
2022	4,598	146,953,000	2,854	61,066,000	62,481	1,315,611,000	7.0%	21,056
2021	4,292	106,570,000	2,144	32,402,000	60,737	1,229,724,000	6.4%	20,247
2020	4,095	102,101,000	1,705	27,032,000	58,589	1,155,556,000	6.9%	19,723
2019	3,952	107,035,000	1,668	30,264,000	56,199	1,080,487,000	7.6%	19,226
2018	4,155	104,050,000	1,678	27,901,000	53,915	1,003,716,000	8.2%	18,617
2017	3,894	86,561,000	1,549	19,948,000	51,438	927,567,000	7.7%	18,033
2016	4,021	77,854,000	1,477	21,693,000	49,093	860,954,000	7.0%	17,537
2015	3,950	82,943,000	1,427	20,637,000	46,549	804,793,000	8.4%	17,289
VRS – TOTAL								
2024	11,668	\$ 596,910,000	7,460	\$ 285,050,000	220,984	\$ 5,615,043,000	5.9%	\$ 25,409
2023	11,796	548,622,000	7,479	267,645,000	216,776	5,303,183,000	5.6%	24,464
2022	12,205	475,427,000	7,181	169,902,000	212,459	5,022,206,000	6.5%	23,638
2021	13,241	365,278,000	6,924	146,446,000	207,435	4,716,681,000	4.9%	22,738
2020	12,633	369,352,000	5,618	113,124,000	201,118	4,497,849,000	6.0%	22,364
2019	12,067	309,556,000	5,432	101,892,000	194,103	4,241,621,000	5.1%	21,852
2018	12,444	272,010,000	4,944	93,004,000	187,468	4,033,957,000	4.6%	21,518
2017	12,348	313,032,000	5,067	90,733,000	179,968	3,854,951,000	6.1%	21,420
2016	11,912	289,092,000	4,719	89,997,000	172,687	3,632,652,000	5.8%	21,036
2015	11,297	303,240,000	4,574	83,618,000	165,494	3,433,557,000	6.8%	20,747

* Additions to allowances include added retirees and the annual COLA provided to existing retirees and beneficiaries.

FIGURE 4.1: ANALYSIS OF ACTUARIAL GAINS AND LOSSES – PENSION PLANS

FOR THE YEAR ENDED JUNE 30, 2024

(EXPRESSED IN THOUSANDS)

	VRS	SPORS	VaLORS	JRS	Total
A. Calculation of Expected Unfunded Actuarial Accrued Liability (UAAL)					
1. UAAL as of June 30, 2023	\$ 21,801,844	\$ 449,999	\$ 770,210	\$ 125,232	\$ 23,147,285
2. Normal Cost for Previous Year	2,617,025	30,514	57,086	23,545	2,728,170
3. Actual Contributions During the Year	(4,291,842)	(58,562)	(117,756)	(29,124)	(4,497,284)
4. Interest at Previous Year's Rate of 6.75%					
a. On UAAL	1,471,625	30,375	51,989	8,453	1,562,442
b. On Normal Cost	176,649	2,060	3,853	1,589	184,151
c. On contributions	(144,849)	(1,976)	(3,974)	(983)	(151,782)
d. Total	1,503,425	30,459	51,868	9,059	1,594,811
5. Expected UAAL as of June 30, 2024 (A1+A2+A3+A4)	21,630,452	452,410	761,408	128,712	22,972,982
6. Actual UAAL as of June 30, 2024	21,674,990	458,924	768,647	113,497	23,016,058
7. Total Gain/(Loss) (A5-A6)	(44,538)	(6,514)	(7,239)	15,215	(43,076)
B. Calculation of Asset Gain/(Loss)					
1. Actuarial Value of Assets (AVA) as of June 30, 2023	96,708,760	1,063,882	1,903,501	667,563	100,343,706
2. Contributions During the Year	4,291,842	58,562	117,756	29,124	4,497,284
3. Benefit Payments During the Year	(6,299,719)	(81,269)	(157,172)	(54,384)	(6,592,544)
4. Interest at Previous Year's Rate of 6.75%					
a. On AVA at Beginning of Year	6,527,842	71,812	128,486	45,061	6,773,201
b. On Contributions	144,849	1,976	3,974	983	151,782
c. On Benefit Payments	(212,616)	(2,743)	(5,305)	(1,835)	(222,499)
d. Total	6,460,075	71,045	127,155	44,209	6,702,484
5. Expected AVA as of June 30, 2024 (B1+B2+B3+B4)	101,160,958	1,112,220	1,991,240	686,512	104,950,930
6. Actual AVA as of June 30, 2024	102,879,012	1,131,058	2,024,638	698,566	106,733,274
7. Total Gain/(Loss) on Assets (B6-B5)	1,718,054	18,838	33,398	12,054	1,782,344
C. Calculation of Liability Gain/(Loss)					
1. Gain/(Loss) Due to Changes in Actuarial Assumptions	—	—	—	—	—
2. Gain/(Loss) Due to Plan Amendments	(3,054)	—	—	—	(3,054)
3. Gain/(Loss) Due to Change in Asset Method	—	—	—	—	—
4. Liability Experience Gain/(Loss) (A7-B7-C1-C2-C3)	\$ (1,759,538)	\$ (25,352)	\$ (40,637)	\$ 3,161	\$ (1,822,366)

FIGURE 4.2: ANALYSIS OF ACTUARIAL GAINS AND LOSSES – VRS PENSION PLANS

FOR THE YEAR ENDED JUNE 30, 2024

(EXPRESSED IN THOUSANDS)

	State	Teacher	Political Subdivisions	Total
A. Calculation of Expected Unfunded Actuarial Accrued Liability (UAAL)				
1. UAAL as of June 30, 2023	\$ 6,128,594	\$ 11,950,840	\$ 3,722,410	\$ 21,801,844
2. Normal Cost for Previous Year	533,952	1,133,887	949,186	2,617,025
3. Actual Contributions During the Year	(992,948)	(2,172,309)	(1,126,585)	(4,291,842)
4. Interest at Previous Year's Rate of 6.75%				
a. On UAAL	413,680	806,682	251,263	1,471,625
b. On Normal Cost	36,042	76,537	64,070	176,649
c. On Contributions	(33,512)	(73,315)	(38,022)	(144,849)
d. Total	416,210	809,904	277,311	1,503,425
5. Expected UAAL as of June 30, 2024 (A1+A2+A3+A4)	6,085,808	11,722,322	3,822,322	21,630,452
6. Actual UAAL as of June 30, 2024	6,051,719	12,022,101	3,601,170	21,674,990
7. Total Gain/(Loss) (A5-A6)	34,089	(299,779)	221,152	(44,538)
B. Calculation of Asset Gain/(Loss)				
1. Actuarial Value of Assets (AVA) as of June 30, 2023	22,997,717	46,810,231	26,900,812	96,708,760
2. Contributions During the Year	992,948	2,172,309	1,126,585	4,291,842
3. Benefit Payments During the Year	(1,738,536)	(2,987,254)	(1,573,929)	(6,299,719)
4. Interest at Previous Year's Rate of 6.75%				
a. On AVA at Beginning of Year	1,552,346	3,159,691	1,815,805	6,527,842
b. On Contributions	33,512	73,315	38,022	144,849
c. On Benefit Payments	(58,676)	(100,820)	(53,120)	(212,616)
d. Total	1,527,182	3,132,186	1,800,707	6,460,075
5. Expected AVA as of June 30, 2024 (B1+B2+B3+B4)	23,779,311	49,127,472	28,254,175	101,160,958
6. Actual AVA as of June 30, 2024	24,196,357	49,943,207	28,739,448	102,879,012
7. Total Gain/(Loss) on Assets (B6-B5)	417,046	815,735	485,273	1,718,054
C. Calculation of Liability Gain/(Loss)				
1. Gain/(Loss) Due to Changes in Actuarial Assumptions	—	—	—	—
2. Gain/(Loss) Due to Plan Amendments	—	—	(3,054)	(3,054)
3. Gain/(Loss) Due to Change in Asset Method	—	—	—	—
4. Liability Experience Gain/(Loss) (A7-B7-C1-C2-C3)	\$ (382,957)	\$ (1,115,514)	\$ (261,067)	\$ (1,759,538)

Actuarial Assumptions and Methods

On April 26, 2021, the VRS Board of Trustees adopted most of the actuarial assumptions and methods on the recommendation of its actuary. The assumptions for the pension plans include the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), the Virginia

Law Officers' Retirement System (VaLORS) and the Judicial Retirement System (JRS). They were based on an analysis of plan experience for the four-year period July 1, 2016, through June 30, 2020, and were used for the June 30, 2024, valuation.

ACTUARIAL ASSUMPTIONS AND METHODS: PENSION PLANS

FOR THE JUNE 30, 2024, VALUATION

Investment Return Rate: 6.75% per annum, compounded annually, composed of an assumed 2.50% inflation rate and a 4.50% real rate of return. Benefits are assumed to increase annually by 2.50% for Plan 1 members receiving benefits or vested as of January 1, 2013, and by 2.25% for all other members.

Mortality Rates

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally:

- State – Females set forward 2 years
- Teachers – Males 110% of rates
- State Police – Males 95% of rates, females 105% of rates set forward 2 years
- VaLORS – Males 95% of rates, females 105% of rates set forward 2 years
- Judicial – Males set forward 2 years
- Political subdivisions, non-hazardous duty – Males set forward 2 years, females 105% of rates set forward 3 years
- Political subdivisions, hazardous duty – Males 95% of rates, females 105% of rates set forward 2 years

Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally:

- State – Females 110% of rates
- Teachers – Males set forward 1 year, females 105% of rates
- State Police – Males 110% of rates, females 105% of rates set forward 3 years
- VaLORS – Males 110% of rates, females 105% of rates set forward 3 years
- Judicial – Males 95% of rates, females set back 2 years
- Political subdivisions, non-hazardous duty – Males 95% of rates set forward 2 years, females 95% of rates set forward 1 year
- Political subdivisions, hazardous duty – Males 110% of rates, females 105% of rates set forward 3 years

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally:

- State – Males and females set forward 3 years
- Teachers – Males and females 110% of rates
- State Police – Males 95% of rates set back 3 years, Females 90% of rates set back 3 years
- VaLORS – Males 95% of rates set back 3 years, Females 90% of rates set back 3 years
- Political subdivisions, non-hazardous duty – Males 110% of rates set forward 3 years, females 110% of rates set forward 2 years
- Political subdivisions, hazardous duty – Males 95% of rates set back 3 years, Females 90% of rates set back 3 years:

Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally:

- State – 110% of rates for males and females
- State Police – Males 110% of rates, Females set forward 2 years
- VaLORS – Males 110% of rates, Females set forward 2 years
- Political subdivisions, hazardous duty – Males 110% of rates, Females set forward 2 years

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

FIGURE 4.3: RETIREMENT RATES – PENSION PLANS

Sample rates of retirement for members eligible to retire are shown below.

State Employees

Plan 1 – Male						
Years of Service						
Age	5	6-9	10	11-29	30	≥31
50	0.00%	0.00%	3.25%	3.25%	12.50%	12.50%
55	4.50%	4.50%	4.50%	3.50%	8.00%	9.00%
59	4.50%	4.00%	4.00%	4.00%	10.00%	9.00%
60	4.50%	5.00%	5.00%	5.00%	11.50%	9.00%
61	15.00%	7.50%	7.50%	7.50%	17.00%	15.00%
62	15.00%	10.00%	10.00%	10.00%	17.00%	20.00%
64	15.00%	13.50%	13.50%	13.50%	17.00%	17.50%
65	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
67	27.50%	22.00%	22.00%	22.00%	22.00%	22.00%
70	20.00%	22.00%	22.00%	22.00%	22.00%	22.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Plan 1 – Female						
Years of Service						
Age	5	6-9	10	11-29	30	≥31
50	0.00%	0.00%	4.00%	4.00%	7.50%	7.50%
55	5.00%	5.00%	5.00%	4.00%	7.50%	8.00%
59	5.00%	5.00%	5.00%	5.00%	12.00%	9.00%
60	5.00%	5.50%	5.50%	5.50%	12.00%	12.50%
61	7.50%	8.00%	8.00%	8.00%	12.00%	16.00%
62	10.00%	12.00%	12.00%	12.00%	22.50%	20.00%
64	17.50%	15.00%	15.00%	15.00%	22.50%	17.50%
65	27.50%	27.50%	27.50%	27.50%	27.50%	30.00%
67	30.00%	25.00%	25.00%	25.00%	25.00%	25.00%
70	25.00%	27.00%	27.00%	27.00%	27.00%	27.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

State Employees

Plan 2 and Hybrid – Male							
Years of Service							
Age	30	31	33	35	37	39	≥40
50	0.00%	0.00%	0.00%	0.00%	0.00%	8.00%	8.00%
55	0.00%	0.00%	0.00%	8.00%	8.00%	8.00%	8.00%
59	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
62	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
64	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
65	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
67	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
70	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Rate is 11.50% when age plus service equals 90.

FIGURE 4.3: RETIREMENT RATES – PENSION PLANS, cont.

Sample rates of retirement for members eligible to retire are shown below.

Plan 2 and Hybrid – Female							
Years of Service							
Age	30	31	33	35	37	39	≥40
50	0.00%	0.00%	0.00%	0.00%	0.00%	8.00%	8.00%
55	0.00%	0.00%	0.00%	8.00%	8.00%	8.00%	8.00%
59	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
62	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
64	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
65	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
67	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
70	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Rate is 12.00% when age plus service equals 90.

Teachers

Plan 1 – Male						
Years of Service						
Age	5	6-9	10	11-29	30	≥31
50	0.00%	0.00%	2.50%	2.50%	15.00%	15.00%
55	7.00%	7.00%	7.00%	5.00%	22.50%	15.00%
59	10.00%	7.00%	7.00%	7.00%	22.50%	15.00%
60	10.00%	7.50%	7.50%	7.50%	22.50%	17.00%
61	11.00%	12.00%	12.00%	12.00%	35.00%	23.00%
62	17.00%	15.00%	15.00%	15.00%	35.00%	30.00%
64	18.00%	15.00%	15.00%	15.00%	35.00%	25.00%
65	30.00%	30.00%	30.00%	30.00%	30.00%	34.00%
67	30.00%	34.00%	34.00%	34.00%	34.00%	34.00%
70	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Plan 1 – Female						
Years of Service						
Age	5	6-9	10	11-29	30	≥31
50	0.00%	0.00%	3.00%	3.00%	15.00%	15.00%
55	4.50%	4.50%	4.50%	5.00%	22.50%	16.00%
59	8.00%	7.00%	7.00%	7.00%	22.50%	17.00%
60	9.00%	8.50%	8.50%	8.50%	30.00%	20.00%
61	25.00%	11.00%	11.00%	11.00%	30.00%	25.00%
62	25.00%	15.00%	15.00%	15.00%	35.00%	30.00%
64	25.00%	20.00%	20.00%	20.00%	35.00%	28.00%
65	35.00%	35.00%	35.00%	35.00%	35.00%	40.00%
67	30.00%	32.00%	32.00%	32.00%	32.00%	32.00%
70	30.00%	32.00%	32.00%	32.00%	32.00%	32.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

FIGURE 4.3: RETIREMENT RATES – PENSION PLANS, cont.

Sample rates of retirement for members eligible to retire are shown below.

Teachers

Plan 2 and Hybrid – Male							
Years of Service							
Age	30	31	33	35	37	39	≥40
50	0.00%	0.00%	0.00%	0.00%	0.00%	9.00%	9.00%
55	0.00%	0.00%	0.00%	9.00%	9.00%	9.00%	9.00%
59	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
60	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
61	14.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
62	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
64	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
65	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
67	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
70	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Rate is 22.50% when age plus service equals 90.

Plan 2 and Hybrid – Female							
Years of Service							
Age	30	31	33	35	37	39	≥40
50	0.00%	0.00%	0.00%	0.00%	0.00%	9.00%	9.00%
55	0.00%	0.00%	0.00%	9.00%	9.00%	9.00%	9.00%
59	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
60	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
61	14.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
62	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
64	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
65	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
67	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
70	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Rate is 22.50% when age plus service equals 90.

FIGURE 4.3: RETIREMENT RATES – PENSION PLANS, cont.

Sample rates of retirement for members eligible to retire are shown below.

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers Plan 1

Age	Male Years of Service					Female Years of Service				
	5	10	11-29	30	≥31	5	10	11-29	30	≥31
50	0.00%	6.50%	6.50%	10.00%	10.00%	0.00%	5.00%	5.00%	16.00%	16.00%
55	6.50%	6.50%	5.00%	10.00%	9.00%	7.00%	7.00%	5.50%	22.00%	15.00%
59	6.50%	4.00%	4.00%	10.00%	15.00%	10.50%	6.50%	6.50%	22.00%	16.00%
60	6.50%	6.00%	6.00%	10.00%	15.00%	10.50%	6.50%	6.50%	22.00%	16.00%
61	6.50%	9.00%	9.00%	10.00%	15.00%	10.50%	6.50%	6.50%	22.00%	16.00%
62	6.50%	9.00%	9.00%	25.00%	22.50%	10.50%	13.00%	13.00%	34.50%	25.00%
64	6.50%	15.00%	15.00%	25.00%	22.50%	10.50%	17.00%	17.00%	24.00%	27.50%
65	25.00%	25.00%	25.00%	25.00%	27.00%	28.00%	28.00%	28.00%	28.00%	27.50%
67	15.00%	25.00%	25.00%	25.00%	25.00%	15.00%	27.50%	27.50%	27.50%	27.50%
70	27.50%	20.00%	20.00%	20.00%	20.00%	15.00%	27.50%	27.50%	27.50%	27.50%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers Plan 2 and Hybrid

Age	Male Years of Service								
	5	6-25	30	31	33	35	37	39	≥40
50	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.00%	8.00%
55	0.00%	0.00%	0.00%	0.00%	0.00%	8.00%	8.00%	8.00%	8.00%
59	0.00%	0.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
62	20.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
64	10.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
65	25.00%	25.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
67	15.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
70	15.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

FIGURE 4.3: RETIREMENT RATES – PENSION PLANS, cont.

Sample rates of retirement for members eligible to retire are shown below.

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers Plan 2 and Hybrid, cont.

Age	Female Years of Service								
	5	6-25	30	31	33	35	37	39	≥40
50	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.00%	8.00%
55	0.00%	0.00%	0.00%	0.00%	0.00%	8.00%	8.00%	8.00%	8.00%
59	0.00%	0.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
62	20.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
64	10.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
65	25.00%	25.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
67	15.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
70	15.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – All Other Employers Plan 1

Age	Male Years of Service					Female Years of Service				
	5	10	11-29	30	≥31	5	10	11-29	30	≥31
50	0.00%	6.00%	6.00%	15.00%	15.00%	0.00%	5.00%	5.00%	10.00%	10.00%
55	10.00%	10.00%	6.00%	15.00%	11.00%	7.00%	7.00%	6.00%	12.00%	10.00%
59	10.00%	5.50%	5.50%	16.00%	10.00%	6.00%	5.50%	5.50%	10.00%	10.00%
60	10.00%	5.00%	5.00%	16.00%	12.00%	6.00%	6.50%	6.50%	15.00%	10.00%
61	10.00%	8.50%	8.50%	16.00%	16.00%	6.00%	9.50%	9.50%	20.00%	16.50%
62	10.00%	15.00%	15.00%	27.00%	22.00%	6.00%	14.50%	14.50%	20.00%	20.00%
64	10.00%	15.00%	15.00%	27.00%	18.00%	6.00%	14.50%	14.50%	35.00%	20.00%
65	30.00%	30.00%	30.00%	30.00%	30.00%	28.00%	28.00%	28.00%	28.00%	35.00%
67	30.00%	22.00%	22.00%	22.00%	22.00%	28.00%	22.00%	22.00%	22.00%	22.00%
70	30.00%	22.00%	22.00%	22.00%	22.00%	28.00%	22.00%	22.00%	22.00%	22.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

FIGURE 4.3: RETIREMENT RATES – PENSION PLANS, cont.

Sample rates of retirement for members eligible to retire are shown below.

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – All Other Employers Plan 2 and Hybrid

Male									
Years of Service									
Age	5	6-25	30	31	33	35	37	39	≥40
50	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.00%	8.00%
55	0.00%	0.00%	0.00%	0.00%	0.00%	8.00%	8.00%	8.00%	8.00%
59	0.00%	0.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	11.00%	9.00%	11.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
62	15.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
64	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
65	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
67	22.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
70	16.00%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Female									
Years of Service									
Age	5	6-25	30	31	33	35	37	39	≥40
50	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.00%	8.00%
55	0.00%	0.00%	0.00%	0.00%	0.00%	8.00%	8.00%	8.00%	8.00%
59	0.00%	0.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	11.00%	9.00%	11.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
62	15.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
64	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
65	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
67	22.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
70	16.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

FIGURE 4.3: RETIREMENT RATES – PENSION PLANS, cont.

Sample rates of retirement for members eligible to retire are shown below.

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers – All Plans

Age	Male Years of Service				Female Years of Service			
	5	6-24	25	≥26	5	6-24	25	≥26
50	6.50%	6.50%	20.00%	20.00%	6.00%	6.00%	25.00%	25.00%
55	6.50%	6.00%	25.00%	24.00%	6.00%	7.50%	25.00%	40.00%
59	6.50%	10.00%	21.00%	20.00%	6.00%	14.00%	25.00%	25.00%
60	21.00%	21.00%	21.00%	23.00%	15.00%	15.00%	15.00%	25.00%
61	37.50%	23.00%	23.00%	23.00%	15.00%	15.00%	15.00%	15.00%
62	37.50%	27.00%	27.00%	27.00%	15.00%	15.00%	15.00%	15.00%
63	37.50%	27.00%	27.00%	27.00%	15.00%	15.00%	15.00%	15.00%
64	37.50%	27.00%	27.00%	27.00%	15.00%	30.00%	30.00%	30.00%
≥70	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – All Other Employers – All Plans

Age	Male Years of Service				Female Years of Service			
	5	6-24	25	≥26	5	6-24	25	≥26
50	9.00%	9.00%	27.50%	27.50%	6.00%	6.00%	30.00%	30.00%
55	7.00%	7.50%	20.00%	20.00%	10.00%	9.00%	20.00%	30.00%
59	7.00%	12.00%	20.00%	24.00%	10.00%	12.00%	20.00%	25.00%
60	15.00%	15.00%	15.00%	24.00%	15.00%	15.00%	15.00%	25.00%
61	20.00%	24.00%	24.00%	24.00%	15.00%	25.00%	25.00%	25.00%
62	20.00%	27.50%	27.50%	27.50%	15.00%	25.00%	25.00%	25.00%
63	20.00%	27.50%	27.50%	27.50%	15.00%	25.00%	25.00%	25.00%
64	20.00%	27.50%	27.50%	27.50%	15.00%	25.00%	25.00%	25.00%
≥70	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

State Police Officers – All Plans

Age	Years of Service	
	5-24	≥25
50	10.00%	10.00%
55	6.00%	20.00%
59	10.00%	13.00%
60	10.00%	13.00%
≥70	100.00%	100.00%

FIGURE 4.3: RETIREMENT RATES – PENSION PLANS, cont.

Sample rates of retirement for members eligible to retire are shown below.

Virginia Law Officers – All Plans

Years of Service – Male				
Age	5	6-24	25	≥26
50	15.00%	15.00%	45.00%	45.00%
55	10.00%	8.00%	18.00%	25.00%
59	10.00%	12.00%	18.00%	20.00%
60	18.00%	18.00%	18.00%	30.00%
≥70	100.00%	100.00%	100.00%	100.00%

Years of Service – Female				
Age	5	6-24	25	≥26
50	15.00%	15.00%	37.50%	37.50%
55	10.00%	9.00%	25.00%	30.00%
59	10.00%	13.00%	30.00%	20.00%
60	20.00%	20.00%	20.00%	20.00%
≥70	100.00%	100.00%	100.00%	100.00%

Judges – All Plans

Age	Rate
60	10.00%
65	10.00%
70	25.00%
≥73	100.00%

FIGURE 4.4: DISABILITY RATES – PENSION PLANS

As shown below for selected ages.

State Employees

25% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0390%	0.0331%
30	0.0906%	0.2109%
40	0.2120%	0.3537%
50	0.4967%	0.6288%
60	0.6899%	0.7354%

Teachers

5% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0005%	0.0003%
30	0.0064%	0.0081%
40	0.0325%	0.0481%
50	0.1444%	0.1609%
60	0.3395%	0.3321%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers

20% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0048%	0.0011%
30	0.0071%	0.0230%
40	0.1392%	0.1338%
50	0.3835%	0.3298%
60	0.8081%	0.5296%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – All Other Employers

15% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0048%	0.0009%
30	0.0215%	0.0009%
40	0.1297%	0.0579%
50	0.4292%	0.2739%
60	0.6564%	0.6403%

FIGURE 4.4: DISABILITY RATES – PENSION PLANS, cont.

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers

70% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0187%	0.0121%
30	0.0523%	0.5583%
40	0.2668%	0.7943%
50	0.4997%	1.0903%
60	1.0554%	1.7878%

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – All Other Employers

45% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0014%	0.0050%
30	0.0575%	0.1568%
40	0.2182%	0.2007%
50	0.4161%	0.4127%
60	0.5745%	1.6052%

State Police Officers

85% of disability cases are assumed to be service-related.

Age	Rate
≤44	0.1938%
50	0.4807%
55	0.7697%
60	0.8967%
70	1.3680%

Virginia Law Officers

35% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.1426%	0.5426%
30	0.5842%	0.6594%
40	0.7929%	1.0013%
50	1.1649%	1.8214%
60	1.7820%	2.9010%
70	1.9200%	5.4994%

Judges

There are no assumed rates of disability prior to service retirement (for causes other than death or retirement).

FIGURE 4.5: TERMINATION RATES – PENSION PLANS

Withdrawal rates are based on age and years of service credit. Sample rates for selected ages and years of service are shown below for causes other than death, disability or retirement.

State Employees – All Plans

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Males											
Age	0	1	2	3	4	5	6	7	8	9	≥10
25	23.974%	21.579%	19.409%	17.424%	15.524%	13.693%	11.975%	10.595%	9.746%	9.732%	10.701%
35	17.716%	15.218%	13.247%	11.805%	10.829%	10.087%	9.383%	8.541%	7.535%	6.447%	5.388%
45	15.975%	11.918%	9.302%	7.949%	7.467%	7.461%	7.339%	6.905%	6.126%	4.945%	3.331%
55	15.197%	11.087%	8.483%	7.159%	6.658%	6.381%	6.149%	5.872%	5.613%	5.509%	5.439%
65	15.304%	13.450%	12.193%	11.472%	11.037%	—%	—%	—%	—%	—%	—%
SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Females											
Age	0	1	2	3	4	5	6	7	8	9	≥10
25	27.376%	26.249%	24.118%	21.199%	18.029%	15.160%	13.004%	11.112%	9.997%	10.375%	12.876%
35	20.766%	17.777%	15.365%	13.514%	12.123%	10.996%	9.994%	9.070%	8.104%	7.066%	5.980%
45	18.340%	13.974%	10.951%	9.110%	8.142%	7.776%	7.634%	7.404%	6.888%	5.803%	4.010%
55	16.001%	12.044%	9.383%	7.856%	7.120%	6.731%	6.491%	6.383%	6.463%	6.942%	7.765%
65	14.142%	12.453%	11.513%	11.187%	11.326%	—%	—%	—%	—%	—%	—%

Teachers – All Plans

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Males											
Age	0	1	2	3	4	5	6	7	8	9	≥10
25	19.207%	16.728%	14.515%	12.651%	11.200%	10.027%	8.948%	7.865%	7.114%	7.386%	8.326%
35	16.839%	14.734%	13.071%	11.712%	10.510%	9.374%	8.315%	7.322%	6.329%	5.217%	4.003%
45	18.182%	15.046%	12.547%	10.682%	9.330%	8.397%	7.608%	6.863%	5.924%	4.581%	2.657%
55	21.008%	16.464%	12.933%	10.382%	8.670%	7.536%	6.833%	6.318%	5.973%	5.790%	2.260%
65	24.063%	18.847%	14.805%	11.831%	9.792%	—%	—%	—%	—%	—%	—%
SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Females											
Age	0	1	2	3	4	5	6	7	8	9	≥10
25	18.376%	15.481%	13.758%	12.581%	11.260%	10.133%	9.186%	8.253%	6.911%	6.524%	7.704%
35	17.757%	15.500%	13.863%	12.610%	11.452%	10.307%	9.292%	8.399%	7.473%	6.273%	4.807%
45	15.616%	13.289%	11.458%	10.011%	8.846%	7.999%	7.497%	7.203%	6.668%	5.362%	2.476%
55	15.060%	12.499%	10.614%	9.285%	8.348%	7.597%	6.925%	6.342%	6.066%	6.295%	2.476%
65	18.831%	16.489%	14.798%	13.739%	13.130%	—%	—%	—%	—%	—%	—%

FIGURE 4.5: TERMINATION RATES – PENSION PLANS, cont.

**Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits –
Ten Largest Employers – All Plans**

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Males											
Age	0	1	2	3	4	5	6	7	8	9	≥10
25	28.989%	27.432%	26.526%	26.242%	26.375%	26.558%	26.297%	25.458%	23.734%	20.701%	15.866%
35	21.415%	19.378%	17.963%	17.076%	16.538%	16.121%	15.615%	14.808%	13.573%	11.801%	9.397%
45	17.894%	15.267%	13.230%	11.737%	10.675%	9.865%	9.232%	8.627%	7.933%	7.192%	5.296%
55	16.167%	13.384%	11.115%	9.363%	8.092%	7.311%	6.800%	6.512%	6.387%	6.264%	4.605%
65	14.654%	12.546%	10.779%	9.372%	8.367%	—%	—%	—%	—%	—%	—%

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Females											
Age	0	1	2	3	4	5	6	7	8	9	≥10
25	26.948%	24.864%	23.870%	23.584%	23.500%	23.043%	22.383%	21.351%	19.968%	18.230%	16.241%
35	21.697%	18.644%	16.712%	15.790%	15.565%	15.609%	15.458%	14.802%	13.451%	11.314%	8.392%
45	19.315%	15.196%	12.534%	11.170%	10.742%	10.776%	10.785%	10.381%	9.325%	7.535%	4.936%
55	17.544%	13.552%	10.836%	9.258%	8.536%	8.303%	8.149%	7.885%	7.414%	6.668%	5.673%
65	15.252%	12.880%	11.016%	9.645%	8.728%	—%	—%	—%	—%	—%	—%

**Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits –
All Other Employers – All Plans**

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Males											
Age	0	1	2	3	4	5	6	7	8	9	≥10
25	34.582%	30.879%	27.971%	25.872%	24.501%	23.668%	22.856%	21.758%	20.423%	18.923%	17.160%
35	26.103%	23.300%	21.169%	19.604%	18.413%	17.401%	16.467%	15.478%	14.272%	12.727%	10.921%
45	21.691%	18.002%	15.364%	13.656%	12.626%	11.997%	11.521%	11.013%	10.332%	9.373%	7.933%
55	18.678%	14.934%	12.243%	10.520%	9.586%	9.185%	9.042%	9.022%	9.123%	9.336%	9.555%
65	16.801%	14.540%	12.836%	11.667%	10.985%	—%	—%	—%	—%	—%	—%

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Females											
Age	0	1	2	3	4	5	6	7	8	9	≥10
25	32.508%	30.131%	27.509%	24.836%	22.591%	21.199%	20.768%	20.326%	19.626%	18.741%	17.582%
35	25.792%	22.474%	20.062%	18.479%	17.509%	16.848%	16.228%	15.456%	14.215%	12.254%	9.510%
45	21.851%	18.237%	15.746%	14.201%	13.248%	12.573%	11.969%	11.310%	10.459%	9.194%	7.283%
55	18.709%	15.590%	13.351%	11.857%	10.862%	10.068%	9.333%	8.825%	8.825%	8.825%	8.825%
65	17.656%	15.223%	13.387%	12.121%	11.334%	—%	—%	—%	—%	—%	—%

FIGURE 4.5: TERMINATION RATES – PENSION PLANS, cont.

**Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits –
Ten Largest Employers – All Plans**

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION		
Terminations Per 100 Members		
Years of Service	Males	Females
0	5.500%	7.000%
1	4.000%	7.000%
2	4.000%	7.000%
3	4.000%	5.000%
4	4.000%	5.000%
5	3.000%	5.000%
6	2.500%	3.000%
7	2.500%	3.000%
8	2.500%	3.500%
9	1.500%	1.500%
10 or more	1.000%	1.500%

**Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits –
All Other Employers – All Plans**

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION		
Terminations Per 100 Members		
Years of Service	Males	Females
0	11.000%	20.000%
1	11.000%	15.000%
2	9.500%	10.000%
3	8.500%	8.500%
4	7.500%	7.000%
5	6.500%	7.000%
6	6.500%	7.000%
7	4.000%	7.000%
8	4.000%	7.000%
9	4.000%	6.000%
10 or more	2.500%	3.500%

FIGURE 4.5: TERMINATION RATES – PENSION PLANS, cont.

State Police Officers – All Plans

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION	
Service	Rate
0	8.000%
1	6.000%
2	6.000%
3	6.000%
4	6.000%
5	6.000%
6	6.000%
7	3.000%
8	3.000%
9	3.000%
≥10	1.750%

Virginia Law Officers – All Plans

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION									
Years of Service – Males									
Age	0	1	2	3	4	5	6	7	8
25	36.285%	28.479%	23.294%	20.555%	19.714%	19.438%	18.892%	17.882%	17.232%
35	29.590%	24.719%	21.139%	18.685%	16.890%	15.650%	14.654%	13.513%	11.884%
45	24.947%	20.776%	17.527%	15.163%	13.800%	12.852%	11.960%	10.962%	9.617%
55	22.917%	17.523%	13.271%	10.157%	10.390%	—%	—%	—%	—%
65	23.923%	15.385%	8.724%	3.755%	6.679%	—%	—%	—%	—%
SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION									
Years of Service – Females									
Age	0	1	2	3	4	5	6	7	8
25	43.786%	33.985%	27.627%	24.458%	24.051%	24.937%	26.238%	26.963%	25.996%
35	35.591%	29.532%	25.008%	21.852%	19.421%	17.876%	16.674%	15.620%	14.391%
45	29.713%	25.007%	21.104%	17.970%	16.112%	14.777%	13.695%	12.161%	10.324%
55	27.168%	21.009%	16.023%	12.279%	13.911%	—%	—%	—%	—%
65	28.529%	17.815%	9.796%	4.508%	12.790%	—%	—%	—%	—%

Judges – All Plans

There are no assumed rates of withdrawal prior to service retirement for causes other than death, disability or retirement.

FIGURE 4.6: SALARY INCREASE RATES – PENSION PLANS

Sample salary increase rates are shown below.

State Employees

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown. It is assumed state employees who are covered under the Virginia Sickness and Disability Program (VSDP) receive a 3.50% annual increase in pay while disabled. This adjusted pay is used to determine deferred retirement benefits payable from the System.

Years of Service	Annual Step-Rate/Promotional Rates of Increase	Total Annual Rate of Increase
1	1.85%	5.35%
3	1.25%	4.75%
6	0.95%	4.45%
9	0.50%	4.00%
11-19	0.15%	3.65%
20 or more	0.00%	3.50%

Teachers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown.

Years of Service	Annual Step-Rate/Promotional Rates of Increase	Total Annual Rate of Increase
1	2.45%	5.95%
3	2.35%	5.85%
6	1.95%	5.45%
9	1.85%	5.35%
11	1.35%	4.85%
15	1.15%	4.65%
19	0.95%	4.45%
20 or more	—%	3.50%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown.

Years of Service	Annual Step-Rate/Promotional Rates of Increase	Total Annual Rate of Increase
1	1.85%	5.35%
3	1.25%	4.75%
6	0.95%	4.45%
9	0.50%	4.00%
11-19	0.15%	3.65%
20 or more	—%	3.50%

FIGURE 4.6: SALARY INCREASE RATES – PENSION PLANS, cont.

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – All Other Employers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown.

Years of Service	Annual Step-Rate/Promotional Rates of Increase	Total Annual Rate of Increase
1	1.85%	5.35%
3	1.25%	4.75%
6	0.95%	4.45%
9	0.50%	4.00%
11-19	0.15%	3.65%
20 or more	—%	3.50%

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown.

Years of Service	Annual Step-Rate/Promotional Rates of Increase	Total Annual Rate of Increase
1	1.25%	4.75%
3	1.25%	4.75%
6	0.90%	4.40%
9	0.90%	4.40%
11-19	0.50%	4.00%
20 or more	—%	3.50%

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – All Other Employers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown.

Years of Service	Annual Step-Rate/Promotional Rates of Increase	Total Annual Rate of Increase
1	1.25%	4.75%
3	1.25%	4.75%
6	0.90%	4.40%
9	0.90%	4.40%
11-19	0.50%	4.00%
20 or more	—%	3.50%

FIGURE 4.6: SALARY INCREASE RATES – PENSION PLANS, cont.

State Police Officers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown. It is assumed state police officers who are covered under the Virginia Sickness and Disability Program (VSDP) receive a 3.50% annual increase in pay while disabled. This adjusted pay is used to determine deferred retirement benefits payable from the System.

Years of Service	Annual Step-Rate/Promotional Rates of Increase	Total Annual Rate of Increase
1	1.25%	4.75%
3	1.25%	4.75%
6	0.90%	4.40%
9	0.90%	4.40%
10-19	0.50%	4.00%
20 or more	—%	3.50%

Virginia Law Officers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown. It is assumed Virginia law officers who are covered under the Virginia Sickness and Disability Program (VSDP) receive a 3.50% annual increase in pay while disabled. This adjusted pay is used to determine deferred retirement benefits payable from the System.

Years of Service	Annual Step-Rate/Promotional Rates of Increase	Total Annual Rate of Increase
1	1.25%	4.75%
3	1.25%	4.75%
6	0.90%	4.40%
9	0.90%	4.40%
10-19	0.50%	4.00%
20 or more	—%	3.50%

Judges

Salary increase rates are 4.00%.

ADDITIONAL INFORMATION ABOUT ACTUARIAL ASSUMPTIONS AND METHODS: PENSION PLANS

Percent Electing a Refund or Deferred Annuity (excluding JRS Members). Terminating members are assumed to elect a refund of their member contributions and accrued interest or a deferred annuity based on the option any given member would consider most valuable at the time of termination. The deferred annuity, if elected, is assumed to commence at the age at which the member first becomes eligible for an unreduced benefit.

Provision for Expense. The assumed investment return represents the anticipated net rate of return after payment of all administrative expenses.

Asset Valuation Method. The method of valuing assets is intended to recognize a “smoothed” market value of assets. Under this method, the difference between actual return on market value from investment experience and the expected return on market value is recognized over a five-year period. The resulting actuarial value of assets cannot be less than 80% or more than 120% of the market value of assets.

Actuarial Cost Method. The valuation was prepared using the entry age normal actuarial cost method. Under this method, a calculation is made for pension benefits to determine the uniform and constant percentage rate of employer contributions that – if applied to the compensation of the average new member during the entire period of his or her anticipated covered service – would be required in addition to the contributions of the member to meet the cost of all benefits payable on the member’s behalf.

The unfunded actuarial accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions and member contributions from the present value of expected benefits to be paid from VRS. The accrued liability contribution amortizes

the balance of the unfunded accrued liability over a period of years from the valuation date.

Actuarial Gains and Losses. Actuarial gains and losses are reflected in the unfunded actuarial accrued liability and are amortized as part of that balance.

Payroll Growth Rates. For state employees, teachers and members of SPORS, VaLORS and JRS, the payroll growth rate is assumed to be 3.00% based on a zero population growth assumption. For political subdivision employees, the payroll growth rate also is assumed to be 3.00% based on a zero population growth assumption.

Funding Period. On October 19, 2023, the VRS Board adopted a change to the VRS Funding Policy Statement which generally reset the amortization period to 20 years for the total unfunded actuarial accrued liability as of June 30, 2023. Prior to this change, the legacy unfunded actuarial accrued liability, less the deferred contribution as of June 30, 2013, was amortized over a closed 30-year period from June 30, 2013. The amortization period of the unfunded, less the deferred contribution, had decreased by one each year until reaching 0 years. The actuarial gains and losses and other changes in the unfunded liability due to benefits and actuarial assumption and method changes for each valuation subsequent to the June 30, 2013, valuation had been amortized over a closed 20-year period. The deferred contribution, as defined under the 2011 Appropriations Act, Item 469(I)(6), has been paid for all plans as of June 30, 2021.

Cost-of-Living Adjustment (COLA). For Plan 1 employees receiving benefits or vested as of January 1, 2013, the COLA is assumed to be 2.50% per year compounded annually for the Basic Benefit option. The hazardous duty supplement for Plan 1 SPORS members, VaLORS members and political subdivision employees receiving enhanced hazardous duty benefits is assumed to increase at an inflation rate of 2.50% per year compounded

annually. For Plan 1 employees who were not vested as of January 1, 2013, Plan 2 employees and Hybrid Retirement Plan employees, the COLA is assumed to be 2.25% per year compounded annually.

Summary of Pension Plan Provisions

Retirement Plans

ADMINISTRATION

The Virginia Retirement System (the System) pension Plan 1, Plan 2 and Hybrid Retirement Plan are administered by the Board of Trustees of the System. Plan 2 was established during the 2010 session of the General Assembly, and its provisions were effective for members hired between July 1, 2010, and December 31, 2013. In addition, Plan 1 members who were not vested as of January 1, 2013, are also in Plan 2. The hybrid plan was established for all non-hazardous duty employees hired on or after January 1, 2014.

TYPES OF PLANS

1. Virginia Retirement System (VRS), effective March 1, 1952. VRS is a qualified governmental pension system that administers two defined benefit structures, Plan 1 and Plan 2, and a Hybrid Retirement Plan with a benefit structure that combines both defined benefit and defined contribution features. The Governmental Accounting Standards Board (GASB) defines VRS as an agent multiple-employer public employee retirement system. Covered employees include full-time permanent, salaried state employees; faculty members of the state's public colleges and universities who do not elect to participate in an optional retirement plan (ORP); teachers and administrative employees of the state's local public school divisions; and employees of Virginia cities, towns, counties and other political subdivisions that have elected to participate in VRS. Some part-time permanent, salaried state employees also are covered under VRS. VRS has separate cost-sharing pools for state and school employers.

Members are covered under Plan 1, Plan 2 or the hybrid plan according to their membership date:

- **Plan 1:** Membership date is July 1, 2010, with at least five years of service on January 1, 2013, and have not taken a refund. Members are covered under Optional Retirement Plan (ORP) 1 if they have an ORP membership date before July 1, 2010, and maintain an account balance. If the member had a pre-July 1, 2010, ORP account balance and moved to a defined benefit plan, the member must have any combination of VRS service credit and/or ORP participation that totals five years as of January 1, 2013, to be considered a Plan 1 member.
- **Plan 2:** Membership date is from July 1, 2010, to December 31, 2013, and have not taken a refund. Additionally, members are covered under Plan 2 if they have a membership date prior to July 1, 2010, but were not vested before January 1, 2013. Members are covered under ORP 2 if they have an ORP membership date on or after July 1, 2010, and maintain an account balance. If a member of VaLORS, SPORS, VRS with enhanced hazardous duty benefits or the hazardous duty alternate option was hired on or after July 1, 2010, the member is in Plan 2, even if the membership date is after December 31, 2013.
- **Hybrid Retirement Plan:** Membership date is on or after January 1, 2014, or is a Plan 1 or Plan 2 member who elected, during a one-time opt-in period, to be covered under the hybrid plan. Employees in positions with hazardous duty benefits are not eligible to participate in the hybrid plan and become members of Plan 2. If the member was hired on or after January 1, 2014, and was eligible for an ORP, the member must elect the ORP or the hybrid plan. If the member has prior service under Plan 1 or Plan 2, the member is not eligible to elect the hybrid plan and will choose between the ORP or the applicable VRS defined benefit plan.

2. Single-Employer Public Employee Retirement Systems as Defined by GASB. The provisions for the Plan 1 and Plan 2 benefit structures for the following systems are the same as those for VRS:

- State Police Officers' Retirement System (SPORS) established July 1, 1950, for full-time permanent, salaried state police officers.
- Virginia Law Officers' Retirement System (VaLORS) established October 1, 1999, for full-time permanent, salaried Virginia law officers other than state police.
- Judicial Retirement System (JRS) established July 1, 1970, for full-time permanent, salaried state judges and other qualifying employees. Members hired on or after January 1, 2014, are covered under the hybrid plan.

MEMBER CONTRIBUTIONS

Member contributions vary by plan.

Defined Benefit: Active members in Plan 1 and Plan 2 contribute 5% of their creditable compensation per year. Active members in the hybrid plan contribute 4% of their creditable compensation per year. Members' contribution accounts accrue 4% interest each year, calculated on the balance as of the previous June 30. Contributions paid by employers on behalf of employees are governed by Section 414(h) of the Internal Revenue Code.

Defined Contribution: Active members in the hybrid plan are required to contribute 1% of their creditable compensation per year to the defined contribution component of the hybrid plan. Active members can make additional voluntary contributions of up to 4% of their creditable compensation.

CREDITABLE COMPENSATION

Creditable compensation is the member's current annual base salary excluding overtime; extraordinary pay; bonus pay; housing and moving expenses; mobile device and internet costs; vehicle allowances; termination pay for leave; non-permanent shift

differentials; payments of a temporary nature including but not limited to acting pay (if not permanently confirmed for the position); or payments for extra duties, such as pay for teachers who serve as coaches. A member's election to defer salary to a deferred compensation plan, such as a 403(b), a 457(b) or a 125 plan, may only be included in creditable compensation if the member voluntarily elects the deferral, the deferral is not conditional or performance based, and the deferral would otherwise be included in the member's gross income. Other exclusions apply.

AVERAGE FINAL COMPENSATION

Average final compensation is one of the factors used to calculate the member's retirement benefit.

Plan 1. Average of the member's 36 consecutive months of highest creditable compensation as a covered employee.

Plan 2 and Hybrid Retirement Plan. Average of the member's 60 consecutive months of highest creditable compensation as a covered employee.

VESTING

VRS members become vested after accumulating five years of service credit.

SERVICE CREDIT

1. VRS; SPORS and VaLORS Members in Plan 1 and Plan 2; and Hybrid Retirement Plan. These members receive one month of service credit for each month they are employed in a covered position and the employer is contributing to the System.

2. JRS Members in Plan 1. Judges appointed or elected to an original term before January 1, 1995, receive one month of service credit multiplied by a weighting factor of 3.5 for each month they are employed in a JRS-covered position and the employer is contributing to the System. The weighting factor for judges appointed or elected on or after January 1, 1995, but before July 1, 2010, is 2.5. Judges appointed or elected to an original term

between July 1, 2010, and December 31, 2013, receive one month of service credit multiplied by a weighting factor of 2.5 if appointed or elected to an original term and were at least 55 years old; 2.0 if appointed or elected to an original term and were at least 45 years old but less than 55 years old; or 1.5, if appointed or elected to an original term and were less than 45 years old.

3. JRS Members in Plan 2 and Hybrid Retirement Plan.

Judges appointed or elected to an original term between July 1, 2010, and December 31, 2013, receive one month of service credit multiplied by a weighting factor of 2.5 if appointed or elected to an original term and were at least 55 years old; 2.0 if appointed or elected to an original term and were at least 45 years old but less than 55 years old; or 1.5, if appointed or elected to an original term and were less than 45 years old.

PRIOR SERVICE CREDIT

Members may purchase prior service as credit in their plan. Eligible prior service includes active duty military service; full-time salaried federal service; full-time salaried public service with an employer or school system of another state or United States territory, or with a Virginia public employer that does not participate in VRS; non-covered service with a VRS-participating employer; approved leave from a VRS-covered position for the birth, adoption or death of a child; Family and Medical Leave Act (FMLA) leave for a serious health condition (as defined under FMLA) of the member or an immediate family member, also as defined under FMLA; approved educational leave; unused sick leave at retirement, if the member is eligible; and VRS-refunded service. Members also can apply for no-cost military leave, provided they are not dishonorably discharged, return to covered employment within one year of discharge and do not take a refund of their member contributions and interest.

Prior service credit counts toward vesting, eligibility for retirement and eligibility for the health insurance credit, if offered by the employer. Prior service

credit for refunded VRS hazardous duty service or for an eligible period of leave while covered under VRS in a hazardous duty position also counts toward the hazardous duty supplement for eligible members, provided they purchase or, in the case of no-cost military leave, are granted this service. Other types of prior service credit, such as active duty military service or hazardous duty service with a non-VRS participating employer, do not count toward the supplement.

Members may arrange to purchase prior service through a lump-sum payment using a personal check; a trustee-to-trustee transfer of funds or a pretax rollover of funds; an after-tax payroll deduction agreement or a pretax salary reduction agreement (if the employer offers the pretax salary reduction option); or a combination of these methods. Other special rules and limits govern the purchase of prior service.

The cost basis and eligibility periods for members are as follows:

VRS Refunded Service. The purchase cost is based on the refund amount, plus interest compounded annually from the date of the refund to the date the member buys back the service. The interest rate is the assumed rate of return of the VRS fund. The member may purchase all refunded service or a portion at any time while an active VRS member.

Other Types of Eligible Service. The two-year cost window to purchase most types of service at approximate normal cost begins upon employment in a VRS-covered position or following an eligible period of leave. If the member does not purchase prior service within the two-year window and leaves employment or takes a leave of absence without pay, the window temporarily closes until the member returns to active VRS-covered employment. If the member does not purchase the service within the two-year window, the cost shifts to an actuarial equivalent cost.

NORMAL (UNREDUCED) AND REDUCED RETIREMENT ELIGIBILITY AND BENEFIT CALCULATIONS

EARLIEST UNREDUCED RETIREMENT ELIGIBILITY

PLAN 1	PLAN 2 & HYBRID PLAN	BENEFIT CALCULATIONS
<p>VRS: Age 65 with at least five years of service credit, or age 50 with at least 30 years of service credit.</p> <p>NOTE: Some political subdivisions require employees to reach age 55 with at least 30 years of service credit.</p>	<p>Normal Social Security retirement age with at least five years of service credit or when age and service equal 90.</p> <p><i>Example:</i> Age 60 with 30 years of service credit.</p>	<ul style="list-style-type: none"> Plan 1: 1.70% of average final compensation X years of service. Plan 2: 1.65% of average final compensation X years of service. Hybrid Retirement Plan: 1.00% of average final compensation X years of service for the defined benefit component. <p>NOTE: Plan 2 and Hybrid Retirement Plan members could have a bifurcated multiplier. For example, Plan 2 members with a membership date prior to July 1, 2010, have a 1.70% multiplier on any service earned, purchased or granted prior to January 1, 2013, and a 1.65% multiplier on any service earned, purchased or granted on or after January 1, 2013.</p>
<p>SPORS, VaLORS and political subdivision hazardous duty covered employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p>SPORS, VaLORS and political subdivision hazardous duty covered employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit. (Hybrid plan not applicable.)</p>	<ul style="list-style-type: none"> SPORS, sheriffs and regional jail superintendents: 1.85% of average final compensation for each year of service credit. VaLORS: 1.70% (if membership date in VaLORS was before July 1, 2001, and member has at least 20 years of service credit) or 2.00% of average final compensation for each year of service credit as elected by the member. <i>Note:</i> VaLORS members retiring under the 2.00% multiplier are not eligible for the hazardous duty supplement. All other VaLORS members receive 2.00% of average final service X years of hazardous duty service plus 1.70% of average final compensation X years of non-hazardous service. <i>Note:</i> VaLORS members retiring under the 2.00% multiplier are not eligible for the hazardous duty supplement. Political subdivision hazardous duty employees: 1.70% or 1.85% of average final compensation for each year of service credit, as elected by the employer.

NORMAL (UNREDUCED) AND REDUCED RETIREMENT ELIGIBILITY AND BENEFIT CALCULATIONS, cont.

EARLIEST UNREDUCED RETIREMENT ELIGIBILITY

PLAN 1	PLAN 2 & HYBRID PLAN	BENEFIT CALCULATIONS
JRS: Age 65 with at least five years of weighted service credit or age 60 with at least 30 years of weighted service credit	Same as Plan 1.	<p>Plan 1 and Plan 2:</p> <ul style="list-style-type: none"> If appointed or elected to an original term prior to January 1, 2013: 1.70% of average final compensation for each year of service credit. If appointed or elected to an original term between January 1, 2013, and December 31, 2013: 1.70% on non-JRS service earned, purchased or granted before the date of appointment or election to an original term and 1.65% on JRS service earned, purchased or granted on or after the date of appointment or election to an original term. <p>Hybrid Retirement Plan:</p> <ul style="list-style-type: none"> 1.00% of average final compensation for each year of service credit beginning on the date of appointment or election to an original term.

EARLIEST REDUCED RETIREMENT ELIGIBILITY

PLAN 1	PLAN 2 & HYBRID PLAN	BENEFIT CALCULATIONS
VRS: Age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.	Age 60 with at least five years of service credit.	<ul style="list-style-type: none"> VRS Plan 1, JRS Plan 1, JRS Plan 2 and JRS Hybrid, SPORS, VaLORS and political subdivision hazardous duty covered Plan 1 and Plan 2 members who are at least age 55 (age 50 for SPORS, VaLORS and political subdivision hazardous duty covered members): A reduction is applied of 0.50% per month for the first 60 months and 0.40% for the next 60 months the member is away from meeting unreduced retirement eligibility. <p>For VRS Plan 1 members, an additional reduction of 0.60% is applied for each month the member's age precedes age 55.</p>
SPORS, VaLORS and political subdivision hazardous duty covered employees: Age 50 with at least five years of service credit.	Same as Plan 1.	
JRS: Age 55 with at least five years of weighted service credit.	Same as Plan 1.	

BENEFIT PAYOUT OPTIONS

VRS members eligible for retirement must elect one of the following benefit payout options when they apply for retirement. This election is irrevocable, except for the Survivor Option under certain circumstances. These options are available on an actuarially equivalent basis:

1. Basic Benefit. Members may choose the Basic Benefit, which is the unreduced benefit amount. An early retirement reduction factor is applied for the reduced benefit. The Basic Benefit does not provide a continuation of a lifetime monthly benefit to a survivor.

2. Survivor Option. Members may choose a whole percentage of their benefit, between 10% and 100%, to continue as a lifetime benefit to a survivor upon their death. The member's benefit is actuarially reduced accordingly.

3. Basic Benefit With the Partial Lump-Sum Option Payment (PLOP) or Survivor Option With the PLOP. This option is available with the Basic Benefit and the Survivor Option. Members who are in active service for one or more years beyond the date they become eligible for an unreduced retirement benefit may elect the Basic Benefit with the PLOP or Survivor Option with the PLOP and accrued interest equal to one, two or three times their annual retirement benefit, depending on how long they work beyond their unreduced retirement eligibility date. The monthly benefit is actuarially reduced accordingly.

4. Advance Pension Option. With this option, members elect to receive a temporary higher benefit until an age selected by the member, between age 62 and the normal retirement age under Social Security. At that point, the monthly benefit is permanently reduced on an actuarially equivalent basis. The benefit can never be reduced by more than 50%. The Advance Pension Option does not provide a continuation of a benefit to a survivor.

PAYMENT FORM

The retirement benefit is paid as a lifetime monthly annuity. Upon the member's death in retirement,

the member's beneficiary receives a lump-sum payment of any remaining member contributions and accrued interest in the member's account. If the member has elected the Survivor Option, a lifetime monthly benefit is paid to his or her survivor instead of a lump-sum payment.

HAZARDOUS DUTY SUPPLEMENT

An annual supplement is payable to members of SPORS and VRS political subdivision members eligible for enhanced hazardous duty coverage who retire with at least 20 years of eligible hazardous duty service credit. The supplement begins when they retire and continues until they reach their normal retirement age under Social Security.

VaLORS members retiring under the 1.70% multiplier who have at least 20 years of eligible hazardous duty service credit receive the supplement beginning when they retire and continuing until age 65; VaLORS members retiring under the 2.00% multiplier are not eligible for the supplement. Vested members hired in eligible hazardous duty positions before July 1, 1974, are not required to have 20 years of hazardous duty service credit to qualify for the supplement, provided they take an immediate annuity.

The supplement is a dollar amount added to the member's monthly retirement benefit payment. It is adjusted biennially based on increases in Social Security benefits during interim periods, as determined by the VRS actuary.

COST-OF-LIVING ADJUSTMENT (COLA)

The cost-of-living adjustment (COLA) is an annual increase in your retirement benefit that allows it to keep pace with inflation. If a member retires with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

If a member retires with a reduced benefit with fewer than 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the date the member would have become

eligible for an unreduced benefit. Exceptions to the COLA effective dates are listed in Figure 2.10 in the Financial Section.

The COLA is effective each July 1 thereafter, when provided. During periods of no inflation or deflation, the COLA is zero (0.00%).

The COLA is calculated based on changes in the Consumer Price Index for all Urban Consumers (CPI-U) as follows:

1. The CPI-U for the most recent calendar year used to determine the VRS COLA is subtracted from the most recent average annual CPI-U to arrive at the index point change.
2. The index point change is divided by the CPI-U for the most recent calendar year in which a COLA was paid.
3. The result is multiplied by 100 to convert it to a percentage. Under Plan 1, automatic cost-of-living increases are calculated as the first 3.00% of the increase of the CPI-U, plus half of each percentage increase from 3.00% to 7.00%.

Under Plan 2 and the Hybrid Retirement Plan, automatic cost-of-living increases are calculated as the first 2.00% of the increase of the CPI-U, plus half of each percentage increase from 2.00% to 4.00%, with a maximum COLA increase of 3.00%.

Refunds and Deferred Membership

1. Refunds. Vested members in Plan 1, Plan 2 and the Hybrid Retirement Plan who leave or are involuntarily separated from employment for causes other than job performance or misconduct are eligible for a full refund of their member contribution account balance, including accrued interest. Non-vested members are eligible for a refund of the balance, excluding any employer-paid member contributions made to their accounts after July 1, 2010, and the accrued interest on these contributions.

Hybrid plan members are also immediately vested to any funds they contribute to the defined contribution component of their plan. They become vested over a four-year period to the funds their employer contributes on their behalf. Members with fewer than two years of service credit forfeit the employer contributions.

Taking a refund cancels membership and eligibility for any future benefits under the retirement plans. Members who take a refund and return to covered employment will be rehired under the currently applicable plan. They are then eligible to purchase their VRS refunded service as credit in their plan.

2. Deferred membership. Members separating from employment have the option to leave their funds with VRS and become deferred members. If they are vested or involuntarily separated from employment, they may be eligible for a future retirement benefit if they meet the age and service requirements for their plan. The benefit is calculated based on the member's service credit and average final compensation at the time of separation. Upon the member's death, the member's beneficiary receives a lump-sum payment of any remaining member contributions and accrued interest. If the member retires and elects the Survivor Option, a lifetime monthly benefit is paid to the survivor upon the member's death.

Deferred members remain eligible to receive a full or partial refund of their member contribution account balance, depending on whether or not they are vested. If a deferred member returns to covered employment, member contributions and the service credit the member earns upon reemployment are added to the member's record.

Death-in-Service Benefit

If a member dies while in active service, his or her named beneficiary or spouse, natural or legally adopted minor child or parent may be eligible for a death-in-service benefit in addition to VRS life insurance benefits, if applicable.

NON-WORK-RELATED CAUSE OF DEATH

If the member dies from a non-work-related cause, the member's named beneficiary will be eligible for a refund of any funds remaining in the member's contribution account. If the member is vested at the time of death and his or her spouse, minor child or parent is one of the member's named beneficiaries or is the beneficiary based on order of precedence, he or she will be eligible for a refund or a monthly benefit to the exclusion of all other primary beneficiaries. Any benefits minor children receive will end when they reach age 18. If the member is vested and his or her spouse, minor child or parent is not one of the member's named beneficiaries, or is not the beneficiary based on order of precedence, that beneficiary will be eligible for a lump-sum payment only. If the member is not vested at the time of death, his or her spouse, minor child or parent will be eligible for a lump-sum payment only, which will be shared with any other primary beneficiaries the member has designated, if applicable.

The monthly non-work-related benefit is a lifetime monthly annuity based on the 100% Survivor Option. Members covered under Plan 1 who die before age 55 are assumed to be age 55 at the time of death for the purpose of calculating the benefit. The calculation for members covered under Plan 2 and the Hybrid Retirement Plan uses age 60. The calculation for Plan 1 and Plan 2 members of SPORS and VaLORS, and for VRS members eligible for enhanced hazardous duty coverage, uses age 50.

WORK-RELATED CAUSE OF DEATH

If the member dies from a work-related cause, the member's named beneficiary will be eligible for a lump-sum payment of any funds remaining in the member's contribution account. In addition, the member's spouse, minor child or parent will be eligible for a monthly benefit, whether or not this individual is a named beneficiary.

The monthly work-related benefit is a lifetime monthly annuity based on 33⅓% of the member's average final compensation if the spouse, minor

child or parent qualifies for Social Security survivor benefits, or 50% of the member's average final compensation if the spouse, minor child or parent does not qualify for Social Security survivor benefits. The benefit is then adjusted by any workers' compensation survivor benefits.

Disability Benefits

DISABILITY RETIREMENT

Plan 1 and Plan 2 members who are not covered under the Virginia Sickness and Disability Program (VSDP) are eligible to apply for disability retirement from the first day of covered employment if they have a physical or cognitive disability that prevents them from performing their job and is likely to be permanent. Members covered under Plan 1 and Plan 2 who retire on disability before age 60 are credited with the lesser of (1) twice their total service credit at disability retirement; or (2) their total service credit plus the number of years remaining between their age at disability retirement and age 60.

The disability benefit for non-vested members is the minimum guaranteed benefit, which is either (1) 50% of the member's average final compensation (66⅔% if the disability is work-related) if the member does not qualify for Social Security disability benefits; or (2) 33⅓% of average final compensation (50% if the disability is work-related) if the member qualifies for Social Security disability benefits.

If a member is vested and has a non-work-related disability, the amount of the disability retirement benefit will be the VRS formula amount, as described below, or the guaranteed benefit, whichever is higher.

For vested members under age 60, the benefit will be equal to 1.70% for Plan 1 members or 1.65% for Plan 2 members of average final compensation multiplied by (a) twice the amount of total service credit or (b) actual service credit plus the number of years remaining between the member's age at disability retirement and age 60, whichever is less.

For vested members age 60 or older, the benefit will be equal to 1.70% for Plan 1 members or 1.65% for Plan 2 members of average final compensation multiplied by total service credit.

The benefit for members retiring on work-related disability is reduced by any workers' compensation benefits. The payout options available to members retiring on disability are the Basic Benefit and Survivor Option.

VIRGINIA SICKNESS AND DISABILITY PROGRAM

The Virginia Sickness and Disability Program (VSDP) was established on January 1, 1999, to provide income protection to state employees covered under VRS, SPORS and VaLORS if they suffer a non-work-related or work-related illness or injury. Enrollment in VSDP is automatic upon employment. State employees hired before January 1, 1999, had the option to elect VSDP or retain their eligibility to be considered for disability retirement. Employees enrolled in VSDP are not eligible to retire on disability. Additional information about VSDP is provided in the "Summary of Other Post-Employment Benefit (OPEB) Plan Provisions" in the next discussion on OPEBs. Additional information also is provided in the Financial Section.

VIRGINIA LOCAL DISABILITY PROGRAM

The Virginia Local Disability Program (VLDP) was implemented January 1, 2014, to provide Hybrid Retirement Plan members short-term and long-term disability benefits for non-work-related and work-related disabilities. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage.

Eligible employees include:

- Teachers or other professional employees of a local public school division.
- General employees of a VRS-participating political subdivision, such as a city, county, town, authority or commission.
- Local law enforcement officers, firefighters or emergency medical technicians if the employer does not provide enhanced hazardous duty benefits.

Additional information about VLDP is provided in the "Summary of Other Post-Employment Benefit (OPEB) Plan Provisions" in the next discussion on OPEBs. Additional information also is provided in the Financial Section.

Summary of Pension Plan Changes

The following actuarially material changes have occurred to the pension plan provisions in recent years.

2012 VALUATION: In 2012 House Bill 1130/Senate Bill 498 was enacted and was effective on January 1, 2013.

The changes resulting from this legislation are as listed below:

1. Active non-vested members of Plan 1 have their Average Final Compensation based on the highest 60 consecutive months of service instead of the highest 36 consecutive months of service. This provision applies to all plans.
2. Active non-vested members of Plan 1 and all Plan 2 members accrue benefits at 1.65% as of the effective date. This provision applies to the state and teacher plans and to members in political subdivision plans who are not covered by hazardous duty benefits.
3. Active members in the judicial plan hired after January 1, 2013, accrue benefits at 1.65%.
4. Active non-vested members of Plan 1 have to satisfy the Rule of 90 (sum of age and service is at least 90) or reach their Social Security normal retirement age to be eligible for unreduced retirement. These same members must attain age 60 with five years of service to be eligible for early retirement. This provision applies to the state and teacher plans and to members of political subdivision plans who are not covered by hazardous duty benefits.
5. Non-vested members of Plan 1 and all members of Plan 2 have a maximum cost-of-living adjustment (COLA) of 3.00%. This provision applies to all plans.
6. All active employees not within five years of eligibility for an unreduced retirement as of January 1, 2013, and retiring with fewer than 20 years of service have their cost-of-living adjustment (COLA) deferred to one year following their unreduced retirement date after beginning to receive benefits. All active employees within five years of eligibility for unreduced retirement as of January 1, 2013, are grandfathered into the old provisions with no deferral of the COLA.

2013 VALUATION: No actuarially material changes are made to the plan provisions. There are two changes of note:

1. On June 20, 2013, the Board adopts the recommended economic and demographic assumptions proposed by the actuary as a result of the June 2012 experience study.
2. Changes noted in the 2012 valuation information, with effective dates in fiscal year 2013, were implemented.

2014 VALUATION: No actuarially material changes are made to the plan provisions. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan covers eligible employees hired on or after January 1, 2014, in the state, teacher and judicial plans or Plan 1 and Plan 2 members who elected, during a one-time opt-in period, to be covered under the hybrid plan. The hybrid plan does not apply to members in the SPORS and VaLORS plans. The hybrid plan consists of defined benefit plan and defined contribution plan components.

2015 VALUATION: No actuarially material changes are made to the plan provisions. There are two changes of note:

1. An administrative expense charge was added to the employer contribution rates to cover administrative expenses.
2. The retirement rates for the judicial plan were extended to age 73 to reflect the change in the mandatory retirement age to 73.

2016 VALUATION: No actuarially material changes are made to the plan provisions.

2017 VALUATION: No actuarially material changes are made to the plan provisions. There is one change of note: On April 26, 2017, the Board adopts the recommended economic and demographic assumptions proposed by the actuary as a result of the June 2016 experience study.

2018 VALUATION: No actuarially material changes are made to the plan provisions.

2019 VALUATION: The investment rate was decreased from 7.00% per annum to 6.75% per annum.

2020 VALUATION: No actuarially material changes are made to the plan provisions.

2021 VALUATION: No actuarially material changes are made to the plan provisions. There is one change of note: On April 20, 2021, the Board adopts the recommended economic and demographic assumptions proposed by the actuary as a result of the June 2020 experience study.

2022 VALUATION: No actuarially material changes are made to the plan provisions.

2023 VALUATION: No actuarially material changes are made to the plan provisions.

2024 VALUATION: No actuarially material changes are made to the plan provisions.

Actuary's Certification Letter: Other Post-Employment Benefit (OPEB) Plans



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February 7, 2025

Board of Trustees
Virginia Retirement System
1200 E. Main Street
Richmond, VA 23219

Re: Virginia Retirement System Actuarial OPEB Valuation as of June 30, 2024
Actuarial Disclosures – VRS OPEB Plans

Dear Trustees:

The results of the June 30, 2024 Annual Actuarial Valuation of the Virginia Retirement System (VRS) Other Post Employment Benefits (OPEB) Plans are presented in this report (see <https://employers.varetire.org/media/shared/pdf/valuations/valuation-report-opeb-2024.pdf>). This report [the GRS report, not the *Annual Comprehensive Financial Report*] was prepared at the request of the Board and is intended for use by the VRS and those designated or approved by the Board. This report may be provided to parties other than the VRS only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the OPEB Plans' funding progress and to determine the employer contribution rates. This report [the GRS report, not the *Annual Comprehensive Financial Report*] should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different. This report does not include actuarial information needed to satisfy reporting requirements under Governmental Accounting Standards Board Statements No. 74 or No. 75, which is provided under separate cover.

Results presented in this report are developed using the actuarial assumptions and methods disclosed in the appendix posted on VRS' website. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. This report does not include a robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of the investment and other significant risks that may have a material effect on the plan's financial condition.

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This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund the OPEB Plans. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through June 30, 2024. The valuation was based upon information furnished by the VRS, concerning OPEB benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the VRS.

Valuation results are developed through the use of multiple models.

Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

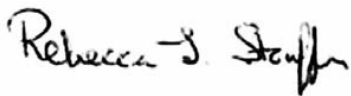
Financial results were prepared using our financing model which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. All actuarial assumptions and methods used for funding purposes in the valuation follow the guidance and meet the parameters set by the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the appendix posted on VRS' website.

This report has been prepared by actuaries who have substantial experience valuing public retiree health and welfare programs. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the VRS OPEB Plans as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Rebecca L. Stouffer, James D. Anderson, Kurt Dosson, Michael D. Kosciuk, Shana M. Neeson, and Adam J. Reese are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



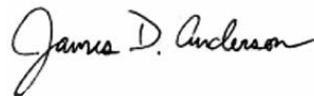
Rebecca L. Stouffer, ASA, FCA, MAAA



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RLS/JDA/KD/MDK/SMN/AJR:sc

Executive Summary

1. Introduction

Each year actuarial valuations are prepared for the Virginia Retirement System (VRS). This valuation provides information for the following Other Postemployment Benefit (OPEB) Plans of the VRS, prepared as of June 30, 2024:

- Group Life Insurance Program (GLI)
 - Health Insurance Credit Program (HIC)
- State Employees (HIC – State Employees)
 - Teachers (HIC – Teachers)
 - Political Subdivisions in Aggregate (HIC – Political Subdivisions)
 - Constitutional Officers (HIC – Constitutional Officers)
 - Social Service Employees (HIC – Social Service Employees)
 - Registrars (HIC – Registrars)
- Virginia Sickness and Disability Program (VSDP)
- Virginia Local Disability Program (VLDP)
 - Teachers (VLDP – Teachers)
 - Political Subdivisions (VLDP – Political Subdivisions)

This report includes information, in aggregate, regarding the actuarial valuations of the Health Insurance Credit Program for Political Subdivisions as of June 30, 2024. The funded status and employer contribution rates for Political Subdivisions are developed individually at the employer level. Actuarial valuation reports for each of the Political Subdivisions are provided under separate cover.

Throughout this report, there may be cases when the schedules do not add due to rounding.

2. Total Employer Contributions to Support OPEB Plan Benefits – Including an Actuarially Determined Employer Contribution (ADEC) Rate

Fiscal Year Ending:	2023 & 2024		2025 & 2026		Informational - 2026
Valuation Date:	June 30, 2021		June 30, 2023		June 30, 2024
OPEB Plan	Board Approved	General Assembly Approved	Board Approved ²	General Assembly Approved ²	ADEC
GLI	1.19%	1.34%	1.18%	1.18%	1.12%
HIC - State Employees	1.04%	1.12%	0.90%	1.12%	0.76%
HIC - Teachers	1.21%	1.21%	1.03%	1.21%	0.95%
HIC - Political Subdivisions (Average ¹)	0.36%	N/A	0.36%	N/A	0.35%
HIC - Constitutional Officers	0.36%	0.36%	0.32%	0.36%	0.28%
HIC - Social Service Employees	0.37%	0.37%	0.26%	0.37%	0.21%
HIC - Registrars	0.32%	0.32%	0.17%	0.32%	0.13%
VSDP	0.56%	0.61%	0.50%	0.50%	0.48%
VLDP - Teachers	0.47%	0.47%	0.45%	0.45%	0.43%
VLDP - Political Subdivisions	0.85%	0.85%	0.74%	0.74%	0.71%

¹ Fiscal years ending 2023 and 2024 were restated as weighted average from prior actuary's published results by individual employer. The General Assembly does not approve the Political Subdivision rates.

² During the 2023 valuation cycle, the Board adopted a change to the VRS Funding Policy Statement which generally reset the remaining amortization period to 20 years for the total unfunded accrued liability as of June 30, 2023.

Contribution rates for VRS employers are established every two years – the table above shows the employer contribution rates for fiscal years ending 2023-2026 based on the June 30, 2021 and June 30, 2023 actuarial valuations. The budget provides for funding fiscal years ending 2023 and 2024 based on the prior biennium’s higher contribution rates for GLI (1.34% vs. 1.19%), HIC-State Employees (1.12% vs. 1.04%) and VSDP (0.61% vs. 0.56%). The budget provides for funding fiscal years ending 2025 and 2026 based on the prior biennium’s higher contribution rates for HIC-State Employees (1.12% vs. 0.90%), HIC-Teachers Employees (1.21% vs. 1.03%), HIC-Constitutional Officers (0.36% vs. 0.32%) HIC-Social Service Employees(0.37% vs. 0.26%), and HIC-Registrars (0.32% vs. 0.17%). Also, the budget included the additional amounts below, contributed during 2024 in an effort to address the unfunded liabilities associated with each plan:

:

OPEB Plan	June 2024 Additional Contributions
GLI	\$ —
HIC - State Employees	52,800,000
HIC - Teachers	—
HIC - Constitutional Officers	1,576,017
HIC - Social Service Employees	723,983
HIC - Registrars	—

The actuarially calculated employer contribution rates based on the June 30, 2024 valuation presented in this report are *informational* in nature.

3. Funded Ratio

The funded ratio of the plan is the percentage determined as the ratio of actuarial value of assets to accrued liability. While the funded ratio may be a useful plan measurement, understanding a plan’s funding trend may be more important than a particular point in time. The chart below compares the funded ratio for the current valuation with the results of the prior valuation.

OPEB Plan	Funded Ratio	
	June 30, 2024	June 30, 2023
GLI	70.32%	66.20%
HIC - State Employees	35.61%	26.18%
HIC - Teachers	21.74%	18.12%
HIC - Political Subdivisions	61.56%	54.16%
HIC - Constitutional Officers	35.37%	24.59%
HIC - Social Service Employees	44.11%	33.93%
HIC - Registrars	59.09%	45.53%
VSDP	205.83%	202.24%
VLDP - Teachers	95.58%	92.82%
VLDP - Political Subdivisions	127.98%	115.45%

4. Reasons for Change

There are three general reasons why contribution rates change from one valuation to the next. The first is a change in the benefits or eligibility conditions of the plan. The second is a change in the valuation assumptions used to project future occurrences. The third is the difference during the year between the plan’s actual experience and what the assumptions predicted.

There were no significant changes in plan benefits or eligibility conditions nor changes in actuarial assumptions or methods since the prior valuation. Plan experience differed from expectations as follows:

- For the period ending June 30, 2024, the VRS reported an investment return of 9.9% on a market value basis, compared to the assumed level of 6.75%. For plans using a smoothed asset valuation method (HIC – State Employees, HIC – Teachers, GLI, VSDP, VLDP – Teachers, and VLDP- Political Subdivisions) investment gains and losses are spread over a 5-year period. Partial recognition of this year’s gain, combined with the continued phase-in of investment gains and losses from prior years resulted in a net recognized asset gain.
- Results for 149 Political Subdivision Employers include an additional contribution rate applied to plans with funding levels below 75%.
- GLI experienced a loss due to higher than expected pay increases.
- HIC experienced a gain due to a reallocation of State and Teacher members, along with retired members not electing the HIC benefit. This reallocation results in a loss in the HIC – Political Subdivisions.
- VSDP experienced a gain from actives (i.e. fewer new disabled members).
- VLDP Political Subdivisions experienced gains from continuing and new disabled members.
- VLDP Teachers experienced a loss from actives (i.e. more new disabled members).



Actuary's Certification Letter: OPEB Plans – Line of Duty Act (LODA) Fund



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January 21, 2025

Board of Trustees
Virginia Retirement System
1200 E. Main Street
Richmond, VA 23219

Dear Trustees:

The results of the June 30, 2024 annual actuarial valuation of the Virginia Retirement System (VRS) Line of Duty Act (LODA) Fund are presented in this report (see <https://employers.varetire.org/media/shared/pdf/valuations/valuation-report-loda-2024.pdf>). This report [the GRS report, not the *Annual Comprehensive Financial Report*] was prepared at the request of the Board and is intended for use by the VRS and those designated or approved by the Board. This report may be provided to parties other than the VRS only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the valuation is to provide informational updates to the pay-as-you-go full-time equivalent employer contribution rate for the Fiscal Years ending June 30, 2025 and June 30, 2026 and to develop an Actuarially Determined Employer Contribution Rate (ADEC) to be used in Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75 reporting. This report should not be relied on for any other purpose.

Future actuarial measurements may differ significantly from those presented in this report due to such factors as experience differing from that anticipated by actuarial assumptions, changes in plan provisions, actuarial assumptions/methods or applicable law. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of future measurements. This valuation was based on the assumption that the participating employers will continue to be able to make any contributions necessary to fund the plan in the future. A determination of the participating employers' ability to make the necessary contributions in the future is beyond the scope of our expertise and was not performed by us.

The findings in this report are based on data and other information through June 30, 2024. The valuation was based upon information furnished by the VRS, concerning LODA health care claims, financial transactions, plan provisions and active members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the VRS.

Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key

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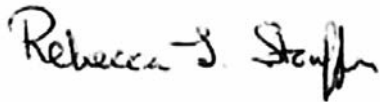
strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

Financial results were prepared using our financing model which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

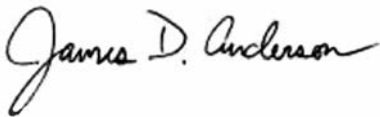
This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations, including all actuarial assumptions and methods used for funding purposes in the valuation have been made in conformity with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Rebecca L. Stouffer, Kurt Dosson, James D. Anderson, and Michael D. Kosciuk are Members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



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Michael D. Kosciuk, FSA, EA, FCA, MAAA

RLS/KD/JDA/MDK:sc

Executive Summary

1. Introduction and Purpose

This report contains the results of the June 30, 2024 actuarial valuation of the LODA Fund.

Each odd year valuation develops a flat annual Full-Time Equivalent (FTE) contribution rate for two years, such that the resulting Fund balance at the end of the biennium is projected to be one month's worth of projected benefits. The June 30, 2023 valuation developed the Board-certified Fiscal Year 2025 and 2026 FTE employer contribution rate.

Even year valuations, such as this one, provide intermediate results and updated projections of the Fund status for informational purposes. In the process of developing the information results for the June 30, 2024 actuarial valuation, it was determined the previously established fiscal years 2025 and 2026 FTE employer contribution rate was sufficient to maintain short-term solvency of the Fund.

2. Development of LODA Fund FTE Employer Contribution Rate

The June 30, 2023 valuation recommended a FTE employer contribution rate of \$995 for Fiscal Years 2025 and 2026. This FTE rate was adopted at the November 16, 2023 Board of Trustees meeting. Subsequent legislation to increase the presumptive death benefit from \$25,000 to \$75,000 (effective January 1, 2025) led to a revised FTE rate of \$1,015.

Using scheduled fiscal year 2025 employer invoiced amounts, projected fiscal year 2026 contributions (based on the current 2026 revised FTE rate of \$1,015), updated demographic data, premium and asset levels, the projected two-year cycle ending June 30, 2026 maintains its goal of a reserve equal to approximately one month's worth of benefit payments. The result is no recommended changes to the FTE rate for either Fiscal Year 2025 or 2026.

We recommend continued use of a FTE rate of \$1,015 for Fiscal Years 2025 and 2026.

3. Experience

There are three general reasons why rates change from one valuation to the next.

1. A change in the benefits or eligibility conditions of the plan.
2. Changes in the valuation assumptions used to project future experience.
3. The difference during the year between the plan's actual experience and what the assumptions expected.

The benefits and eligibility conditions of the plan changed as a result of recent bills indicated below:

- HB 321; SB 649 – increases the death benefit from presumptive causes from \$25,000 to \$75,000 (effective January 1, 2025).
- HB 1433 – definition of eligible dependents expanded to include children that were born or adopted prior to the employee's claim approval date (effective July 1, 2024).

Changes in valuation assumptions since the last valuation follow:

- Health care cost trend rates were reset,
- Medicare Part B trend rates were updated to reflect the 2024 Medicare Trustees report; and
- The assumed timing of employer contributions for determining the level of expected investment income was adjusted from the middle of the year to the beginning of the year to reflect the receipt of invoiced contributions in a lump sum at the beginning of each fiscal year.

Plan experience differed from expectations as follows:

- For the period ending June 30, 2024, the investment return of \$1.2 million exceeded the assumed expectation from the June 30, 2023 valuation of \$0.3 million;
- The number of FTE active participants decreased from 18,161.30 to 18,005.10; and
- The Department of Human Resource Management (DHRM) provided updated monthly invoice costs for LODA beneficiaries:
 - Non-Medicare premiums increased 6.0%, versus 7.25% expected,

- Medicare premiums increased 14.6%, versus 6.50% expected; and
- Medicare Part B premiums increased 5.9%, versus 5.9% expected.

The overall effect of the above items was favorable and results in a projected 2026 fiscal year end surplus in excess of the targeted reserve of \$1.7M (see page 9).

4. General Comments

Section 9.1-400.1 of the Code of Virginia requires participating employers to make annual contributions to the Fund as determined by VRS. The amount of the contribution for each participating employer shall be determined on a current disbursement basis (i.e., pay-as-you-go) in accordance with the provisions of the Act. The Fund shall be used to provide the benefits of the Act to eligible disabled persons, deceased persons, dependents, and spouses on behalf of participating employers and to pay related administrative costs. Any moneys remaining in the Fund at the end of a biennium cycle shall not revert to the general fund but remain in the Fund.

Future biennium LODA Fund contributions are projected to increase, due to the following:

- Health care inflation;
- A projected increase in the number of beneficiaries; and
- A projected static FTE employee count.

Lastly, the Actuarially Determined Contribution Rate (ADEC) for GASB Statement No. 74 reporting purposes increased from the prior valuation result of \$2,017.33 per FTE for fiscal year 2025 to \$2,206.64 per FTE for fiscal year 2026.



The Actuarial Section for VRS-administered Other Post-Employment Benefit (OPEB) Plans presents information about the assumptions adopted by the Board of Trustees and used by the VRS actuaries to evaluate the funded status of these plans. This information includes assumptions about retirements, disabilities, terminations and salary increase rates. The section also provides a summary of OPEB plan provisions and changes.

Summary of Actuarial Assumptions and Methods

On April 26, 2021, the VRS Board of Trustees adopted most of the actuarial assumptions and methods on the recommendation of its actuary. The following assumptions include the Group Life Insurance Program, the Retiree Health Insurance Credit Program, the Virginia Sickness and Disability

Program, the Virginia Local Disability Program and the Line of Duty Act Program. They were based on an analysis of plan experience for the four-year period July 1, 2016, through June 30, 2020, and were used for the June 30, 2024, valuation.

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS: OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS

Actuarial Assumptions and Methods	Group Life Insurance Program	Retiree Health Insurance Credit Program	Virginia Sickness and Disability Program	Line of Duty Act Program	Virginia Local Disability Program
Valuation Interest Rate	6.75%	6.75%	6.75%	6.75%	6.75%
Salary Scale Inflation Factor	2.5%	2.5%	2.5%	2.5%	2.5%
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Pay	Level Percent of Pay	Level Percent of Pay	Level Percent of Pay	Level Percent of Pay
	Closed	Closed	Closed	Open	Closed
Payroll Growth Rate	3%	3%	3%	3%	3%
Assets Valuation Method – State and Teacher	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market	Market Value	5-Year Smoothed Market
Assets Valuation Method – Political Subdivisions	5-Year Smoothed Market	Market Value*	N/A	Market Value	5-Year Smoothed Market

* Includes state-funded retiree health insurance for certain local government employees.

SOLVENCY TEST: OPEB PLANS

(EXPRESSED IN THOUSANDS)

Valuation Date (June 30)	Aggregate Accrued Liabilities for				Valuation Assets	Portion of Accrued Liabilities Covered by Assets		
	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Members*			(1)	(2)	(3)
GROUP LIFE INSURANCE								
2024	N/A	\$ 2,719,737	\$ 1,526,932	\$ 2,986,072	N/A	100.00%	17.44%	
2023	N/A	2,589,534	1,427,729	2,659,543	N/A	100.00%	4.90%	
2022	N/A	2,460,416	1,281,339	2,392,750	N/A	97.25%	—%	
2021	N/A	2,315,129	1,209,335	2,135,187	N/A	92.23%	—%	
2020	N/A	2,265,657	1,317,474	1,905,233	N/A	84.09%	—%	
2019	N/A	2,071,215	1,343,107	1,741,406	N/A	84.08%	—%	
2018	N/A	1,901,090	1,265,443	1,574,017	N/A	82.80%	—%	
2017	N/A	1,786,401	1,238,317	1,410,087	N/A	78.93%	—%	
2016	N/A	1,749,825	1,224,643	1,247,564	N/A	71.30%	—%	
2015	N/A	1,633,937	1,195,167	1,128,876	N/A	69.09%	—%	
RETIREE HEALTH INSURANCE CREDIT – STATE EMPLOYEES**								
2024	N/A	\$ 756,695	\$ 317,265	\$ 382,419	N/A	50.54%	—%	
2023	N/A	758,764	321,399	282,761	N/A	37.27%	—%	
2022	N/A	706,825	319,491	224,132	N/A	31.71%	—%	
2021	N/A	707,502	337,161	191,829	N/A	27.11%	—%	
2020	N/A	690,846	333,597	129,901	N/A	18.80%	—%	
2019	N/A	683,387	343,365	109,417	N/A	16.01%	—%	
2018	N/A	651,476	344,183	96,294	N/A	14.78%	—%	
2017	N/A	638,266	352,458	79,451	N/A	12.45%	—%	
2016	N/A	610,570	377,071	70,798	N/A	11.60%	—%	
2015	N/A	594,098	382,428	67,164	N/A	11.31%	—%	
RETIREE HEALTH INSURANCE CREDIT – TEACHERS								
2024	N/A	\$ 929,485	\$ 534,537	\$ 318,347	N/A	34.25%	—%	
2023	N/A	932,224	528,777	264,699	N/A	28.39%	—%	
2022	N/A	934,044	523,594	220,590	N/A	23.62%	—%	
2021	N/A	933,691	537,706	177,304	N/A	18.99%	—%	
2020	N/A	905,279	525,259	149,949	N/A	16.56%	—%	
2019	N/A	896,306	529,577	130,043	N/A	14.51%	—%	
2018	N/A	851,963	527,110	113,136	N/A	13.28%	—%	
2017	N/A	832,771	525,150	96,987	N/A	11.65%	—%	
2016	N/A	811,164	540,039	86,701	N/A	10.69%	—%	
2015	N/A	786,781	538,634	85,379	N/A	10.85%	—%	
RETIREE HEALTH INSURANCE CREDIT – STATE-FUNDED LOCALITY BENEFITS								
2024	N/A	\$ 37,990	\$ 17,407	\$ 21,018	N/A	55.33%	—%	
2023	N/A	37,797	17,650	15,168	N/A	40.13%	—%	
2022	N/A	32,909	15,735	10,365	N/A	31.50%	—%	
2021	N/A	31,397	17,267	9,183	N/A	29.25%	—%	
2020	N/A	29,727	17,612	7,174	N/A	24.13%	—%	
2019	N/A	28,937	17,811	6,840	N/A	23.64%	—%	
2018	N/A	27,195	17,259	4,655	N/A	17.12%	—%	
2017	N/A	25,791	17,444	3,552	N/A	13.77%	—%	
2016	N/A	24,167	17,836	2,351	N/A	9.73%	—%	
2015	N/A	22,440	18,172	2,042	N/A	9.10%	—%	

* Employer Financed Portion

** State Employees include State, JRS, SPORS, VaLORS, ORP and UVA employees

SOLVENCY TEST: OPEB PLANS, cont.

(EXPRESSED IN THOUSANDS)

RETIREE HEALTH INSURANCE CREDIT – POLITICAL SUBDIVISIONS									
2024	N/A	\$	47,521	\$	28,985	\$	47,098	N/A	99.11%
2023	N/A		44,568		29,291		40,002	N/A	89.75%
2022	N/A		45,470		29,812		35,541	N/A	78.16%
2021	N/A		50,844		31,979		33,333	N/A	65.56%
2020	N/A		44,880		31,792		24,468	N/A	54.52%
2019	N/A		41,097		31,758		24,468	N/A	59.54%
2018	N/A		22,409		18,534		23,161	N/A	100.00%
2017	N/A		21,326		17,974		22,167	N/A	100.00%
2016	N/A		20,216		18,026		19,337	N/A	95.65%
2015	N/A		19,286		17,626		19,348	N/A	100.00%
VIRGINIA SICKNESS AND DISABILITY PROGRAM – LONG-TERM DISABILITY (LTD) BENEFITS									
2024*	N/A	\$	180,719	\$	147,703	\$	675,997	N/A	100.00%
2023*	N/A		170,894		138,701		626,118	N/A	100.00%
2022*	N/A		163,999		131,429		586,619	N/A	100.00%
2021*	N/A		170,851		79,252		547,379	N/A	100.00%
2020*	N/A		171,585		77,284		505,236	N/A	100.00%
2019*	N/A		170,146		78,366		484,986	N/A	100.00%
2018*	N/A		187,514		77,778		460,466	N/A	100.00%
2017*	N/A		160,283		66,229		437,372	N/A	100.00%
2016*	N/A		156,449		84,437		416,248	N/A	100.00%
2015*	N/A		156,796		78,451		398,609	N/A	100.00%
VIRGINIA LOCAL DISABILITY PROGRAM – TEACHERS									
2024*	N/A	\$	3,970	\$	10,138	\$	13,485	N/A	100.00%
2023*	N/A		2,663		8,140		10,028	N/A	100.00%
2022*	N/A		2,465		6,511		7,287	N/A	100.00%
2021*	N/A		1,203		3,899		5,028	N/A	100.00%
2020*	N/A		639		2,694		2,973	N/A	100.00%
2019*	N/A		806		1,816		1,662	N/A	100.00%
2018*	N/A		271		1,112		674	N/A	100.00%
2017*	N/A		103		709		324	N/A	43.18%
2016*	N/A		132		307		57	N/A	100.00%
2015*	N/A		15		162		48	N/A	—%
VIRGINIA LOCAL DISABILITY PROGRAM – POLITICAL SUBDIVISIONS									
2024*	N/A	\$	5,650	\$	6,470	\$	15,512	N/A	100.00%
2023*	N/A		4,463		5,185		11,138	N/A	100.00%
2022*	N/A		3,369		4,069		7,946	N/A	100.00%
2021*	N/A		2,641		2,364		5,604	N/A	100.00%
2020*	N/A		1,841		1,911		3,425	N/A	100.00%
2019*	N/A		1,511		1,306		1,971	N/A	100.00%
2018*	N/A		1,571		1,161		853	N/A	54.30%
2017*	N/A		361		464		413	N/A	100.00%
2016*	N/A		135		243		52	N/A	38.52%
2015*	N/A		30		106		30	N/A	—%
LINE OF DUTY ACT PROGRAM									
2024	N/A	\$	246,824	\$	61,688	\$	4,841	N/A	1.96%
2023	N/A		224,710		54,908		5,311	N/A	2.36%
2022	N/A		219,320		52,854		7,214	N/A	3.29%
2021	N/A		215,991		39,274		7,553	N/A	3.50%
2020	N/A		256,627		38,828		4,333	N/A	1.69%
2019	N/A		248,195		36,990		2,839	N/A	1.14%
2018	N/A		257,076		36,766		1,889	N/A	0.73%
2017	N/A		233,193		37,186		3,461	N/A	1.48%
2016	N/A		192,578		32,105		2,708	N/A	1.41%
2015	N/A		169,288		76,520		728	N/A	0.43%

SOLVENCY TEST: OPEB PLANS, cont.

* Includes Long-Term Care.

The progress of a plan in accumulating assets to pay benefits when due can be measured by examining the extent to which assets accumulated for benefits cover 1) any active member contributions to the plan; 2) liabilities for future benefits to retirees and beneficiaries; and 3) liabilities for the employer-financed portion of service already rendered by active members. In a plan receiving actuarially determined employer contributions, the liabilities for future benefits to retirees and beneficiaries will generally be fully covered by accumulated assets. In addition, the liabilities for service already rendered will be partially covered by the remainder of the accumulated assets and will increase over time.

SCHEDULE OF ACTIVE MEMBER VALUATION DATA: OPEB PLANS

Valuation Date (June 30)	Active Members			
	Number	Annual Payroll (000s)	Average Annual Pay	Annualized % Change in Average Pay
GROUP LIFE INSURANCE				
2024	379,583	\$ 26,771,877	\$ 70,530	5.85%
2023	369,044	24,588,850	66,629	5.50%
2022	362,386	22,887,363	63,157	7.67%
2021	358,905	21,052,089	58,656	3.60%
2020	361,306	20,456,977	56,620	1.55%
2019	367,627	20,498,084	55,758	3.69%
2018	367,903	19,783,323	53,773	2.14%
2017	365,149	19,222,759	52,644	4.21%
2016	362,678	18,321,880	50,518	2.34%
2015	360,873	17,813,570	49,362	1.44%
RETIREE HEALTH INSURANCE CREDIT – STATE EMPLOYEES*				
2024	116,817	\$ 9,574,104	\$ 81,958	5.25%
2023	111,811	8,706,942	77,872	5.23%
2022	107,975	7,990,179	74,000	7.90%
2021	108,528	7,442,699	68,579	5.26%
2020	110,834	7,221,134	65,153	0.87%
2019	106,948	6,907,506	64,588	4.37%
2018	107,234	6,635,983	61,883	3.15%
2017	108,027	6,480,712	59,992	2.37%
2016	107,840	6,319,509	58,601	3.74%
2015	107,200	6,055,429	56,487	1.73%
RETIREE HEALTH INSURANCE CREDIT – TEACHERS				
2024	156,506	\$ 11,009,136	\$ 70,343	6.27%
2023	153,109	10,134,828	66,194	4.51%
2022	153,356	9,713,588	63,340	5.76%
2021	149,793	8,971,605	59,893	1.27%
2020	150,681	8,911,307	59,140	2.63%
2019	149,396	8,608,489	57,622	3.01%
2018	151,585	8,479,023	55,936	1.33%
2017	150,416	8,303,502	55,204	7.30%
2016	149,018	7,666,824	51,449	1.44%
2015	147,645	7,488,507	50,720	1.25%

* State employees includes state, SPORS, JRS, VaLORS, ORP and UVA.

SCHEDULE OF ACTIVE MEMBER VALUATION DATA: OPEB PLANS, cont.

RETIREE HEALTH INSURANCE CREDIT – STATE-FUNDED LOCALITY BENEFITS					
2024	21,041	\$ 1,391,835	\$ 66,149		6.02%
2023	20,493	1,278,605	62,392		6.53%
2022	20,051	1,174,310	58,566		8.95%
2021	19,847	1,066,874	53,755		3.19%
2020	20,169	1,050,666	52,093		2.42%
2019	19,582	995,936	50,860		3.59%
2018	18,836	924,785	49,097		1.85%
2017	18,532	893,334	48,205		1.30%
2016	18,006	856,824	47,585		1.37%
2015	17,535	823,153	46,943		0.79%
RETIREE HEALTH INSURANCE CREDIT – POLITICAL SUBDIVISIONS					
2024	39,312	\$ 2,062,946	\$ 52,476		5.82%
2023	37,917	1,880,359	49,591		8.15%
2022	36,427	1,670,364	45,855		10.79%
2021	36,426	1,507,656	41,390		4.02%
2020	37,398	1,488,073	39,790		2.87%
2019	37,248	1,440,731	38,679		(14.99)%
2018	23,034	1,048,068	45,501		3.52%
2017	22,478	987,951	43,952		1.80%
2016	21,846	943,186	43,174		2.32%
2015	21,339	900,390	42,195		0.83%
VIRGINIA SICKNESS AND DISABILITY PROGRAM					
2024	83,922	\$ 6,086,806	\$ 72,529		5.63%
2023	80,500	5,527,273	68,662		5.89%
2022	75,692	4,907,916	64,841		8.44%
2021	76,529	4,576,046	59,795		6.21%
2020	77,848	4,382,943	56,301		(0.07)%
2019	79,105	4,456,996	56,343		6.06%
2018	75,164	3,993,073	53,125		3.82%
2017	73,620	3,767,055	51,169		1.13%
2016	75,410	3,815,678	50,599		3.74%
2015	74,367	3,627,297	48,776		1.21%
VIRGINIA LOCAL DISABILITY PROGRAM – TEACHERS					
2024	19,367	\$ 1,052,347	\$ 54,337		7.63%
2023	17,843	900,790	50,484		4.57%
2022	16,592	801,003	48,276		7.57%
2021	14,312	642,284	44,877		2.32%
2020	13,027	571,356	43,859		4.61%
2019	11,047	463,174	41,928		3.57%
2018	9,332	377,798	40,484		(4.05)%
2017	7,239	305,446	42,195		13.35%
2016	5,001	193,042	37,227		—%
2015	2,796	104,087	37,227		13.53%
VIRGINIA LOCAL DISABILITY PROGRAM – POLITICAL SUBDIVISIONS					
2024	17,153	\$ 875,195	\$ 51,023		9.33%
2023	14,775	689,505	46,667		7.36%
2022	12,374	537,869	43,468		13.17%
2021	11,017	423,151	38,409		4.38%
2020	10,672	392,684	36,796		3.04%
2019	9,447	337,363	35,711		5.42%
2018	7,915	268,121	33,875		3.66%
2017	6,331	206,895	32,680		3.42%
2016	4,675	147,729	31,600		4.33%
2015	2,917	88,350	30,288		3.67%

SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA: OPEB PLANS

GROUP LIFE INSURANCE								
Valuation Date (June 30)	Retirees					Insurance Amount	Annualized % Increase in Life Insurance Amount	Average Life Insurance Amount
	Added to Rolls		Removed from Rolls		Total			
	Number	Amount	Number	Amount				
2024	11,940	\$ 1,773,652,000	7,935	\$ 1,429,217,000	231,543	\$ 10,144,394,000	3.51%	\$ 43,812
2023	15,965	1,765,512,000	7,371	1,332,015,000	227,538	9,799,959,000	4.63%	43,070
2022	19,228	1,344,537,000	6,537	501,845,000	218,944	9,366,462,000	9.89%	42,780
2021	12,528	1,457,980,000	14,919	1,358,144,000	206,253	8,523,770,000	1.19%	41,327
2020	23,194	1,799,018,000	6,571	1,136,382,000	208,644	8,423,934,000	8.54%	40,375
2019	12,091	1,480,985,000	5,675	1,074,045,000	192,021	7,761,298,000	5.53%	40,419
2018	11,464	1,357,284,000	5,269	1,071,515,000	185,605	7,354,358,000	4.04%	39,624
2017	11,212	1,281,014,000	4,936	2,445,277,000	179,410	7,068,589,000	(14.14)%	39,399
2016	11,550	1,324,900,000	4,564	895,728,000	173,134	8,232,852,000	5.50%	47,552
2015	11,429	1,275,150,000	4,519	840,576,000	166,148	7,803,680,000	5.90%	46,968
RETIREE HEALTH INSURANCE CREDIT – STATE EMPLOYEES*								
Valuation Date (June 30)	Retirees					Current Total Annual Health Insurance Credit	Annualized % Increase in Health Insurance Credit	Average Annual Health Insurance Credit
	Added to Rolls		Removed from Rolls		Total			
	Number	Amount	Number	Amount				
2024	2,776	\$ 8,522,000	2,394	\$ 4,248,000	53,235	\$ 82,802,000	5.44%	\$ 1,555
2023	2,908	4,245,000	3,124	3,441,000	52,853	78,528,000	1.03%	1,486
2022	2,523	3,612,000	2,037	3,533,000	53,069	77,724,000	0.10%	1,465
2021	3,025	4,420,000	2,315	4,301,000	52,583	77,645,000	0.15%	1,477
2020	2,865	4,452,000	2,070	3,026,000	51,873	77,526,000	1.87%	1,495
2019	7,854	11,734,000	1,517	2,176,000	51,078	76,100,000	14.36%	1,490
2018	2,558	3,779,000	4,105	5,981,000	44,741	66,542,000	(3.20)%	1,487
2017	3,364	4,928,000	1,734	2,671,000	46,288	68,744,000	3.39%	1,485
2016	2,881	4,332,000	1,663	2,369,000	44,658	66,487,000	3.04%	1,489
2015	2,869	4,226,000	1,618	2,357,000	43,440	64,524,000	2.98%	1,485
RETIREE HEALTH INSURANCE CREDIT – TEACHERS								
Valuation Date (June 30)	Retirees					Current Total Annual Health Insurance Credit	Annualized % Increase in Health Insurance Credit	Average Annual Health Insurance Credit
	Added to Rolls		Removed from Rolls		Total			
	Number	Amount	Number	Amount				
2024	2,784	\$ 3,745,000	2,139	\$ 3,168,000	74,201	\$ 97,838,000	0.59%	\$ 1,319
2023	2,938	3,676,000	2,234	2,734,000	73,556	97,261,000	0.98%	1,322
2022	4,289	5,303,000	3,009	7,041,000	72,852	96,319,000	(1.77)%	1,322
2021	3,959	5,274,000	2,085	2,864,000	71,572	98,057,000	2.52%	1,370
2020	3,180	4,275,000	2,283	3,054,000	69,698	95,647,000	1.29%	1,372
2019	4,054	5,283,000	1,585	2,163,000	68,801	94,426,000	3.42%	1,372
2018	3,511	4,719,000	1,534	2,067,000	66,332	91,306,000	2.99%	1,377
2017	3,412	4,565,000	1,470	1,984,000	64,355	88,654,000	3.00%	1,378
2016	3,649	4,913,000	1,329	1,795,000	62,413	86,073,000	3.76%	1,379
2015	3,465	4,714,000	1,493	2,016,000	60,093	82,955,000	3.36%	1,380

* State employees include state, SPORS, JRS, VaLORS, ORP and UVA.

SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA: OPEB PLANS, cont.

RETIREE HEALTH INSURANCE CREDIT – STATE-FUNDED LOCALITY BENEFITS									
Valuation Date (June 30)	Retirees					Current Total Annual Health Insurance Credit	Annualized % Increase in Health Insurance Credit	Average Annual Health Insurance Credit	
	Added to Rolls		Removed from Rolls		Total				
	Number	Amount	Number	Amount					
2024	432	\$ 540,000	219	\$ 106,000	6,974	\$ 3,563,000	13.87%	\$ 511	
2023	346	158,000	226	103,000	6,761	3,129,000	1.79%	463	
2022	349	155,000	188	375,000	6,641	3,074,000	(6.68%)	463	
2021	444	221,000	216	110,000	6,480	3,294,000	3.49%	508	
2020	366	194,000	189	112,000	6,252	3,183,000	2.64%	509	
2019	432	237,000	189	94,000	6,075	3,101,000	4.83%	510	
2018	439	218,000	115	58,000	5,832	2,958,000	5.72%	507	
2017	440	217,000	133	63,000	5,508	2,798,000	5.82%	508	
2016	518	270,000	152	78,000	5,201	2,644,000	7.83%	508	
2015	410	206,000	123	60,000	4,835	2,452,000	6.33%	507	
RETIREE HEALTH INSURANCE CREDIT – POLITICAL SUBDIVISIONS									
Valuation Date (June 30)	Retirees					Current Total Annual Health Insurance Credit	Annualized % Increase in Health Insurance Credit	Average Annual Health Insurance Credit	
	Added to Rolls		Removed from Rolls		Total				
	Number	Amount	Number	Amount					
2024	713	\$ 556,000	333	\$ 190,000	9,289	\$ 4,728,000	8.39%	\$ 509	
2023	686	337,000	376	188,000	8,909	4,362,000	3.54%	490	
2022	691	339,000	3,731	1,719,000	8,599	4,213,000	(24.67%)	490	
2021	898	440,000	524	53,000	11,639	5,593,000	7.43%	481	
2020	780	420,000	414	203,000	11,265	5,206,000	4.35%	462	
2019	5,937	2,665,000	151	191,000	10,899	4,989,000	98.37%	458	
2018	439	216,000	156	84,000	5,113	2,515,000	5.54%	492	
2017	394	188,000	166	80,000	4,830	2,383,000	4.75%	493	
2016	400	198,000	140	70,000	4,602	2,275,000	5.96%	494	
2015	448	219,000	130	63,000	4,342	2,147,000	7.84%	494	
VIRGINIA SICKNESS AND DISABILITY PROGRAM									
Valuation Date (June 30)	Retirees					Current Total Annual LTD Payments	Annualized % Increase in LTD Payments	Average Annual LTD Payment	
	Added to Rolls		Removed from Rolls		Total				
	Number	Amount	Number	Amount					
2024	270	\$ 10,692,000	407	\$ 9,666,053	2,142	\$ 34,761,947	3.04%	\$ 16,229	
2023	281	9,292,000	348	7,566,000	2,279	33,736,000	5.39%	14,803	
2022	277	6,111,000	291	3,588,000	2,346	32,010,000	8.56%	13,645	
2021	322	6,590,000	410	7,003,000	2,360	29,487,000	(1.38%)	12,494	
2020	299	6,044,000	391	6,237,000	2,448	29,900,000	(0.64%)	12,214	
2019	305	5,978,000	418	7,456,000	2,540	30,093,000	(4.68%)	11,848	
2018	339	5,994,000	407	4,424,000	2,653	31,571,000	5.23%	11,900	
2017	366	6,428,000	441	6,696,000	2,721	30,001,000	(0.89%)	11,026	
2016	377	6,507,000	423	6,734,000	2,796	30,269,000	(0.74%)	10,826	
2015	466	7,293,000	325	4,112,000	2,842	30,496,000	13.95%	10,952	

SCHEDULE OF RETIREE AND BENEFICIARY VALUATION DATA: OPEB PLANS, cont.

VIRGINIA LOCAL DISABILITY PROGRAM – TEACHERS									
Valuation Date (June 30)	Retirees					Current Total Annual LTD Payments	Annualized % Increase in LTD Payments	Average Annual LTD Payment	
	Added to Rolls		Removed from Rolls		Total				
	Number	Amount	Number	Amount					
2024	22	\$ 495,000	9	229,000	50	\$ 1,021,000	35.23 %	\$ 20,420	
2023	13	393,000	15	318,000	37	755,000	11.03 %	20,405	
2022	28	537,000	5	65,000	39	680,000	226.92 %	17,436	
2021	10	184,000	3	48,000	16	208,000	188.89 %	13,000	
2020	6	61,000	4	61,000	9	72,000	— %	8,000	
2019	4	33,000	3	36,000	7	72,000	(4.00)%	10,286	
2018	6	75,000	—	—	6	75,000	N/A	12,500	
2017	—	—	1	11,000	—	—	N/A	N/A	
2016	1	11,000	—	—	1	11,000	N/A	11,000	
2015**	—	—	—	—	—	—	N/A	N/A	
VIRGINIA LOCAL DISABILITY PROGRAM – POLITICAL SUBDIVISIONS									
Valuation Date (June 30)	Retirees					Current Total Annual LTD Payments	Annualized % Increase in LTD Payments	Average Annual LTD Payment	
	Added to Rolls		Removed from Rolls		Total				
	Number	Amount	Number	Amount					
2024	45	\$ 944,000	22	625,000	121	\$ 1,696,000	23.17 %	\$ 14,017	
2023	33	673,000	22	463,000	98	1,377,000	17.99 %	14,051	
2022	44	756,000	11	261,000	87	1,167,000	73.66 %	13,414	
2021	34	517,000	16	107,000	54	672,000	156.49 %	12,444	
2020	13	116,000	5	161,000	36	262,000	(14.66)%	7,278	
2019	11	178,000	8	184,000	28	307,000	(1.92)%	10,964	
2018	20	244,000	—	—	25	313,000	353.62	12,520	
2017	5	69,000	—	—	5	69,000	N/A	13,800	
2016**	—	—	—	—	—	—	N/A	N/A	
2015**	—	—	—	—	—	—	N/A	N/A	

** Details of retirees added to and removed from the rolls were not available for these periods.

FIGURE 4.7: RETIREMENT RATES – OPEB PLANS

Sample retirement rates for eligible members are shown below. For the Retiree Health Insurance Credit, 95% of the state employees, teachers, state police officers, Virginia law officers and judges who retire with 15 or more years of service will utilize the benefit. For all political subdivision employees, 85% of the employees with 15 or more years of service will utilize the benefit.

State Employees

Age	Plan 1 – Male					
	Years of Service					
	5	6-9	10	11-29	30	≥31
50	—%	—%	3.25%	3.25%	12.50%	12.50%
55	4.50%	4.50%	4.50%	3.50%	8.00%	9.00%
59	4.50%	4.00%	4.00%	4.00%	10.00%	9.00%
60	4.50%	5.00%	5.00%	5.00%	11.50%	9.00%
61	15.00%	7.50%	7.50%	7.50%	17.00%	15.00%
62	15.00%	10.00%	10.00%	10.00%	17.00%	20.00%
64	15.00%	13.50%	13.50%	13.50%	17.00%	17.50%
65	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
67	27.50%	22.00%	22.00%	22.00%	22.00%	22.00%
70	20.00%	22.00%	22.00%	22.00%	22.00%	22.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

State Employees

Age	Plan 1 – Female					
	Years of Service					
	5	6-9	10	11-29	30	≥31
50	—%	—%	4.00%	4.00%	7.50%	7.50%
55	5.00%	5.00%	5.00%	4.00%	7.50%	8.00%
59	5.00%	5.00%	5.00%	5.00%	12.00%	9.00%
60	5.00%	5.50%	5.50%	5.50%	12.00%	12.50%
61	7.50%	8.00%	8.00%	8.00%	12.00%	16.00%
62	10.00%	12.00%	12.00%	12.00%	22.50%	20.00%
64	17.50%	15.00%	15.00%	15.00%	22.50%	17.50%
65	27.50%	27.50%	27.50%	27.50%	27.50%	30.00%
67	30.00%	25.00%	25.00%	25.00%	25.00%	25.00%
70	25.00%	27.00%	27.00%	27.00%	27.00%	27.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

FIGURE 4.7: RETIREMENT RATES – OPEB PLANS, cont.

State Employees

Plan 2 and Hybrid – Male							
Years of Service							
Age	30	31	33	35	37	39	≥40
50	—%	—%	—%	—%	—%	8.00%	8.00%
55	—%	—%	—%	8.00%	8.00%	8.00%	8.00%
59	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
62	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
64	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
65	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
67	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
70	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Rate is 11.50% when age plus service equals 90.

State Employees

Plan 2 and Hybrid – Female							
Years of Service							
Age	30	31	33	35	37	39	≥40
50	—%	—%	—%	—%	—%	8.00%	8.00%
55	—%	—%	—%	8.00%	8.00%	8.00%	8.00%
59	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
62	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
64	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
65	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
67	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
70	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Rate is 12.00% when age plus service equals 90.

FIGURE 4.7: RETIREMENT RATES – OPEB PLANS, cont.

Teachers

Plan 1 – Male						
Years of Service						
Age	5	6-9	10	11-29	30	≥31
50	—%	—%	2.50%	2.50%	15.00%	15.00%
55	7.00%	7.00%	7.00%	5.00%	22.50%	15.00%
59	10.00%	7.00%	7.00%	7.00%	22.50%	15.00%
60	10.00%	7.50%	7.50%	7.50%	22.50%	17.00%
61	11.00%	12.00%	12.00%	12.00%	35.00%	23.00%
62	17.00%	15.00%	15.00%	15.00%	35.00%	30.00%
64	18.00%	15.00%	15.00%	15.00%	35.00%	25.00%
65	30.00%	30.00%	30.00%	30.00%	30.00%	34.00%
67	30.00%	34.00%	34.00%	34.00%	34.00%	34.00%
70	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Teachers

Plan 1 – Female						
Years of Service						
Age	5	6-9	10	11-29	30	≥31
50	—%	—%	3.00%	3.00%	15.00%	15.00%
55	4.50%	4.50%	4.50%	5.00%	22.50%	16.00%
59	8.00%	7.00%	7.00%	7.00%	22.50%	17.00%
60	9.00%	8.50%	8.50%	8.50%	30.00%	20.00%
61	25.00%	11.00%	11.00%	11.00%	30.00%	25.00%
62	25.00%	15.00%	15.00%	15.00%	35.00%	30.00%
64	25.00%	20.00%	20.00%	20.00%	35.00%	28.00%
65	35.00%	35.00%	35.00%	35.00%	35.00%	40.00%
67	30.00%	32.00%	32.00%	32.00%	32.00%	32.00%
70	30.00%	32.00%	32.00%	32.00%	32.00%	32.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

FIGURE 4.7: RETIREMENT RATES – OPEB PLANS, cont.

Teachers

Plan 2 and Hybrid – Male							
Years of Service							
Age	30	31	33	35	37	39	≥40
50	—%	—%	—%	—%	—%	9.00%	9.00%
55	—%	—%	—%	9.00%	9.00%	9.00%	9.00%
59	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
60	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
61	14.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
62	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
64	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
65	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
67	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
70	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Rate is 22.50% when age plus service equals 90.

Teachers

Plan 2 and Hybrid – Female							
Years of Service							
Age	30	31	33	35	37	39	≥40
50	—%	—%	—%	—%	—%	9.00%	9.00%
55	—%	—%	—%	9.00%	9.00%	9.00%	9.00%
59	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
60	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
61	14.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
62	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
64	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
65	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
67	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
70	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Rate is 22.50% when age plus service equals 90.

FIGURE 4.7: RETIREMENT RATES – OPEB PLANS, cont.

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits –
Ten Largest Employers – Plan 1

Age	Male Years of Service					Female Years of Service				
	5	10	11-29	30	≥31	5	10	11-29	30	≥31
50	—%	6.50%	6.50%	10.00%	10.00%	—%	5.00%	5.00%	16.00%	16.00%
55	6.50%	6.50%	5.00%	10.00%	9.00%	7.00%	7.00%	5.50%	22.00%	15.00%
59	6.50%	4.00%	4.00%	10.00%	15.00%	10.50%	6.50%	6.50%	22.00%	16.00%
60	6.50%	6.00%	6.00%	10.00%	15.00%	10.50%	6.50%	6.50%	22.00%	16.00%
61	6.50%	9.00%	9.00%	10.00%	15.00%	10.50%	6.50%	6.50%	22.00%	16.00%
62	6.50%	9.00%	9.00%	25.00%	22.50%	10.50%	13.00%	13.00%	34.50%	25.00%
64	6.50%	15.00%	15.00%	25.00%	22.50%	10.50%	17.00%	17.00%	24.00%	27.50%
65	25.00%	25.00%	25.00%	25.00%	27.00%	28.00%	28.00%	28.00%	28.00%	27.50%
67	15.00%	25.00%	25.00%	25.00%	25.00%	15.00%	27.50%	27.50%	27.50%	27.50%
70	27.50%	20.00%	20.00%	20.00%	20.00%	15.00%	27.50%	27.50%	27.50%	27.50%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits –
Ten Largest Employers – Plan 2 and Hybrid

Age	Male Years of Service								
	5	6-25	30	31	33	35	37	39	≥40
50	—%	—%	—%	—%	—%	—%	—%	8.00%	8.00%
55	—%	—%	—%	—%	—%	8.00%	8.00%	8.00%	8.00%
59	—%	—%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
62	20.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
64	10.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
65	25.00%	25.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
67	15.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
70	15.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

FIGURE 4.7: RETIREMENT RATES – OPEB PLANS, cont.

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits –
Ten Largest Employers – Plan 2 and Hybrid

Age	Female								
	Years of Service								
	5	6-25	30	31	33	35	37	39	≥40
50	—%	—%	—%	—%	—%	—%	—%	8.00%	8.00%
55	—%	—%	—%	—%	—%	8.00%	8.00%	8.00%	8.00%
59	—%	—%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
62	20.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
64	10.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
65	25.00%	25.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
67	15.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
70	15.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – All Other Employers – Plan 1

Age	Male					Female				
	Years of Service					Years of Service				
	5	10	11-29	30	≥31	5	10	11-29	30	≥31
50	—%	6.00%	6.00%	15.00%	15.00%	—%	5.00%	5.00%	10.00%	10.00%
55	10.00%	10.00%	6.00%	15.00%	11.00%	7.00%	7.00%	6.00%	12.00%	10.00%
59	10.00%	5.50%	5.50%	16.00%	10.00%	6.00%	5.50%	5.50%	10.00%	10.00%
60	10.00%	5.00%	5.00%	16.00%	12.00%	6.00%	6.50%	6.50%	15.00%	10.00%
61	10.00%	8.50%	8.50%	16.00%	16.00%	6.00%	9.50%	9.50%	20.00%	16.50%
62	10.00%	15.00%	15.00%	27.00%	22.00%	6.00%	14.50%	14.50%	20.00%	20.00%
64	10.00%	15.00%	15.00%	27.00%	18.00%	6.00%	14.50%	14.50%	35.00%	20.00%
65	30.00%	30.00%	30.00%	30.00%	30.00%	28.00%	28.00%	28.00%	28.00%	35.00%
67	30.00%	22.00%	22.00%	22.00%	22.00%	28.00%	22.00%	22.00%	22.00%	22.00%
70	30.00%	22.00%	22.00%	22.00%	22.00%	28.00%	22.00%	22.00%	22.00%	22.00%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

FIGURE 4.7: RETIREMENT RATES – OPEB PLANS, cont.

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – All Other Employers – Plan 2 and Hybrid

Age	Male								
	Years of Service								
	5	6-25	30	31	33	35	37	39	≥40
50	—%	—%	—%	—%	—%	—%	—%	8.00%	8.00%
55	—%	—%	—%	—%	—%	8.00%	8.00%	8.00%	8.00%
59	—%	—%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	11.00%	9.00%	11.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
62	15.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
64	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
65	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
67	22.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
70	16.00%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%
≥80	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – All Other Employers – Plan 2 and Hybrid

Age	Female								
	Years of Service								
	5	6-25	30	31	33	35	37	39	≥40
50	—%	—%	—%	—%	—%	—%	—%	8.00%	8.00%
55	—%	—%	—%	—%	—%	8.00%	8.00%	8.00%	8.00%
59	—%	—%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
60	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
61	11.00%	9.00%	11.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
62	15.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
64	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
65	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
67	22.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
70	16.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
≥75	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

FIGURE 4.7: RETIREMENT RATES – OPEB PLANS, cont.

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers – All Plans

Age	Male				Female			
	Years of Service				Years of Service			
	5	6-24	25	≥26	5	6-24	25	≥26
50	6.50%	6.50%	20.00%	20.00%	6.00%	6.00%	25.00%	25.00%
55	6.50%	6.00%	25.00%	24.00%	6.00%	7.50%	25.00%	40.00%
59	6.50%	10.00%	21.00%	20.00%	6.00%	14.00%	25.00%	25.00%
60	21.00%	21.00%	21.00%	23.00%	15.00%	15.00%	15.00%	25.00%
61	37.50%	23.00%	23.00%	23.00%	15.00%	15.00%	15.00%	15.00%
62	37.50%	27.00%	27.00%	27.00%	15.00%	15.00%	15.00%	15.00%
63	37.50%	27.00%	27.00%	27.00%	15.00%	15.00%	15.00%	15.00%
64	37.50%	27.00%	27.00%	27.00%	15.00%	30.00%	30.00%	30.00%
≥70	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – All Other Employers – All Plans

Age	Male				Female			
	Years of Service				Years of Service			
	5	6-24	25	≥26	5	6-24	25	≥26
50	9.00%	9.00%	27.50%	27.50%	6.00%	6.00%	30.00%	30.00%
55	7.00%	7.50%	20.00%	20.00%	10.00%	9.00%	20.00%	30.00%
59	7.00%	12.00%	20.00%	24.00%	10.00%	12.00%	20.00%	25.00%
60	15.00%	15.00%	15.00%	24.00%	15.00%	15.00%	15.00%	25.00%
61	20.00%	24.00%	24.00%	24.00%	15.00%	25.00%	25.00%	25.00%
62	20.00%	27.50%	27.50%	27.50%	15.00%	25.00%	25.00%	25.00%
63	20.00%	27.50%	27.50%	27.50%	15.00%	25.00%	25.00%	25.00%
64	20.00%	27.50%	27.50%	27.50%	15.00%	25.00%	25.00%	25.00%
≥70	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

State Police Officers – All Plans

Age	Years of Service	
	5-24	≥25
50	10.00%	10.00%
55	6.00%	20.00%
59	10.00%	13.00%
60	10.00%	13.00%
≥70	100.00%	100.00%

FIGURE 4.7: RETIREMENT RATES – OPEB PLANS, cont.

Virginia Law Officers – All Plans

Age	Years of Service – Male			
	5	6-24	25	≥26
50	15.00%	15.00%	45.00%	45.00%
55	10.00%	8.00%	18.00%	25.00%
59	10.00%	12.00%	18.00%	20.00%
60	18.00%	18.00%	18.00%	30.00%
≥70	100.00%	100.00%	100.00%	100.00%

Age	Years of Service – Female			
	5	6-24	25	≥26
50	15.00%	15.00%	37.50%	37.50%
55	10.00%	9.00%	25.00%	30.00%
59	10.00%	13.00%	30.00%	20.00%
60	20.00%	20.00%	20.00%	20.00%
≥70	100.00%	100.00%	100.00%	100.00%

Judges – All Plans

Age	Rate
60	10.00%
65	10.00%
70	25.00%
≥73	100.00%

FIGURE 4.8: DISABILITY RATES – OPEB PLANS

As shown below for selected ages.

State Employees

25% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0390%	0.0331%
30	0.0906%	0.2109%
40	0.2120%	0.3537%
50	0.4967%	0.6288%
60	0.6899%	0.7354%

FIGURE 4.8: DISABILITY RATES – OPEB PLANS, cont.

Teachers

5% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0005%	0.0003%
30	0.0064%	0.0081%
40	0.0325%	0.0481%
50	0.1444%	0.1609%
60	0.3395%	0.3321%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers

20% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0048%	0.0011%
30	0.0071%	0.0230%
40	0.1392%	0.1338%
50	0.3835%	0.3298%
60	0.8081%	0.5296%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – All Other Employers

15% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0048%	0.0009%
30	0.0215%	0.0009%
40	0.1297%	0.0579%
50	0.4292%	0.2739%
60	0.6564%	0.6403%

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers

70% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0187%	0.0121%
30	0.0523%	0.5583%
40	0.2668%	0.7943%
50	0.4997%	1.0903%
60	1.0554%	1.7878%

FIGURE 4.8: DISABILITY RATES – OPEB PLANS, cont.

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – All Other Employers

45% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.0014%	0.0050%
30	0.0575%	0.1568%
40	0.2182%	0.2007%
50	0.4161%	0.4127%
60	0.5745%	1.6052%

State Police Officers

85% of disability cases are assumed to be service-related.

Age	Rate
≤44	0.1938%
50	0.4807%
55	0.7697%
60	0.8967%
70	1.3680%

Virginia Law Officers

35% of disability cases are assumed to be service-related.

Age	Male	Female
20	0.1426%	0.5426%
30	0.5842%	0.6594%
40	0.7929%	1.0013%
50	1.1649%	1.8214%
60	1.7820%	2.9010%
70	1.9200%	5.4994%

Judges

There are no assumed rates of disability prior to service retirement (for causes other than death or retirement).

FIGURE 4.9: TERMINATION RATES – OPEB PLANS

Withdrawal rates are based on age and years of service credit. Sample rates for selected ages and years of service are shown below for causes other than death, disability or retirement.

State Employees – All Plans

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION

Years of Service – Males											
Age	0	1	2	3	4	5	6	7	8	9	>10
25	23.974%	21.579%	19.409%	17.424%	15.524%	13.693%	11.975%	10.595%	9.975%	9.732%	10.701%
35	17.716%	15.218%	13.247%	11.805%	10.829%	10.087%	9.383%	8.541%	7.535%	6.447%	5.388%
45	15.975%	11.918%	9.302%	7.949%	7.467%	7.461%	7.339%	6.905%	6.126%	4.945%	3.331%
55	15.197%	11.087%	8.483%	7.159%	6.658%	6.381%	6.149%	5.872%	5.613%	5.509%	5.439%
65	15.304%	13.450%	12.193%	11.472%	11.037%	—%	—%	—%	—%	—%	—%

FIGURE 4.9: TERMINATION RATES – OPEB PLANS, cont.

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Females											
Age	0	1	2	3	4	5	6	7	8	9	>10
25	27.376%	26.249%	24.118%	21.199%	18.029%	15.160%	13.004%	11.112%	9.997%	10.375%	12.876%
35	20.766%	17.777%	15.365%	13.514%	12.123%	10.996%	9.994%	9.070%	8.104%	7.066%	5.980%
45	18.340%	13.974%	10.951%	9.110%	8.142%	7.776%	7.634%	7.404%	6.888%	5.803%	4.010%
55	16.001%	12.044%	9.383%	7.856%	7.120%	6.731%	6.491%	6.383%	6.463%	6.942%	7.765%
65	14.142%	12.453%	11.513%	11.187%	11.326%	—%	—%	—%	—%	—%	—%

Teachers – All Plans

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Males											
Age	0	1	2	3	4	5	6	7	8	9	>10
25	19.207%	16.728%	14.515%	12.651%	11.200%	10.027%	8.948%	7.865%	7.114%	7.386%	8.326%
35	16.839%	14.734%	13.071%	11.712%	10.510%	9.374%	8.315%	7.322%	6.329%	5.217%	4.003%
45	18.182%	15.046%	12.547%	10.682%	9.330%	8.397%	7.608%	6.863%	5.924%	4.581%	2.657%
55	21.008%	16.464%	12.933%	10.382%	8.670%	7.536%	6.833%	6.318%	5.973%	5.790%	2.260%
65	24.063%	18.847%	14.805%	11.831%	9.792%	—%	—%	—%	—%	—%	—%

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Females											
Age	0	1	2	3	4	5	6	7	8	9	>10
25	18.376%	15.481%	13.758%	12.581%	11.260%	10.133%	9.186%	8.253%	6.911%	6.524%	7.704%
35	17.757%	15.500%	13.863%	12.610%	11.452%	10.307%	9.292%	8.399%	7.473%	6.273%	4.807%
45	15.616%	13.289%	11.458%	10.011%	8.846%	7.999%	7.497%	7.203%	6.668%	5.362%	2.476%
55	15.060%	12.499%	10.614%	9.285%	8.348%	7.597%	6.925%	6.342%	6.066%	6.295%	2.476%
65	18.831%	16.489%	14.798%	13.739%	13.130%	—%	—%	—%	—%	—%	—%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers – All Plans

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Males											
Age	0	1	2	3	4	5	6	7	8	9	>10
25	28.989%	27.432%	26.526%	26.242%	26.375%	26.558%	26.297%	25.458%	23.734%	20.701%	15.866%
35	21.415%	19.378%	17.963%	17.076%	16.538%	16.121%	15.615%	14.808%	13.573%	11.801%	9.397%
45	17.894%	15.267%	13.230%	11.737%	10.675%	9.865%	9.232%	8.627%	7.933%	7.192%	5.296%
55	16.167%	13.384%	11.115%	9.363%	8.092%	7.311%	6.800%	6.512%	6.387%	6.264%	4.605%
65	14.654%	12.546%	10.779%	9.372%	8.367%	—%	—%	—%	—%	—%	—%

FIGURE 4.9: TERMINATION RATES – OPEB PLANS, cont.

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Females											
Age	0	1	2	3	4	5	6	7	8	9	>10
25	26.948%	24.864%	23.870%	23.584%	23.500%	23.043%	22.383%	21.351%	19.968%	18.230%	16.241%
35	21.697%	18.644%	16.712%	15.790%	15.565%	15.609%	15.458%	14.802%	13.451%	11.314%	8.392%
45	19.315%	15.196%	12.534%	11.170%	10.742%	10.776%	10.785%	10.381%	9.325%	7.535%	4.936%
55	17.544%	13.552%	10.836%	9.258%	8.536%	8.303%	8.149%	7.885%	7.414%	6.668%	5.673%
65	15.252%	12.880%	11.016%	9.645%	8.728%	—%	—%	—%	—%	—%	—%

**Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits –
All Other Employers – All Plans**

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Males											
Age	0	1	2	3	4	5	6	7	8	9	>10
25	34.582%	30.879%	27.971%	25.872%	24.501%	23.668%	22.856%	21.758%	20.423%	18.923%	17.160%
35	26.103%	23.300%	21.169%	19.604%	18.413%	17.401%	16.467%	15.478%	14.272%	12.727%	10.921%
45	21.691%	18.002%	15.364%	13.656%	12.626%	11.997%	11.521%	11.013%	10.332%	9.373%	7.933%
55	18.678%	14.934%	12.243%	10.520%	9.586%	9.185%	9.042%	9.022%	9.123%	9.336%	9.555%
65	16.801%	14.540%	12.836%	11.667%	10.985%	—%	—%	—%	—%	—%	—%

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION											
Years of Service – Females											
Age	0	1	2	3	4	5	6	7	8	9	>10
25	32.508%	30.131%	27.509%	24.836%	22.591%	21.199%	20.768%	20.326%	19.626%	18.741%	17.582%
35	25.792%	22.474%	20.062%	18.479%	17.509%	16.848%	16.228%	15.456%	14.215%	12.254%	9.510%
45	21.851%	18.237%	15.746%	14.201%	13.248%	12.573%	11.969%	11.310%	10.459%	9.194%	7.283%
55	18.709%	15.590%	13.351%	11.857%	10.862%	10.068%	9.333%	8.825%	8.825%	8.825%	8.825%
65	17.656%	15.223%	13.387%	12.121%	11.334%	—%	—%	—%	—%	—%	—%

FIGURE 4.9: TERMINATION RATES – OPEB PLANS, cont.

**Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits –
Ten Largest Employers – All Plans**

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION

Terminations Per 100 Members

Years of Service	Males	Females
0	5.500%	7.000%
1	4.000%	7.000%
2	4.000%	7.000%
3	4.000%	5.000%
4	4.000%	5.000%
5	3.000%	5.000%
6	2.500%	3.000%
7	2.500%	3.000%
8	2.500%	3.500%
9	1.500%	1.500%
10 or more	1.000%	1.500%

**Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits –
All Other Employers – All Plans**

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION

Terminations Per 100 Members

Years of Service	Males	Females
0	11.000%	20.000%
1	11.000%	15.000%
2	9.500%	10.000%
3	8.500%	8.500%
4	7.500%	7.000%
5	6.500%	7.000%
6	6.500%	7.000%
7	4.000%	7.000%
8	4.000%	7.000%
9	4.000%	6.000%
10 or more	2.500%	3.500%

FIGURE 4.9: TERMINATION RATES – OPEB PLANS, cont.

State Police Officers – All Plans

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION

Service	Rate
0	8.000%
1	6.000%
2	6.000%
3	6.000%
4	6.000%
5	6.000%
6	6.000%
7	3.000%
8	3.000%
9	3.000%
>10	1.750%

Virginia Law Officers – All Plans

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION

Years of Service – Males											
Age	0	1	2	3	4	5	6	7	8	9	>10
25	36.285%	28.479%	23.294%	20.555%	19.714%	19.438%	18.892%	17.882%	17.232%	16.314%	17.288%
35	29.590%	24.719%	21.139%	18.685%	16.890%	15.650%	14.654%	13.513%	11.884%	10.094%	7.962%
45	24.947%	20.776%	17.527%	15.163%	13.800%	12.852%	11.960%	10.962%	9.617%	7.511%	4.653%
55	22.917%	17.523%	13.271%	10.157%	10.390%	—%	—%	—%	—%	—%	—%
65	23.923%	15.385%	8.724%	3.755%	6.679%	—%	—%	—%	—%	—%	—%

SEPARATIONS FROM ACTIVE SERVICE DUE TO TERMINATION

Years of Service – Females											
Age	0	1	2	3	4	5	6	7	8	9	>10
25	43.786%	33.985%	27.627%	24.458%	24.051%	24.937%	26.238%	26.963%	25.996%	24.867%	18.991%
35	35.591%	29.532%	25.008%	21.852%	19.421%	17.876%	16.674%	15.620%	14.391%	12.349%	9.981%
45	29.713%	25.007%	21.104%	17.970%	16.112%	14.777%	13.695%	12.161%	10.324%	8.381%	4.500%
55	27.168%	21.009%	16.023%	12.279%	13.911%	—%	—%	—%	—%	—%	—%
65	28.529%	17.815%	9.796%	4.508%	12.790%	—%	—%	—%	—%	—%	—%

Judges

There are no assumed rates of withdrawal prior to service retirement (for causes other than death or retirement).

FIGURE 4.10: SALARY INCREASE RATES – OPEB PLANS

The sample salary increase rates are shown below. These factors are not applicable to the Line of Duty Act Program because neither the benefit nor the cost are salary-based.

State Employees

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown. It is assumed state employees who are covered under the Virginia Sickness and Disability Program (VSDP) receive a 3.50% annual increase in pay while disabled. This adjusted pay is used to determine deferred retirement benefits payable from the System.

Years of Service	Annual Step-Rate/ Promotional Rates of Increase	Total Annual Rate of Increase
1	1.85%	5.35%
3	1.25%	4.75%
6	0.95%	4.45%
9	0.50%	4.00%
11-19	0.15%	3.65%
20 or more	—%	3.50%

Teachers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown.

Years of Service	Annual Step-Rate/ Promotional Rates of Increase	Total Annual Rate of Increase
1	2.45%	5.95%
3	2.35%	5.85%
6	1.95%	5.45%
9	1.85%	5.35%
11	1.35%	4.85%
15	1.15%	4.65%
19	0.95%	4.45%
20 or more	—%	3.50%

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown.

Years of Service	Annual Step-Rate/ Promotional Rates of Increase	Total Annual Rate of Increase
1	1.85%	5.35%
3	1.25%	4.75%
6	0.95%	4.45%
9	0.50%	4.00%
11-19	0.15%	3.65%
20 or more	—%	3.50%

FIGURE 4.10: SALARY INCREASE RATES – OPEB PLANS, cont.

Political Subdivision Employees Not Receiving Enhanced Hazardous Duty Benefits – All Other Employers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown.

Years of Service	Annual Step-Rate/ Promotional Rates of Increase	Total Annual Rate of Increase
1	1.85%	5.35%
3	1.25%	4.75%
6	0.95%	4.45%
9	0.50%	4.00%
11-19	0.15%	3.65%
20 or more	—%	3.50%

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – Ten Largest Employers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown.

Years of Service	Annual Step-Rate/ Promotional Rates of Increase	Total Annual Rate of Increase
1	1.25%	4.75%
3	1.25%	4.75%
6	0.90%	4.40%
9	0.90%	4.40%
11-19	0.50%	4.00%
20 or more	—%	3.50%

Political Subdivision Employees Receiving Enhanced Hazardous Duty Benefits – All Other Employers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown.

Years of Service	Annual Step-Rate/ Promotional Rates of Increase	Total Annual Rate of Increase
1	1.25%	4.75%
3	1.25%	4.75%
6	0.90%	4.40%
9	0.90%	4.40%
11-19	0.50%	4.00%
20 or more	—%	3.50%

State Police Officers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown. It is assumed state police officers who are covered under the Virginia Sickness and Disability Program (VSDP) receive a 3.50% annual increase in pay while disabled. This adjusted pay is used to determine deferred retirement benefits payable from the System.

Years of Service	Annual Step-Rate/ Promotional Rates of Increase	Total Annual Rate of Increase
1	1.25%	4.75%
3	1.25%	4.75%
6	0.90%	4.40%
9	0.90%	4.40%
10-19	0.50%	4.00%
20 or more	—%	3.50%

FIGURE 4.10: SALARY INCREASE RATES – OPEB PLANS, cont.

Virginia Law Officers

Inflation of 2.50% plus a productivity component of 1.00% and a step-rate/promotional component as shown. It is assumed Virginia law officers who are covered under the Virginia Sickness and Disability Program (VSDP) receive a 3.50% annual increase in pay while disabled. This adjusted pay is used to determine deferred retirement benefits payable from the System.

Years of Service	Annual Step-Rate/ Promotional Rates of Increase	Total Annual Rate of Increase
1	1.25%	4.75%
3	1.25%	4.75%
6	0.90%	4.40%
9	0.90%	4.40%
10-19	0.50%	4.00%
20 or more	—%	3.50%

Judges

Salary increase rates are 4.00%.

FIGURE 4.11: PORTING RATES – LONG-TERM CARE

Porting rates represent the probability that an individual will choose to port the coverage upon employment termination. Porting rates are assumed to increase with longevity because the contributions for terminated employees are based on the age at which they started the program (either their age in 2002 or age at hire, if later).

Current Selected Policy Porting Rate Assumptions by Policy Issue Age and Policy Duration

Issue Age	Policy Duration (in years)					
	0	10	20	30	40	50+
30	0.1000	0.1234	0.2185	0.4537	0.7574	1.0000
40	0.1000	0.1608	0.3423	0.5526	0.9230	1.0000
50	0.1027	0.2244	0.4116	0.6790	1.0000	1.0000
60	0.1162	0.2667	0.4986	0.8407	1.0000	1.0000
70	0.1485	0.3308	0.6099	0.9985	1.0000	1.0000
80	0.1875	0.4043	0.7524	1.0000	1.0000	1.0000
90	0.2012	0.4601	0.9347	1.0000	1.0000	1.0000
100	0.2171	0.5261	1.0000	1.0000	1.0000	1.0000
110	0.2354	0.6042	1.0000	1.0000	1.0000	1.0000

ADDITIONAL INFORMATION ABOUT ACTUARIAL ASSUMPTIONS AND METHODS: OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS

Mortality Rates:

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally:

- State – Females set forward 2 years
- Teachers – Males 110% of rates
- State Police – Males 95% of rates, females 105% of rates set forward 2 years
- VaLORS – Males 95% of rates, females 105% of rates set forward 2 years
- Judicial – Males set forward 2 years
- Political subdivisions, non-hazardous duty – Males set forward 2 years, females 105% of rates set forward 3 years
- Political subdivisions, hazardous duty – Males 95% of rates, females 105% of rates set forward 2 years

Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally:

- State – Females 110% of rates
- Teachers – Males set forward 1 year, females 105% of rates
- State Police – Males 110% of rates, females 105% of rates set forward 3 years
- VaLORS – Males 110% of rates, females 105% of rates set forward 3 years
- Judicial – Males 95% of rates, females set back 2 years
- Political subdivisions, non-hazardous duty – Males 95% of rates set forward 2 years, females 95% of rates set forward 1 year
- Political subdivisions, hazardous duty – Males 110% of rates, females 105% of rates set forward 3 years

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally:

- State – Males and females set forward 3 years
- Teachers – 110% of rates for males and females
- State Police – Males 95% of rates set back 3 years, females 90% of rates set back 3 years
- VaLORS – Males 95% of rates set back 3 years, females 90% of rates set back 3 years
- Political subdivisions, non-hazardous duty – Males 110% of rates set forward 3 years, females 110% of rates set forward 2 years
- Political subdivisions, hazardous duty – Males 95% of rates set back 3 years, females 90% of rates set back 3 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally:

- State – 110% of rates for males and females
- State Police – 110% of rates for males and females set forward 2 years
- VaLORS – 110% of rates for males and females set forward 2 years
- Political subdivisions, hazardous duty – 110% of rates for males and females set forward 2 years

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Provision for Expense. The assumed investment return represents the anticipated net rate of return after payment of all administrative expenses.

Asset Valuation Method. For the Group Life Insurance Program, the state and teacher employer

groups for the Retiree Health Insurance Credit Program, VSDP and VLDP, the method of valuing assets is intended to recognize a “smoothed” market value of assets. Under this method, the difference between actual return on market value from

investment experience and the expected return on market value is recognized over a five-year period.

The resulting actuarial value of assets cannot be less than 80% or more than 120% of the market value of assets. For the Line of Duty Act Program and the political subdivision employer groups in the Retiree Health Insurance Credit Program or employees who are eligible for the state-funded benefit for constitutional officers and their employees, general registrars and their employees and local social services employees, the actuarial value of assets is equal to the market value of assets.

Actuarial Cost Method. For the Group Life Insurance Program, Retiree Health Insurance Credit Program, VSDP, VLDP and the Line of Duty Act Program, the normal contribution is determined using the entry age normal method. Under this method, a calculation is made for the cost of benefits to determine the uniform and constant percentage rate of the employer contribution which, if applied to the compensation of the average new member during the entire period of the member's anticipated covered service, would meet the cost of all benefits payable on the member's behalf. The unfunded accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions from the present value of the expected benefits to be paid. The accrued liability contribution amortizes the balance of the unfunded actuarial accrued liability (UAAL) over a period of years from the valuation date.

Actuarial Gains and Losses. Actuarial gains and losses are reflected in the UAAL and are amortized as part of that balance.

Payroll Growth Rates. The payroll growth rate is assumed to be 3.00% based on a zero population growth assumption.

Funding Period. On October 19, 2023, the VRS Board adopted a change to the VRS Funding Policy Statement which generally reset the amortization period to 20 years for the total unfunded accrued liability as of June 30, 2023. Any HIC political subdivision unfunded liabilities, which were

originally amortized over 10 years, associated with the implementation of coverage or enhancement of coverage, were not reset as part of the October 19, 2023, change.

Prior to this change for all programs, the amortization of the legacy UAAL began at 30 years on June 30, 2013, and this amortization period decreased by one year per each subsequent valuation date until the legacy UAAL would have been fully amortized (amortization period was 0 years). With each subsequent valuation, a new amortization base was used to amortize that portion of the UAAL not covered by the current balances of the previously established amortization bases. Each valuation's newly allocated share of the UAAL was amortized over a closed 20-year period. In the event the funding policy produced an effective amortization period of greater than 30 years, a 30-year amortization period for the aggregate UAAL was used in accordance with GASB 43 and 45.

Summary of Other Post-Employment Benefit Plan Provisions

Group Life Insurance Program

ADMINISTRATION

The plan is administered by the Board of Trustees of the Virginia Retirement System (the System). Contributions received are held in trust. Payments are made to Securian Financial as reimbursement for the payment of life insurance proceeds to the beneficiaries.

An addition to the contribution requirement for the active member benefit provides for the retiree death benefit. The active portion of the contribution is used to purchase group term life insurance from an insurance company; the retired member portion is held in a trust until required for benefit payments.

When a covered retiree dies, Securian Financial pays the insurance claim and then collects a premium equal to the cost of the claim.

The retired member contribution is determined actuarially. The Board sets administrative policy and determines the allocation of the assets held for investment.

ELIGIBILITY

The following employees are covered under the Group Life Insurance Program upon employment:

- Full-time permanent, salaried employees of the Commonwealth of Virginia, including state employees, faculty members of the state's public colleges and universities, state police officers (SPORS), Virginia law officers (VaLORS) and judicial employees (JRS).
- Full-time permanent, salaried teachers and other administrative employees of local public school divisions.
- Full-time permanent, salaried sheriffs, deputy sheriffs and other eligible non-hazardous duty and hazardous duty employees of political subdivisions that have elected to participate in the Group Life Insurance Program.
- Employees of three localities that do not participate in VRS for retirement: City of Portsmouth, City of Roanoke and Roanoke City School Board. The City of Richmond and the City of Norfolk participate in VRS for retirement and life insurance. However, there are employees under each locality who decided to remain with the locality's retirement plan and are covered under VRS for life insurance only.
- Certain members who were employed at the time of initial coverage under the Group Life Insurance Program had the option to decline coverage.

ACTIVE MEMBER BENEFIT

Active members are covered for the following benefits:

- Natural death benefit equal to the member's compensation rounded to the next highest thousand and then doubled.
- Accidental death benefit, which is double the natural death benefit.
- Accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit and an accelerated death benefit option.

Covered employees may elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. Optional group life benefits are not included in the valuations of the OPEB plans.

RETIREE BENEFIT

1. Service Retirement. A death benefit equal to the active member's natural death benefit and the accelerated death benefit option continue for retirees and for deferred members who have met the eligibility requirements for retirement upon leaving employment. Coverage begins to reduce by 25% on the January 1 following one calendar year after the member's employment ends and by 25% each January 1 thereafter, until it reaches 25% of its original value. For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program, set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025. A member may end employment and defer retirement until a later date; however, the group life insurance will begin reducing based on the last month of employment.

2. Disability Retirement. The benefits available to disability retirees are the same as those for service retirees, except that the first 25% annual reduction begins on the January 1 following the first full calendar year from the month the retiree reaches normal retirement age.

Retiree Health Insurance Credit Program

ADMINISTRATION

The plan is administered by the System's Board of Trustees. Contributions received are held in trust. The Board sets administrative policy and determines the allocation of the assets held for investment.

ELIGIBILITY

The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against the portion of qualified health insurance premiums retirees pay for single coverage. The credit cannot exceed the amount of the premium and ends upon the retiree's death.

If a member has worked for more than one employer under VRS, SPORS, VaLORS or JRS, for the purpose of this valuation, the most current (or last) employer assumes the full liability for that employee.

CREDIT AMOUNTS

The dollar amounts vary depending on the employee type, as shown in the following tables:

Health Insurance Credit Dollar Amounts at Retirement

ELIGIBLE EMPLOYEES	AMOUNT PER YEAR OF SERVICE	MAXIMUM CREDIT PER MONTH
State agency employees (including participants in a state ORP or ARP)	\$4.25	No Maximum
Teachers and school administrators	\$4	No Maximum
General registrars and their employees and local social service employees	\$1.50	\$45
General registrars and their employees and local social service employees, if the political subdivision elects the \$1 enhancement	\$2.50	\$75
Constitutional officers and their employees	\$1.75	\$52.50
Constitutional officers and their employees, if the political subdivision elects the \$1 enhancement	\$2.75	\$82.50
Non-teacher school division employees	\$1.50	No Maximum
Non-teacher school division employees, if the school division elects the \$1 enhancement	\$2.50	No Maximum
Other political subdivision employees as elected by the employer	\$1.50	\$45

Health Insurance Credit for Disability Retirees and Employees on Long-Term Disability

ELIGIBLE EMPLOYEES	DISABILITY RETIREMENT AMOUNT PER MONTH	MAXIMUM CREDIT PER MONTH
State employees	\$120 or \$4.25 per year of service, whichever is greater	No Maximum
Teachers and school administrators	\$4	No Maximum
General registrars and their employees and local social service employees	\$45	\$45
General registrars and their employees, and local social service employees, if the political subdivision elects the \$1 enhancement	\$75	\$75
Constitutional officers and their employees	\$52.50	\$52.50
Constitutional officers and their employees, if the political subdivision elects the \$1 enhancement	\$82.50	\$82.50
Non-teacher school division employees	\$1.50 x the smaller of (a) twice the amount of service credit or (b) the amount of service that would have been earned had the member remained an active employee until age 60	No Maximum
Non-teacher school division employees, if the school division elects the \$1 enhancement	\$2.50 x the smaller of (a) twice the amount of service credit or (b) the amount of service that would have been earned had the member remained an active employee until age 60	No Maximum
Other political subdivision employees as elected by the employer	\$45	\$45

Virginia Sickness and Disability Program (VSDP)

ADMINISTRATION

The plan is administered by the System's Board of Trustees. Contributions received are held in trust. The Board sets administrative policy and determines the allocation of the assets held for investment.

ELIGIBILITY

The following state employees are covered automatically under the Virginia Sickness and Disability Program (VSDP) upon employment:

- Full-time permanent, salaried employees of the Commonwealth of Virginia (VRS) and part-time permanent, salaried state employees who work at least 20 hours a week;
- Public college and university faculty members who elect to participate in VRS instead of an optional retirement plan. These faculty members can elect VSDP or a disability plan offered by their institution;
- Full-time permanent, salaried state police officers (SPORS); and
- Full-time permanent, salaried Virginia law officers other than state police (VaLORS).

State employees hired before January 1, 1999, had the option to elect VSDP or retain their eligibility to be considered for disability retirement.

SHORT-TERM AND LONG-TERM DISABILITY BENEFITS

VSDP coverage provides short-term and long-term disability benefits for non-work-related and work-related illnesses and injuries. Eligible members who become disabled receive short-term disability benefits for up to 125 workdays, following a seven-calendar-day waiting period from the first day of disability.

Members who are still disabled after 125 workdays are evaluated for long-term disability. Members hired or rehired on or after July 1, 2009, must satisfy eligibility periods for non-work-related disability coverage and certain income-replacement levels.

The long-term disability benefit provides income replacement equal to 60% of the member's pre-disability income. While members are on long-term disability, they are not considered employees of the Commonwealth of Virginia. Members who can work at least 20 hours a week but cannot perform their full duties may be eligible for long-term disability benefits while working. They must have returned to work with modified duties while on short-term disability.

The long-term disability benefit is adjusted by any salary, wages, workers' compensation benefits or other disability payments the member receives for the same condition. If a member's condition becomes catastrophic, income replacement will increase to 80% of pre-disability income for as long as the condition is considered catastrophic. A disability is determined to be catastrophic if a member is unable to perform at least two of a specified list of activities of daily living without assistance.

Long-term disability benefits end if the member can perform the full duties of his or her pre-disability position without any restrictions during the first 24 months of disability; can perform the regular duties of any job for which the member is reasonably qualified after 24 months of disability and earning 80% or more of his or her pre-disability income; takes a refund of his or her member contributions and interest; does not cooperate or comply with the requirements of VSDP; or begins receiving a VRS

service retirement benefit. Benefits also end in the event of the member's death.

VSDP LONG-TERM CARE PLAN

VSDP plan members are eligible for no-cost long-term care coverage under the VSDP Long-Term Care Plan. The plan provides a two-year maximum coverage period with a maximum \$96-per-day daily benefit for nursing home care and other covered services. The benefit of many of the other services is less than the nursing home benefit, which means those needing these services will take longer to reach their lifetime maximum amount, resulting in longer coverage duration.

Benefits begin after 90 days from the date the member is certified by a licensed health care professional as eligible for benefits. The benefit schedule includes the possibility of an increase for inflation every five years in the amount of 5.00% compounded annually since the last inflation increase. Since such increases are not prefunded, they are accompanied by a corresponding increase in contributions. Upon retirement or termination from employment, VSDP plan members may elect to continue their long-term care coverage by paying the premiums.

Virginia Local Disability Program (VLDP)

ADMINISTRATION

The plan is administered by the System's Board of Trustees. Contributions received are held in trust. The Board sets administrative policy and determines the allocation of the assets held for investment.

ELIGIBILITY

The following state employees are covered automatically under the Virginia Local Disability Program (VLDP) upon employment:

- Full-time permanent, salaried Hybrid Retirement Plan employees of participating local public school divisions; and
- Full-time permanent, salaried Hybrid Retirement Plan employees of participating political subdivisions.

SHORT-TERM AND LONG-TERM DISABILITY BENEFITS

VLDP coverage provides short-term and long-term disability benefits for non-work-related and work-

related illnesses and injuries. Eligible members who become disabled receive short-term disability benefits for up to 125 workdays, following a seven-calendar-day waiting period from the first day of disability. Members who are still disabled after 125 workdays are evaluated for long-term disability.

The long-term disability benefit provides income replacement equal to 60% of the member's pre-disability income. While members are on long-term disability, they are not considered employees.

Members who can work at least 20 hours a week but cannot perform their full duties may be eligible for long-term disability benefits while working. They must have returned to work with modified duties while on short-term disability.

The long-term disability benefit is adjusted by any salary, wages, workers' compensation benefits or other disability payments the member receives for the same condition. If a member's condition becomes catastrophic, income replacement will increase to 80% of pre-disability income for as long as the condition is considered catastrophic. A disability is determined to be catastrophic if a member is unable to perform at least two of a specified list of activities of daily living without assistance.

Long-term disability benefits end if the member can perform the full duties of his or her pre-disability position without any restrictions during the first 24 months of disability; can perform the regular duties of any job for which the member is reasonably qualified after 24 months of disability and earning 80% or more of his or her pre-disability income; takes a refund of his or her member contributions and interest; does not cooperate or comply with the requirements of VLDP; or begins receiving a VRS service retirement benefit. Benefits also end in the event of the member's death.

VLDP LONG-TERM CARE PLAN

VLDP plan members are eligible for no-cost long-term care coverage under the VSDP Long-Term Care Plan. The plan provides a two-year maximum coverage period with a maximum \$96-per-day daily benefit for nursing home care and other covered services. The benefit of many of the other services is

less than the nursing home benefit, which means those needing these services will take longer to reach their lifetime maximum amount, resulting in longer coverage duration.

Benefits begin after 90 days from the date the member is certified by a licensed health care professional as eligible for benefits. The benefit schedule includes the possibility of an increase for inflation every five years in the amount of 5.00% compounded annually since the last inflation increase. Since such increases are not prefunded, they are accompanied by a corresponding increase in contributions. Upon retirement or termination from employment, VLDP plan members may elect to continue their long-term care coverage by paying the premiums.

Line of Duty Act Program

ADMINISTRATION

The plan is administered by the System's Board of Trustees. Contributions received are held in trust. The Board sets administrative policy and determines the allocation of the assets held for investment.

ELIGIBILITY

Members of SPORS and VaLORS as well as members of VRS who are eligible for enhanced hazardous duty coverage are covered under the Line of Duty Act. Paid employees and volunteers in hazardous duty positions in all VRS-participating and non-VRS participating localities also are covered under the act.

BENEFITS

Coverage provides death and disability benefits administered by VRS, and health insurance benefits, which are administered by the Virginia Department of Human Resource Management (DHRM). The System is responsible for managing the assets of the Line of Duty Act Fund.

Summary of OPEB Plan Changes

The following changes have occurred to the OPEB plan provisions.

2012 VALUATION: The changes resulting from legislation are listed below:

1. Under House Bill 791, effective July 1, 2012, the life insurance amount reduction start date for disabled retirees was changed to January 1 following the first full year from the date the retiree reaches normal retirement age.
2. In 2012 House Bill 1130/Senate Bill 498 was enacted and was effective on January 1, 2013, requiring that active non-vested members of Plan 1 have to satisfy the Rule of 90 (sum of age and service is at least 90) or reach their Social Security normal retirement age to be eligible for unreduced retirement. These same members must attain age 60 with five years of service to be eligible for early retirement. This provision applies to the state and teacher plans and to members of political subdivision plans who are not covered by hazardous duty benefits. In addition, state employees on long-term disability are assumed to receive cost-of-living adjustments to their long-term disability benefits in an amount of 2.25% per year, compounded annually.

2013 VALUATION: No actuarially material changes are made to the plan provisions. There are two changes of note:

1. On June 20, 2013, the Board adopts the recommended economic and demographic assumptions proposed by the actuary as a result of the June 2012 experience study.
2. Changes noted in the 2012 valuation information, with effective dates in fiscal year 2013 were implemented.

2014 VALUATION: No actuarially material changes are made to the plan provisions. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan covers eligible employees hired on or after January 1, 2014, in the state, teacher and judicial plans or Plan 1 or Plan 2 members who elected during a one-time opt-in period, to be covered under the hybrid plan. The hybrid plan does not apply to members in the SPORS and VaLORS plans. The hybrid plan consists of defined benefit plan and defined contribution plan components.

2015 VALUATION: No actuarially material changes are made to the plan provisions. There are two changes of note:

1. An administrative expense charge was added to the employer contribution rates to cover administrative expenses.
2. The retirement rates for the judicial plan were extended to age 73 to reflect the change in the mandatory retirement age to 73.

2016 VALUATION: No actuarially material changes are made to the plan provisions.

2017 VALUATION: No actuarially material changes are made to the plan provisions. There is one change of note: On April 26, 2017, the Board adopts the recommended economic and demographic assumptions proposed by the actuary as a result of the June 2016 experience study.

2018 VALUATION: No actuarially material changes are made to the plan provisions.

2019 VALUATION: The investment rate was decreased from 7.00% per annum to 6.75% per annum.

2020 VALUATION: No actuarially material changes are made to the plan provisions.

2021 VALUATION: No actuarially material changes are made to the plan provisions. There is one change of note: On April 20, 2021, the Board adopts the recommended economic and demographic assumptions proposed by the actuary as a result of the June 2020 experience study.

2022 VALUATION: No actuarially material changes are made to the plan provisions.

2023 VALUATION: No actuarially material changes are made to the plan provisions. There is one change of note: Per 2023 House Bills 1789 and 2314, an increase in monthly health insurance credits will be received by retired state employees (\$4.25 accrual) and retired constitutional officers and their employees (\$1.75 accrual), beginning July 1, 2024.

2024 VALUATION: No actuarially material changes are made to the plan provisions.



Virginia
Retirement
System®

Statistical Section

Statistical Section

VRS Fiscal Year Returns

Pension Trust Funds:

- Schedule of Retirement Contributions by System and Plan

- Schedule of Pension Trust Fund Additions by Source

- Schedule of Pension Trust Fund Deductions by Type

- Schedule of Retirement Benefits by System and Plan

- Schedule of Retirement Benefits by Type

- Schedule of Refunds by Type

- Schedule of Retirees and Beneficiaries by Type of Retirement

- Schedule of Retirees and Beneficiaries by Type of Retirement and Plan

- Schedule of Retirees and Beneficiaries by Payout Option Selected

- Schedule of Average Benefit Payments

- Schedule of Funding (Market Value Basis): All Pension Plans

- Schedule of Funding (Market Value Basis): VRS Pension Plans

Other Employee Benefit Trust Funds:

- Schedule of Group Life Insurance Additions by Source

- Schedule of Group Life Insurance Deductions by Type

- Schedule of Retiree Health Insurance Credit Additions by Source

- Schedule of Retiree Health Insurance Credit Deductions by Type

- Schedule of Disability Insurance Trust Fund Additions by Source

- Schedule of Disability Insurance Trust Fund Deductions by Type

- Schedule of Retired Members and Beneficiaries by Plan

- Schedule of Average Benefit Payments by Plan

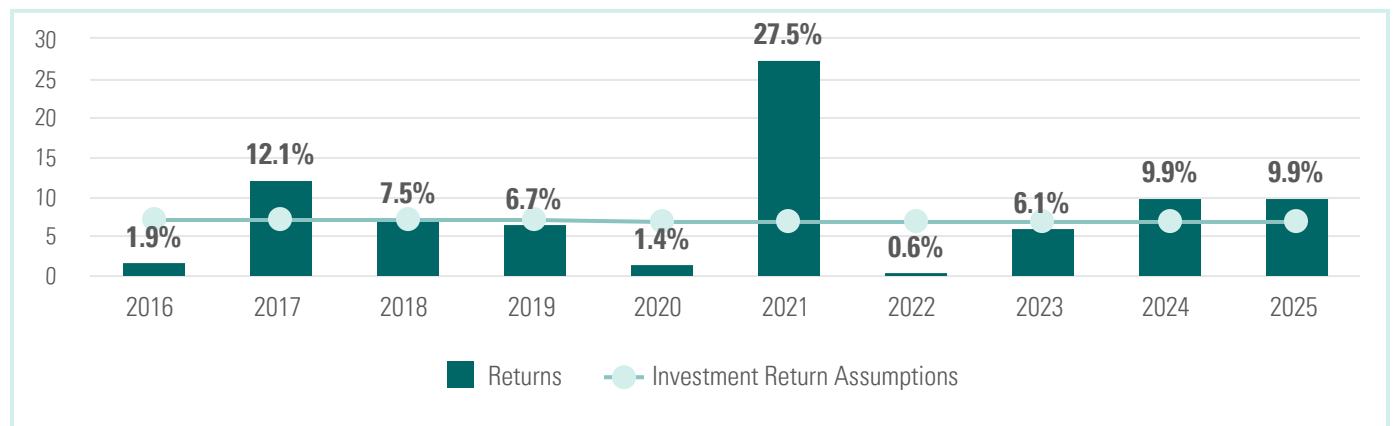
VRS-Participating Employers

Hybrid Defined Contribution Plan Schedules

Commonwealth of Virginia 457 Deferred Compensation and Cash Match Plans

The Statistical Section presents detailed historical information regarding the pension and other employee benefit plans administered by the System. This information includes a 10-year analysis of changes in plan net position, plan enrollment, contributions, plan additions and deductions, benefits and refunds. In addition, this section provides information regarding retirees and an analysis of funding, enrollment and investment activity related to the Commonwealth of Virginia 457 Deferred Compensation Plan and the Virginia Cash Match Plan. The Statistical Section also lists VRS-participating employers as of fiscal year-end.

VRS FISCAL YEAR RETURNS



Pension Trust Funds

FIGURE 5.1: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION – ALL PENSION TRUST FUNDS

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN MILLIONS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 66,407	\$ 66,363	\$ 72,814	\$ 76,556	\$ 79,790	\$ 79,358	\$ 98,881	\$ 97,366	\$ 101,816	\$ 109,534
Funding:										
Member and Employer Contributions and Other Additions	3,323	3,144	3,331	3,338	3,480	3,711	4,521	4,424	4,562	4,690
Less: Benefits and Administrative Expenses and Transfers	4,504	4,692	4,953	5,155	5,424	5,694	5,921	6,232	6,659	7,033
Net Funding	(1,181)	(1,548)	(1,622)	(1,817)	(1,944)	(1,983)	(1,400)	(1,808)	(2,097)	(2,343)
Investment Income:										
Interest, Dividends and Other Investment Income	907	904	926	967	804	692	622	1,862	692	884
Net Appreciation (Depreciation) in Fair Value	230	7,095	4,438	4,084	708	20,814	(737)	4,396	9,123	10,591
Net Investment Income	1,137	7,999	5,364	5,051	1,512	21,506	(115)	6,258	9,815	11,475
Net Increase (Decrease)	(44)	6,451	3,742	3,234	(432)	19,523	(1,515)	4,450	7,718	9,132
Fiduciary Net Position Restricted – End of Year	\$ 66,363	\$ 72,814	\$ 76,556	\$ 79,790	\$ 79,358	\$ 98,881	\$ 97,366	\$ 101,816	\$ 109,534	\$ 118,666

FIGURE 5.2: NUMBER OF ACTIVE MEMBERS

AT JUNE 30

(EXPRESSED IN THOUSANDS)

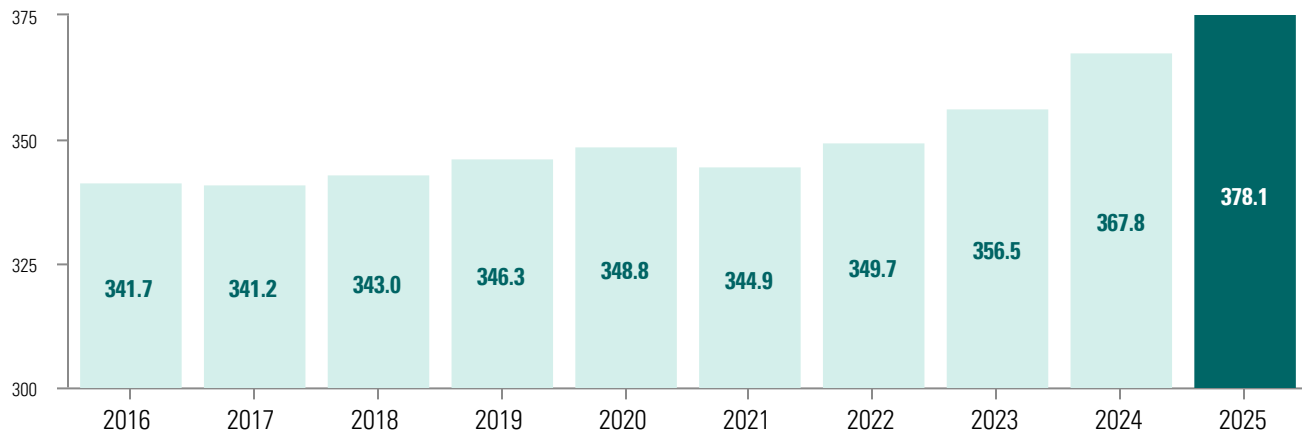


FIGURE 5.3: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION – VIRGINIA RETIREMENT SYSTEM

FOR THE YEARS ENDED JUNE 30

VIRGINIA RETIREMENT SYSTEM (VRS) – STATE

(EXPRESSED IN MILLIONS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 16,399	\$ 16,368	\$ 17,790	\$ 18,532	\$ 19,090	\$ 18,770	\$ 23,112	\$ 22,579	\$ 23,351	\$ 24,844
Funding:										
Member and Employer Contributions and Other Additions	923	737	750	747	787	817	1,071	990	1,010	1,039
Less: Benefits and Administrative Expenses and Transfers	1,231	1,279	1,340	1,401	1,468	1,530	1,583	1,656	1,756	1,844
Net Funding	(308)	(542)	(590)	(654)	(681)	(713)	(512)	(666)	(746)	(805)
Investment Income:										
Interest, Dividends and Other Investment Income	221	222	248	232	192	162	95	428	156	199
Net Appreciation (Depreciation) in Fair Value	56	1,742	1,084	980	169	4,893	(116)	1,010	2,083	2,386
Net Investment Income	277	1,964	1,332	1,212	361	5,055	(21)	1,438	2,239	2,585
Net Increase (Decrease)	(31)	1,422	742	558	(320)	4,342	(533)	772	1,493	1,780
Fiduciary Net Position Restricted – End of Year	\$ 16,368	\$ 17,790	\$ 18,532	\$ 19,090	\$ 18,770	\$ 23,112	\$ 22,579	\$ 23,351	\$ 24,844	\$ 26,624

FIGURE 5.3: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION – VIRGINIA RETIREMENT SYSTEM, cont.

FOR THE YEARS ENDED JUNE 30

VIRGINIA RETIREMENT SYSTEM (VRS) – TEACHER

(EXPRESSED IN MILLIONS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 30,344	\$ 30,168	\$ 33,120	\$ 34,920	\$ 36,523	\$ 36,449	\$ 45,617	\$ 45,212	\$ 47,467	\$ 51,235
Funding:										
Member and Employer Contributions and Other Additions	1,443	1,531	1,684	1,684	1,747	1,897	2,367	2,190	2,202	2,134
Less: Benefits and Administrative Expenses and Transfers	2,136	2,212	2,306	2,393	2,510	2,616	2,708	2,849	3,018	3,173
Net Funding	(693)	(681)	(622)	(709)	(763)	(719)	(341)	(659)	(816)	(1,039)
Investment Income:										
Interest, Dividends and Other Investment Income	413	412	407	443	366	317	382	867	323	414
Net Appreciation (Depreciation) in Fair Value	104	3,221	2,015	1,869	323	9,570	(446)	2,047	4,261	4,955
Net Investment Income	517	3,633	2,422	2,312	689	9,887	(64)	2,914	4,584	5,369
Net Increase (Decrease)	(176)	2,952	1,800	1,603	(74)	9,168	(405)	2,255	3,768	4,330
Fiduciary Net Position Restricted – End of Year	\$ 30,168	\$ 33,120	\$ 34,920	\$ 36,523	\$ 36,449	\$ 45,617	\$ 45,212	\$ 47,467	\$ 51,235	\$ 55,565

VIRGINIA RETIREMENT SYSTEM (VRS) – POLITICAL SUBDIVISIONS

(EXPRESSED IN MILLIONS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 17,283	\$ 17,418	\$ 19,250	\$ 20,303	\$ 21,259	\$ 21,234	\$ 26,558	\$ 26,045	\$ 27,308	\$ 29,500
Funding:										
Member and Employer Contributions and Other Additions	776	716	732	748	780	839	885	1,040	1,143	1,301
Less: Benefits and Administrative Expenses and Transfers	942	998	1,095	1,138	1,210	1,294	1,373	1,455	1,591	1,699
Net Funding	(166)	(282)	(363)	(390)	(430)	(455)	(488)	(415)	(448)	(398)
Investment Income:										
Interest, Dividends and Other Investment Income	241	239	237	258	215	185	124	499	189	240
Net Appreciation (Depreciation) in Fair Value	60	1,875	1,179	1,088	190	5,594	(149)	1,179	2,451	2,870
Net Investment Income	301	2,114	1,416	1,346	405	5,779	(25)	1,678	2,640	3,110
Net Increase (Decrease)	135	1,832	1,053	956	(25)	5,324	(513)	1,263	2,192	2,712
Fiduciary Net Position Restricted – End of Year	\$ 17,418	\$ 19,250	\$ 20,303	\$ 21,259	\$ 21,234	\$ 26,558	\$ 26,045	\$ 27,308	\$ 29,500	\$ 32,212

FIGURE 5.3: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION – VIRGINIA RETIREMENT SYSTEM, cont.

FOR THE YEARS ENDED JUNE 30

STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS) PENSION TRUST FUND

(EXPRESSED IN MILLIONS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 733	\$ 731	\$ 796	\$ 837	\$ 865	\$ 855	\$ 1,050	\$ 1,031	\$ 1,080	\$ 1,160
Funding:										
Member and Employer Contributions and Other Additions	39	38	42	38	39	40	54	59	59	63
Less: Benefits and Administrative Expenses and Transfers	55	59	59	64	66	74	72	76	82	90
Net Funding	(16)	(21)	(17)	(26)	(27)	(34)	(18)	(17)	(23)	(27)
Investment Income:										
Interest, Dividends and Other Investment Income	11	9	10	10	9	7	6	19	7	9
Net Appreciation (Depreciation) in Fair Value	3	77	48	44	8	222	(7)	47	96	112
Net Investment Income	14	86	58	54	17	229	(1)	66	103	121
Net Increase (Decrease)	(2)	65	41	28	(10)	195	(19)	49	80	94
Fiduciary Net Position Restricted – End of Year	\$ 731	\$ 796	\$ 837	\$ 865	\$ 855	\$ 1,050	\$ 1,031	\$ 1,080	\$ 1,160	\$ 1,254

VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS) PENSION TRUST FUND

(EXPRESSED IN MILLIONS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 1,191	\$ 1,211	\$ 1,346	\$ 1,424	\$ 1,496	\$ 1,500	\$ 1,869	\$ 1,841	\$ 1,931	\$ 2,077
Funding:										
Member and Employer Contributions and Other Additions	97	91	91	93	99	94	111	116	118	121
Less: Benefits and Administrative Expenses and Transfers	98	103	111	115	123	131	137	144	157	169
Net Funding	(1)	(12)	(20)	(22)	(24)	(37)	(26)	(28)	(39)	(48)
Investment Income:										
Interest, Dividends and Other Investment Income	16	17	17	18	14	14	11	35	13	16
Net Appreciation (Depreciation) in Fair Value	5	130	81	76	14	392	(13)	83	172	200
Net Investment Income	21	147	98	94	28	406	(2)	118	185	216
Net Increase (Decrease)	20	135	78	72	4	369	(28)	90	146	168
Fiduciary Net Position Restricted – End of Year	\$ 1,211	\$ 1,346	\$ 1,424	\$ 1,496	\$ 1,500	\$ 1,869	\$ 1,841	\$ 1,931	\$ 2,077	\$ 2,245

FIGURE 5.3: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION – VIRGINIA RETIREMENT SYSTEM, cont.

FOR THE YEARS ENDED JUNE 30

JUDICIAL RETIREMENT SYSTEM (JRS) PENSION TRUST FUND

(EXPRESSED IN MILLIONS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 457	\$ 467	\$ 512	\$ 540	\$ 558	\$ 549	\$ 673	\$ 657	\$ 678	\$ 717
Funding:										
Member and Employer Contributions and Other Additions	45	31	32	28	28	25	32	30	30	33
Less: Benefits and Administrative Expenses and Transfers	42	41	42	44	47	48	48	51	55	58
Net Funding	3	(10)	(10)	(16)	(19)	(23)	(16)	(21)	(25)	(25)
Investment Income:										
Interest, Dividends and Other Investment Income	5	5	7	6	5	5	5	13	4	5
Net Appreciation (Depreciation) in Fair Value	2	50	31	28	5	142	(5)	29	60	69
Net Investment Income	7	55	38	34	10	147	—	42	64	74
Net Increase (Decrease)	10	45	28	18	(9)	124	(16)	21	39	49
Fiduciary Net Position Restricted – End of Year	\$ 467	\$ 512	\$ 540	\$ 558	\$ 549	\$ 673	\$ 657	\$ 678	\$ 717	\$ 766

SCHEDULE OF RETIREMENT CONTRIBUTIONS BY SYSTEM AND PLAN

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Virginia Retirement System				State Police Officers' Retirement System	Virginia Law Officers' Retirement System	Judicial Retirement System	Total
	State	Teacher	Political Subdivisions	Sub-Total				
2025	\$ 1,038,600	\$ 2,133,658	\$ 1,300,996	\$ 4,473,254	\$ 62,794	\$ 120,923	\$ 32,928	\$ 4,689,899
2024	1,009,862	2,202,053	1,143,443	4,355,358	59,313	117,802	29,515	4,561,988
2023	990,418	2,189,521	1,039,733	4,219,672	58,541	115,831	30,108	4,424,152
2022	1,070,839	2,366,817	885,229	4,322,885	54,583	111,123	32,299	4,520,890
2021	816,843	1,896,894	838,550	3,552,287	40,278	94,017	24,724	3,711,306
2020	787,339	1,746,683	779,951	3,313,973	39,097	98,626	28,255	3,479,951
2019	747,065	1,684,222	747,714	3,179,001	37,816	93,198	26,098	3,336,113
2018	750,078	1,684,478	731,625	3,166,181	42,117	91,288	31,327	3,330,913
2017	736,815	1,530,706	716,199	2,983,720	37,589	91,414	30,884	3,143,607
2016	922,801	1,442,652	775,881	3,141,334	39,414	96,966	44,738	3,322,452

FIGURE 5.4: NUMBER OF RETIREES AND BENEFICIARIES

AT JUNE 30

(EXPRESSED IN THOUSANDS)

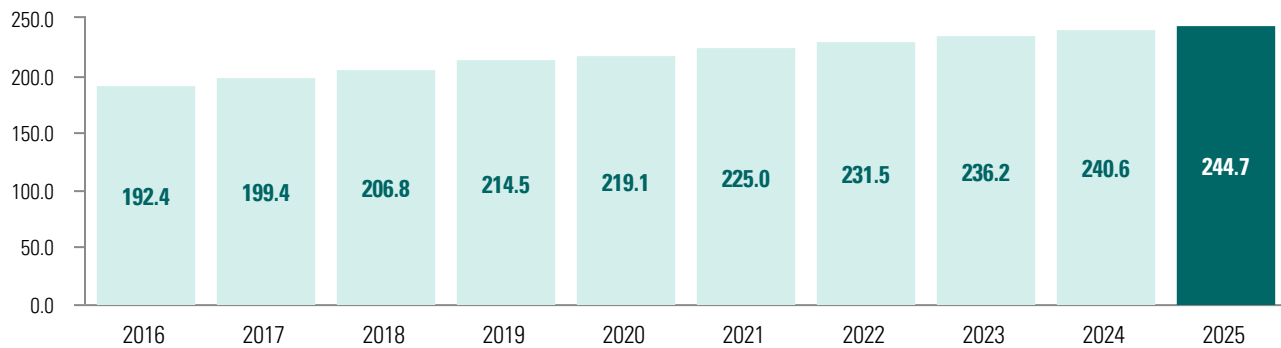
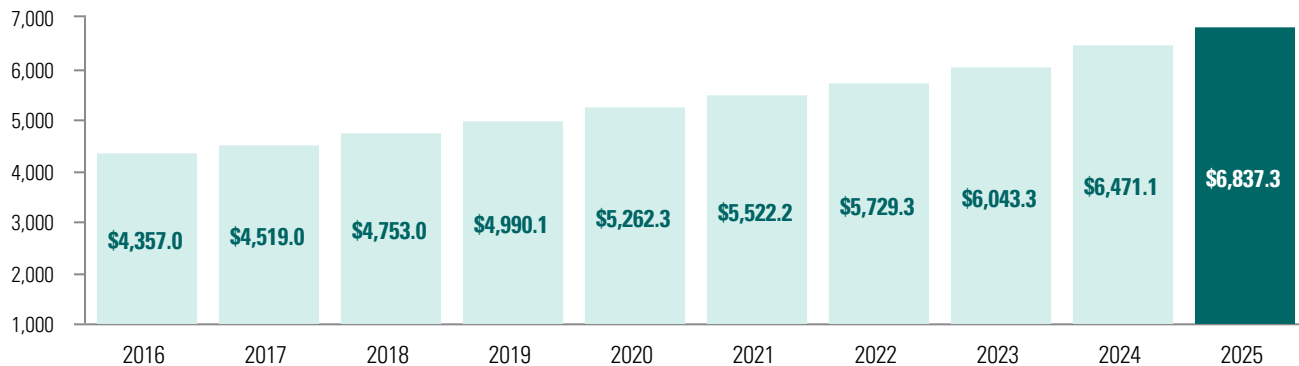


FIGURE 5.5: RETIREMENT BENEFITS PAID

FISCAL YEARS ENDED JUNE 30, 2016–2025

(EXPRESSED IN MILLIONS)



SCHEDULE OF PENSION TRUST FUND ADDITIONS BY SOURCE

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Member Contributions	Employer Contributions		Investment Income (Loss)	Other	Total
		For Members	Employer Share			
VIRGINIA RETIREMENT SYSTEM (VRS)						
2025	\$ 1,155,109	\$ —	\$ 3,318,145	\$ 11,061,202	\$ 2,892	\$ 15,537,348
2024	1,086,388	—	3,268,970	9,460,029	1,912	13,817,299
2023	1,002,308	—	2,996,855	6,029,570	149,891	10,178,624
2022	933,434	—	2,727,924	(114,431)	444,347	3,991,274
2021	885,029	—	2,605,914	20,721,739	63,204	24,275,886
2020	888,213	—	2,425,760	1,455,122	1,723	4,770,818
2019	953,343	—	2,399,465	4,898,307	2,299	8,253,414
2018	910,312	—	2,389,567	5,158,889	1,076	8,459,844
2017	888,870	115	2,191,935	7,725,350	1,798	10,808,068
2016	817,652	23,463	2,189,744	1,095,229	164,195	4,290,283
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)						
2025	\$ 8,633	—	\$ 54,161	\$ 120,800	—	\$ 183,594
2024	8,546	—	50,767	103,489	—	162,802
2023	7,952	—	46,936	66,245	—	121,133
2022	7,131	—	36,494	(903)	—	42,722
2021	6,490	—	33,788	229,139	—	269,417
2020	6,600	—	32,497	16,333	—	55,430
2019	6,379	—	31,437	54,792	—	92,608
2018	6,311	—	35,806	58,148	—	100,265
2017	5,701	—	31,888	87,265	—	124,854
2016	5,759	—	31,536	12,635	2,119	52,049
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)						
2025	\$ 20,712	\$ —	\$ 100,211	\$ 216,164	\$ —	\$ 337,087
2024	20,044	—	97,758	185,065	—	302,867
2023	18,769	—	90,433	118,277	—	227,479
2022	17,276	—	73,960	(1,666)	—	89,570
2021	17,602	—	76,415	405,216	—	499,233
2020	18,712	—	79,914	28,579	—	127,205
2019	17,871	—	75,327	93,872	—	187,070
2018	17,495	—	73,793	98,293	—	189,581
2017	17,598	—	73,816	146,039	—	237,453
2016	17,574	—	62,900	20,897	16,492	117,863
JUDICIAL RETIREMENT SYSTEM (JRS)						
2025	\$ 2,874	\$ —	\$ 30,054	\$ 74,254	\$ —	\$ 107,182
2024	2,590	—	26,925	64,467	—	93,982
2023	2,320	—	25,705	41,850	—	69,875
2022	2,033	—	24,016	(477)	—	25,572
2021	1,868	—	22,856	147,200	—	171,924
2020	3,436	—	24,819	10,491	—	38,746
2019	4,031	—	23,490	35,719	—	63,240
2018	4,010	—	28,620	37,689	—	70,319
2017	2,225	2,209	28,039	56,180	—	88,653
2016	1,154	2,349	33,443	8,137	8,466	53,549

SCHEDULE OF PENSION TRUST FUND DEDUCTIONS BY TYPE

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Retirement Benefits	Refunds	Administrative Expenses	Transfers	Other	Total
VIRGINIA RETIREMENT SYSTEM (VRS)						
2025	\$ 6,527,842	\$ 122,051	\$ 62,988	\$ 167	\$ 2,580	\$ 6,715,628
2024	6,184,077	115,643	63,019	1,189	1,240	6,365,168
2023	5,779,142	119,771	59,831	—	1,750	5,960,494
2022	5,480,191	123,414	58,703	—	679	5,662,987
2021	5,277,178	109,987	51,859	—	1,604	5,440,628
2020	5,033,582	101,961	50,094	—	3,705	5,189,342
2019	4,774,664	112,169	48,586	—	9,282	4,944,701
2018	4,548,751	116,473	44,661	—	8,750	4,718,635
2017	4,324,025	114,137	44,955	—	10,927	4,494,044
2016	4,169,852	99,444	39,695	—	2,263	4,311,254
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)						
2025	\$ 88,715	\$ 613	\$ 629	\$ (19)	\$ 4	\$ 89,942
2024	80,552	717	646	(10)	115	82,020
2023	75,578	240	595	—	1	76,414
2022	71,465	378	602	—	—	72,445
2021	73,226	274	531	—	—	74,031
2020	64,991	552	360	—	38	65,941
2019	62,683	805	488	—	61	64,037
2018	58,197	867	509	—	63	59,636
2017	57,814	630	926	—	99	59,469
2016	53,515	584	591	—	23	54,713
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)						
2025	\$ 162,703	\$ 5,308	\$ 1,124	\$ (148)	\$ 4	\$ 168,991
2024	152,250	4,922	1,143	(1,179)	60	157,196
2023	138,023	4,990	1,063	—	12	144,088
2022	129,974	6,284	1,074	—	8	137,340
2021	124,045	5,790	943	—	—	130,778
2020	117,137	4,893	623	—	73	122,726
2019	109,193	4,933	831	—	103	115,060
2018	104,776	5,604	861	—	247	111,488
2017	96,224	4,938	1,540	—	310	103,012
2016	92,270	4,524	938	—	38	97,770
JUDICIAL RETIREMENT SYSTEM (JRS)						
2025	\$ 58,036	\$ —	\$ 387	\$ —	\$ 2	\$ 58,425
2024	54,211	173	383	—	9	54,776
2023	50,572	15	378	—	—	50,965
2022	47,678	41	386	—	—	48,105
2021	47,750	135	343	—	—	48,228
2020	46,546	12	232	—	42	46,832
2019	43,584	—	315	—	43	43,942
2018	41,165	24	326	—	45	41,560
2017	40,895	—	594	—	67	41,556
2016	41,341	—	363	—	15	41,719

SCHEDULE OF RETIREMENT BENEFITS BY SYSTEM AND PLAN

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Virginia Retirement System				State Police Officers' Retirement System	Virginia Law Officers' Retirement System	Judicial Retirement System	Total
	State	Teacher	Political Subdivisions	Sub-Total				
2025	\$ 1,799,099	\$ 3,094,493	\$ 1,634,250	\$ 6,527,842	\$88,715	\$162,703	\$58,036	\$ 6,837,296
2024	1,710,387	2,941,709	1,531,981	6,184,077	80,552	152,250	54,211	6,471,090
2023	1,610,266	2,773,752	1,395,124	5,779,142	75,578	138,023	50,572	6,043,315
2022	1,536,665	2,635,945	1,307,581	5,480,191	71,465	129,974	47,678	5,729,308
2021	1,486,951	2,553,154	1,237,073	5,277,178	73,226	124,045	47,750	5,522,199
2020	1,427,873	2,448,204	1,157,505	5,033,582	64,991	117,137	46,546	5,262,256
2019	1,360,833	2,331,038	1,082,793	4,774,664	62,683	109,193	43,584	4,990,124
2018	1,296,803	2,241,927	1,010,021	4,548,751	58,197	104,776	41,165	4,752,889
2017	1,234,388	2,147,781	941,856	4,324,025	57,814	96,224	40,895	4,518,958
2016	1,195,198	2,081,069	893,585	4,169,852	53,515	92,270	41,341	4,356,978

SCHEDULE OF RETIREMENT BENEFITS BY TYPE

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Service Benefits	Disability Benefits	Survivor Benefits	Total
STATE				
2025	\$ 1,717,985	\$ 59,002	\$ 22,112	\$ 1,799,099
2024	1,628,764	60,097	21,526	1,710,387
2023	1,529,185	60,605	20,475	1,610,265
2022	1,455,616	61,614	19,435	1,536,665
2021	1,404,953	64,167	17,832	1,486,952
2020	1,344,216	66,004	17,653	1,427,873
2019	1,277,123	66,909	16,801	1,360,833
2018	1,212,167	68,343	16,295	1,296,805
2017	1,146,792	72,148	15,448	1,234,388
2016	1,105,788	74,127	15,283	1,195,198
TEACHER				
2025	\$ 2,956,863	\$ 124,027	\$ 13,603	\$ 3,094,493
2024	2,807,793	121,176	12,740	2,941,709
2023	2,644,767	116,912	12,073	2,773,752
2022	2,511,192	113,591	11,162	2,635,945
2021	2,428,875	113,677	10,601	2,553,153
2020	2,325,036	112,702	10,466	2,448,204
2019	2,210,585	110,690	9,763	2,331,038
2018	2,122,961	109,420	9,546	2,241,927
2017	2,030,384	108,142	9,255	2,147,781
2016	1,965,675	106,580	8,814	2,081,069

SCHEDULE OF RETIREMENT BENEFITS BY TYPE, cont.

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Service Benefits	Disability Benefits	Survivor Benefits	Total
POLITICAL SUBDIVISIONS				
2025	\$ 1,455,191	\$ 165,195	\$ 13,864	\$ 1,634,250
2024	1,357,235	161,683	13,063	1,531,981
2023	1,226,529	156,171	12,425	1,395,125
2022	1,145,479	150,476	11,626	1,307,581
2021	1,077,215	148,853	11,005	1,237,073
2020	1,000,280	146,763	10,462	1,157,505
2019	930,161	142,828	9,804	1,082,793
2018	861,564	139,170	9,285	1,010,019
2017	797,794	135,025	9,037	941,856
2016	752,038	132,240	9,307	893,585
TOTAL VIRGINIA RETIREMENT SYSTEM (VRS)				
2025	\$ 6,130,039	\$ 348,224	\$ 49,579	\$ 6,527,842
2024	5,793,792	342,956	47,329	6,184,077
2023	5,400,481	333,688	44,973	5,779,142
2022	5,112,287	325,681	42,223	5,480,191
2021	4,911,043	326,697	39,438	5,277,178
2020	4,669,532	325,469	38,581	5,033,582
2019	4,417,869	320,427	36,368	4,774,664
2018	4,196,692	316,933	35,126	4,548,751
2017	3,974,970	315,315	33,740	4,324,025
2016	3,823,501	312,947	33,404	4,169,852
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)				
2025	\$ 80,026	\$ 7,616	\$ 1,073	\$ 88,715
2024	72,005	7,521	1,026	80,552
2023	67,202	7,440	936	75,578
2022	63,371	7,293	801	71,465
2021	65,135	7,309	782	73,226
2020	56,996	7,230	765	64,991
2019	55,125	6,892	666	62,683
2018	50,901	6,644	652	58,197
2017	50,708	6,523	583	57,814
2016	46,429	6,447	639	53,515

SCHEDULE OF RETIREMENT BENEFITS BY TYPE, cont.

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Service Benefits	Disability Benefits	Survivor Benefits	Total
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)				
2025	\$ 156,692	\$ 4,578	\$ 1,433	\$ 162,703
2024	146,293	4,603	1,354	152,250
2023	132,348	4,394	1,281	138,023
2022	124,622	4,248	1,104	129,974
2021	118,779	4,305	961	124,045
2020	111,821	4,412	903	117,136
2019	104,023	4,312	858	109,193
2018	99,748	4,227	801	104,776
2017	91,364	4,141	719	96,224
2016	87,538	4,013	719	92,270
JUDICIAL RETIREMENT SYSTEM (JRS)				
2025	\$ 56,421	\$ 394	\$ 1,221	\$ 58,036
2024	52,748	269	1,194	54,211
2023	49,128	291	1,153	50,572
2022	46,256	273	1,149	47,678
2021	46,368	235	1,147	47,750
2020	45,056	241	1,248	46,545
2019	42,091	235	1,258	43,584
2018	39,725	229	1,211	41,165
2017	39,406	335	1,154	40,895
2016	39,806	387	1,148	41,341

SCHEDULE OF REFUNDS BY TYPE

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Separation	Death	Total
STATE (VRS)			
2025	\$ 20,620	\$ 9,539	\$ 30,159
2024	20,647	7,502	28,149
2023	21,545	9,469	31,014
2022	23,233	8,447	31,680
2021	19,137	9,928	29,065
2020	19,539	7,888	27,427
2019	20,068	6,829	26,897
2018	22,114	8,122	30,236
2017	23,294	7,543	30,837
2016	18,623	6,617	25,240

SCHEDULE OF REFUNDS BY TYPE, cont.

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Separation	Death	Total
TEACHER (VRS)			
2025	\$ 38,698	\$ 8,507	\$ 47,205
2024	37,280	8,266	45,546
2023	38,629	6,737	45,366
2022	36,642	6,795	43,437
2021	31,036	7,426	38,462
2020	30,131	6,080	36,211
2019	31,115	5,600	36,715
2018	34,057	6,521	40,578
2017	34,320	5,201	39,521
2016	30,070	4,997	35,067
POLITICAL SUBDIVISIONS (VRS)			
2025	\$ 36,520	\$ 8,167	\$ 44,687
2024	36,959	4,989	41,948
2023	37,075	6,316	43,391
2022	40,053	8,244	48,297
2021	33,638	8,822	42,460
2020	32,399	5,924	38,323
2019	35,015	5,234	40,249
2018	35,900	5,425	41,325
2017	37,717	4,351	42,068
2016	32,832	4,548	37,380
TOTAL VIRGINIA RETIREMENT SYSTEM (VRS)			
2025	\$ 95,838	\$ 26,213	\$ 122,051
2024	94,886	20,757	115,643
2023	97,249	22,522	119,771
2022	99,928	23,486	123,414
2021	33,638	8,822	42,460
2020	32,399	5,924	38,323
2019	35,015	5,234	40,249
2018	35,900	5,425	41,325
2017	37,717	4,351	42,068
2016	32,832	4,548	37,380

SCHEDULE OF REFUNDS BY TYPE, cont.

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Separation	Death	Total
STATE POLICE OFFICERS' RETIREMENT SYSTEM (SPORS)			
2025	\$ 401	\$ 212	\$ 613
2024	609	108	717
2023	—	240	240
2022	347	31	378
2021	274	—	274
2020	316	236	552
2019	774	31	805
2018	573	294	867
2017	601	29	630
2016	405	179	584
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)			
2025	\$ 5,107	\$ 201	\$ 5,308
2024	4,576	346	4,922
2023	4,686	304	4,990
2022	5,703	581	6,284
2021	5,364	426	5,790
2020	4,497	396	4,893
2019	4,592	341	4,933
2018	4,899	705	5,604
2017	4,694	244	4,938
2016	3,688	836	4,524
JUDICIAL RETIREMENT SYSTEM (JRS)			
2025	\$ —	\$ —	\$ —
2024	—	173	173
2023	—	15	15
2022	—	41	41
2021	38	97	135
2020	—	12	12
2019	—	—	—
2018	—	—	—
2017	—	—	—
2016	—	—	—

SCHEDULE OF RETIREES AND BENEFICIARIES BY TYPE OF RETIREMENT

AS OF JUNE 30, 2025

Minimum Guaranteed Benefit Amount	Number of Retirees	Type of Retirement		
		Service Retirement	Disability Retirement	Pre-Retirement Death
\$ 1-200	13,398	12,533	321	544
201-400	22,243	20,434	1,217	592
401-600	20,586	18,342	1,798	446
601-800	17,823	15,679	1,806	338
801-1,000	16,563	14,624	1,695	244
1,001-1,200	15,610	13,922	1,479	209
1,201-1,400	13,725	12,262	1,281	182
1,401-1,600	12,834	11,682	1,023	129
1,601-1,800	12,391	11,391	903	97
1,801-2,000	12,673	11,809	754	110
2,001-2,500	29,096	27,427	1,479	190
2,501-3,000	20,501	19,594	803	104
3,001-3,500	13,709	13,229	409	71
3,501-4,000	8,328	8,097	184	47
4,001-4,500	5,754	5,633	100	21
Over 4,500	9,504	9,354	110	40
Totals	244,738	226,012	15,362	3,364

SCHEDULE OF RETIREES AND BENEFICIARIES BY TYPE OF RETIREMENT AND PLAN

AS OF JUNE 30, 2025

Plan	Number of Retirees	Type of Retirement		
		Service Retirement	Disability Retirement	Pre-Retirement Death
VRS – State	63,265	59,261	2,761	1,243
VRS – Teacher	106,612	100,838	4,796	978
VRS – Political Subdivisions	66,679	58,246	7,425	1,008
SPORS	1,509	1,315	170	24
ValORS	6,138	5,836	202	100
JRS	535	516	8	11
All Plans	244,738	226,012	15,362	3,364

SCHEDULE OF RETIREES AND BENEFICIARIES BY PAYOUT OPTION SELECTED

AS OF JUNE 30, 2025

Minimum Guaranteed Benefit Amount	Payout Option Selected							
	Basic Benefit	Survivor Option	PLOP with Basic Benefit	PLOP with Survivor Option	Advance Pension Option	Leveling Option	Increased Basic Benefit	Social Security Leveling Benefit
\$ 1-200	10,149	1,985	440	66	239	328	1	160
201-400	17,481	3,151	688	129	327	294	1	137
401-600	15,954	2,980	749	187	274	245	2	179
601-800	13,591	2,541	804	179	275	213	4	169
801-1,000	12,152	2,438	904	223	282	266	1	246
1,001-1,200	10,997	2,317	1,208	288	326	185	—	243
1,201-1,400	9,369	2,089	1,312	284	302	137	—	186
1,401-1,600	8,397	1,911	1,671	327	247	98	—	131
1,601-1,800	7,967	1,704	1,937	354	238	72	—	74
1,801-2,000	7,900	1,630	2,331	474	207	47	—	55
2,001-2,500	16,529	3,553	7,372	1,125	402	64	—	61
2,501-3,000	11,567	2,294	5,581	763	272	29	—	31
3,001-3,500	7,547	1,857	3,611	579	182	6	—	3
3,501-4,000	4,687	1,140	2,080	360	123	3	—	0
4,001-4,500	3,161	837	1,438	266	83	1	—	—
Over 4,500	5,192	1,864	1,946	528	149	2	—	1
Totals	162,640	34,291	34,072	6,132	3,928	1,990	9	1,676

SCHEDULE OF AVERAGE BENEFIT PAYMENTS

FOR RETIREMENTS EFFECTIVE JULY 1, 2016, TO JUNE 30, 2025

			Years of Credited Service					
			1-10	11-15	16-20	21-25	26-30	Over 30
FY 2025	State	Average Monthly Benefit	\$ 477.54	\$ 1,002.84	\$ 1,639.08	\$ 2,143.22	\$ 2,994.13	\$ 4,078.53
		Number of Active Retirees	398	272	353	298	334	768
		Average AFC	\$ 56,477.24	\$ 61,286.00	\$ 69,954.16	\$ 71,100.68	\$ 75,975.64	\$ 85,608.67
	Teacher	Average Monthly Benefit	\$ 430.10	\$ 835.87	\$ 1,368.60	\$ 1,967.71	\$ 3,148.37	\$ 3,735.69
		Number of Active Retirees	533	410	704	741	777	951
		Average AFC	\$ 48,043.28	\$ 52,127.87	\$ 62,775.51	\$ 70,128.25	\$ 81,051.11	\$ 84,869.30
	Political Subdivisions	Average Monthly Benefit	\$ 396.76	\$ 791.53	\$ 1,298.50	\$ 2,019.58	\$ 3,052.81	\$ 3,869.18
		Number of Active Retirees	565	353	571	589	529	602
		Average AFC	\$ 46,620.21	\$ 47,471.91	\$ 55,218.96	\$ 65,152.28	\$ 79,077.65	\$ 84,290.53
	Total VRS	Average Monthly Benefit	\$ 430.13	\$ 864.63	\$ 1,402.66	\$ 2,018.61	\$ 3,086.13	\$ 3,883.76
		Number of Active Retirees	1,496	1,035	1,628	1,628	1,640	2,321
		Weighted Average AFC	\$ 49,750.00	\$ 52,947.00	\$ 61,682.00	\$ 68,506.00	\$ 79,381.00	\$ 84,964.00
	SPORS	Average Monthly Benefit	\$ —	\$ 861.39	\$ 1,875.52	\$ 3,303.99	\$ 4,348.07	\$ 5,617.38
		Number of Active Retirees	—	2	5	8	24	33
		Average AFC	\$ —	\$ 40,137.02	\$ 84,424.94	\$ 91,611.11	\$ 106,731.59	\$ 119,160.21

SCHEDULE OF AVERAGE BENEFIT PAYMENTS

FOR RETIREMENTS EFFECTIVE JULY 1, 2016, TO JUNE 30, 2025

			Years of Credited Service					
			1-10	11-15	16-20	21-25	26-30	Over 30
FY 2025 (cont.)	VaLORS	Average Monthly Benefit	\$ 538.85	\$ 943.24	\$ 1,399.60	\$ 1,884.43	\$ 2,338.95	\$ 2,991.50
		Number of Active Retirees	27	13	64	73	68	34
		Average AFC	\$ 42,678.01	\$ 50,828.81	\$ 51,283.81	\$ 53,425.39	\$ 58,245.62	\$ 63,011.17
	JRS	Average Monthly Benefit	\$ 3,517.94	\$ —	\$ 2,581.90	\$ 3,581.00	\$ 5,903.85	\$ 9,887.51
		Number of Active Retirees	2	—	1	3	6	22
		Average AFC	\$ 169,194.38	\$ —	\$ 170,001.84	\$ 183,139.71	\$ 183,229.31	\$ 188,818.57
	All Plans	Average Monthly Benefit	\$ 436.11	\$ 865.59	\$ 1,404.64	\$ 2,021.63	\$ 3,084.05	\$ 3,949.72
		Number of Active Retirees	1,525	1,050	1,698	1,712	1,738	2,410
		Weighted Average AFC	\$ 49,781.00	\$ 52,896.00	\$ 61,421.00	\$ 68,172.00	\$ 79,290.00	\$ 86,070.00
FY 2024	State	Average Monthly Benefit	\$ 531.14	\$ 993.39	\$ 1,449.73	\$ 2,008.59	\$ 2,795.06	\$ 3,907.11
		Number of Active Retirees	387	322	389	382	346	837
		Average AFC	\$ 54,937.19	\$ 59,934.97	\$ 64,305.95	\$ 68,061.67	\$ 72,371.89	\$ 82,303.01
	Teacher	Average Monthly Benefit	\$ 382.31	\$ 797.58	\$ 1,296.59	\$ 1,894.05	\$ 3,014.93	\$ 3,752.04
		Number of Active Retirees	564	447	712	693	838	979
		Average AFC	\$ 44,182.83	\$ 51,350.78	\$ 59,520.55	\$ 67,100.90	\$ 77,058.54	\$ 84,324.27
	Political Subdivisions	Average Monthly Benefit	\$ 414.63	\$ 767.73	\$ 1,224.24	\$ 1,978.21	\$ 2,866.99	\$ 3,698.09
		Number of Active Retirees	584	453	596	686	546	651
		Average AFC	\$ 43,890.87	\$ 46,364.85	\$ 52,779.88	\$ 63,520.93	\$ 73,737.59	\$ 82,757.30
	Total VRS	Average Monthly Benefit	\$ 432.13	\$ 838.11	\$ 1,306.28	\$ 1,951.68	\$ 2,924.26	\$ 3,790.41
		Number of Active Retirees	1,535	1,222	1,697	1,761	1,730	2,467
		Weighted Average AFC	\$ 46,783.00	\$ 51,764.00	\$ 58,250.00	\$ 65,915.00	\$ 75,073.00	\$ 83,225.00
	SPORS	Average Monthly Benefit	\$ 768.09	\$ 787.06	\$ 2,253.55	\$ 2,977.09	\$ 3,980.23	\$ 5,019.29
		Number of Active Retirees	3	2	3	6	7	25
		Average AFC	\$ 73,363.70	\$ 49,542.13	\$ 88,580.10	\$ 86,575.72	\$ 98,625.24	\$ 111,421.84
	VaLORS	Average Monthly Benefit	\$ 531.86	\$ 891.75	\$ 1,286.47	\$ 1,774.57	\$ 2,156.14	\$ 3,047.43
		Number of Active Retirees	31	17	48	96	71	14
		Average AFC	\$ 44,648.42	\$ 43,762.40	\$ 47,455.33	\$ 52,093.97	\$ 57,694.92	\$ 70,464.35
	JRS	Average Monthly Benefit	\$ —	\$ —	\$ 1,713.04	\$ 2,016.30	\$ 5,013.91	\$ 9,964.79
		Number of Active Retirees	—	—	1	1	5	16
		Average AFC	\$ —	\$ —	\$ 185,160.12	\$ 165,494.45	\$ 173,162.00	\$ 182,827.68
	All Plans	Average Monthly Benefit	\$ 434.74	\$ 838.76	\$ 1,307.60	\$ 1,945.90	\$ 2,904.02	\$ 3,837.64
		Number of Active Retirees	1,569	1,241	1,749	1,864	1,813	2,522
		Weighted Average AFC	\$ 46,792.00	\$ 51,651.00	\$ 58,078.00	\$ 65,323.00	\$ 74,754.00	\$ 84,066.00
FY 2023	State	Average Monthly Benefit	\$ 520.00	\$ 1,009.20	\$ 1,430.65	\$ 1,853.15	\$ 2,776.48	\$ 3,631.01
		Number of Active Retirees	417	343	346	370	348	863
		Average AFC	\$ 54,188.32	\$ 59,031.75	\$ 62,642.72	\$ 63,853.28	\$ 71,987.89	\$ 75,998.91
	Teacher	Average Monthly Benefit	\$ 419.15	\$ 804.73	\$ 1,263.65	\$ 1,770.90	\$ 2,936.87	\$ 3,440.99
		Number of Active Retirees	555	550	850	773	852	1,062
		Average AFC	\$ 43,696.45	\$ 48,624.63	\$ 58,863.18	\$ 63,558.98	\$ 75,219.02	\$ 77,759.35
	Political Subdivisions	Average Monthly Benefit	\$ 355.07	\$ 716.03	\$ 1,171.46	\$ 1,833.53	\$ 2,664.45	\$ 3,377.20
		Number of Active Retirees	585	495	588	648	526	609
		Average AFC	\$ 40,688.02	\$ 42,002.63	\$ 50,723.83	\$ 58,889.85	\$ 68,722.94	\$ 75,270.08
	Total VRS	Average Monthly Benefit	\$ 422.08	\$ 823.63	\$ 1,265.65	\$ 1,810.55	\$ 2,821.51	\$ 3,490.37
		Number of Active Retirees	1,557	1,388	1,784	1,791	1,726	2,534
		Weighted Average AFC	\$ 45,376.00	\$ 48,835.00	\$ 56,914.00	\$ 61,930.00	\$ 72,588.00	\$ 76,562.00
	SPORS	Average Monthly Benefit	\$ —	\$ 498.46	\$ 1,471.83	\$ 2,546.77	\$ 3,194.31	\$ 5,286.38
		Number of Active Retirees	—	2	4	9	12	21
		Average AFC	\$ —	\$ 43,071.26	\$ 61,303.46	\$ 73,736.74	\$ 83,626.65	\$ 110,837.86

SCHEDULE OF AVERAGE BENEFIT PAYMENTS

FOR RETIREMENTS EFFECTIVE JULY 1, 2016, TO JUNE 30, 2025

			Years of Credited Service					
			1-10	11-15	16-20	21-25	26-30	Over 30
FY 2023 (cont.)	VaLORS	Average Monthly Benefit	\$ 505.17	\$ 998.62	\$ 1,192.04	\$ 1,644.41	\$ 2,226.39	\$ 3,546.17
		Number of Active Retirees	20	39	49	81	47	22
		Average AFC	\$ 42,351.76	\$ 46,711.36	\$ 45,206.97	\$ 49,254.77	\$ 57,985.84	\$ 72,299.56
	JRS	Average Monthly Benefit	\$ —	\$ 1,965.94	\$ —	\$ 4,557.23	\$ 4,682.40	\$ 8,976.51
		Number of Active Retirees	—	1	—	3	2	15
		Average AFC	\$ —	\$ 158,065.65	\$ —	\$ 147,064.59	\$ 169,255.48	\$ 178,130.14
	All Plans	Average Monthly Benefit	\$ 423.14	\$ 828.74	\$ 1,264.14	\$ 1,811.30	\$ 2,810.44	\$ 3,537.15
		Number of Active Retirees	1,577	1,430	1,837	1,884	1,787	2,592
		Weighted Average AFC	\$ 45,338.00	\$ 48,845.00	\$ 56,611.00	\$ 61,577.00	\$ 72,386.00	\$ 77,391.00
FY 2022	State	Average Monthly Benefit	\$ 420.82	\$ 712.67	\$ 991.71	\$ 1,357.33	\$ 1,961.85	\$ 2,671.09
		Number of Active Retirees	7,855	6,967	7,210	7,429	10,604	21,586
		Average AFC	\$ 40,086.69	\$ 43,592.97	\$ 45,069.19	\$ 47,414.84	\$ 51,216.89	\$ 58,871.22
	Teacher	Average Monthly Benefit	\$ 383.91	\$ 676.44	\$ 1,019.62	\$ 1,438.61	\$ 2,252.09	\$ 2,739.05
		Number of Active Retirees	10,697	11,329	13,205	13,525	20,902	30,490
		Average AFC	\$ 38,073.22	\$ 44,139.48	\$ 49,118.29	\$ 53,709.69	\$ 58,940.23	\$ 62,795.24
	Political Subdivisions	Average Monthly Benefit	\$ 372.81	\$ 607.27	\$ 905.60	\$ 1,365.26	\$ 2,075.82	\$ 2,672.90
		Number of Active Retirees	11,450	9,313	9,092	9,119	10,965	12,055
		Average AFC	\$ 30,428.99	\$ 35,166.21	\$ 39,832.04	\$ 46,265.40	\$ 54,727.65	\$ 61,565.99
	Total VRS	Average Monthly Benefit	\$ 389.34	\$ 662.25	\$ 977.67	\$ 1,396.29	\$ 2,134.11	\$ 2,703.74
		Number of Active Retirees	30,002	27,609	29,507	30,073	42,471	64,131
		Weighted Average AFC	\$ 35,683.00	\$ 40,975.00	\$ 45,268.00	\$ 49,897.00	\$ 55,924.00	\$ 61,243.00
	SPORS	Average Monthly Benefit	\$ 868.79	\$ 1,038.41	\$ 1,427.80	\$ 1,971.07	\$ 2,452.52	\$ 3,200.97
		Number of Active Retirees	59	24	39	119	409	861
		Weighted Average AFC	\$ 35,906.19	\$ 44,994.98	\$ 50,739.29	\$ 57,492.89	\$ 61,269.99	\$ 70,497.74
	VaLORS	Average Monthly Benefit	\$ 432.05	\$ 712.51	\$ 999.44	\$ 1,350.58	\$ 1,750.11	\$ 2,353.81
		Number of Active Retirees	513	617	1,003	1,526	1,338	676
		Weighted Average AFC	\$ 34,490.44	\$ 36,991.31	\$ 39,178.87	\$ 42,248.37	\$ 46,634.15	\$ 54,165.40
	JRS	Average Monthly Benefit	\$ 642.88	\$ 1,728.93	\$ 2,474.95	\$ 3,261.57	\$ 4,405.04	\$ 6,542.36
		Number of Active Retirees	8	4	14	20	19	481
		Weighted Average AFC	\$ 72,036.09	\$ 142,387.23	\$ 126,848.40	\$ 132,852.08	\$ 137,623.83	\$ 134,566.78
	All Plans	Average Monthly Benefit	\$ 391.05	\$ 663.82	\$ 979.65	\$ 1,397.42	\$ 2,126.42	\$ 2,734.55
		Number of Active Retirees	30,582	28,254	30,563	31,738	44,237	66,149
		Weighted Average AFC	\$ 35,673.00	\$ 40,906.00	\$ 45,112.00	\$ 49,610.00	\$ 55,728.00	\$ 61,825.00
FY 2021	State	Average Monthly Benefit	\$ 640.44	\$ 757.71	\$ 1,047.45	\$ 1,437.89	\$ 2,004.31	\$ 2,702.44
		Number of Active Retirees	11,766	6,523	6,608	6,805	9,827	18,949
		Average AFC	\$ 29,625.49	\$ 43,403.13	\$ 44,415.06	\$ 47,083.35	\$ 50,560.69	\$ 57,991.63
	Teacher	Average Monthly Benefit	\$ 531.86	\$ 695.66	\$ 1,050.24	\$ 1,491.62	\$ 2,253.20	\$ 2,721.77
		Number of Active Retirees	12,926	10,891	12,520	12,883	19,899	28,259
		Average Benefit	\$ 32,410.22	\$ 44,069.85	\$ 48,891.60	\$ 53,522.32	\$ 58,173.02	\$ 61,757.62
	Political Subdivisions	Average Monthly Benefit	\$ 500.30	\$ 633.83	\$ 939.52	\$ 1,404.33	\$ 2,109.15	\$ 2,679.54
		Number of Active Retirees	14,183	8,663	8,313	8,191	9,973	10,355
		Average Benefit	\$ 25,217.70	\$ 34,998.45	\$ 39,501.88	\$ 45,931.98	\$ 54,338.15	\$ 60,561.15
	Total VRS	Average Monthly Benefit	\$ 553.21	\$ 690.64	\$ 1,016.02	\$ 1,452.86	\$ 2,155.41	\$ 2,707.81
		Number of Active Retirees	38,875	26,077	27,441	27,879	39,699	57,563
		Weighted Average AFC	\$ 28,943.00	\$ 40,889.00	\$ 44,969.00	\$ 49,721.00	\$ 55,325.00	\$ 60,303.00
	SPORS	Average Monthly Benefit	\$ 1,255.88	\$ 1,177.20	\$ 1,522.26	\$ 2,118.74	\$ 2,562.07	\$ 3,366.42
		Number of Active Retirees	213	20	36	114	379	733
		Average Benefit	\$ 15,189.34	\$ 43,728.94	\$ 48,998.72	\$ 58,868.35	\$ 62,442.46	\$ 71,615.72

SCHEDULE OF AVERAGE BENEFIT PAYMENTS

FOR RETIREMENTS EFFECTIVE JULY 1, 2016, TO JUNE 30, 2025

			Years of Credited Service					
			1-10	11-15	16-20	21-25	26-30	Over 30
FY 2021 (cont.)	VaLORS	Average Monthly Benefit	\$ 555.34	\$ 732.63	\$ 1,056.36	\$ 1,368.47	\$ 1,754.06	\$ 2,397.16
		Number of Active Retirees	719	568	952	1,364	1,179	618
		Average Benefit	\$ 27,432.76	\$ 36,395.59	\$ 39,504.22	\$ 42,200.38	\$ 46,243.55	\$ 54,011.32
	JRS	Average Monthly Benefit	\$ 3,013.14	\$ 1,728.93	\$ 2,924.83	\$ 3,772.41	\$ 5,556.79	\$ 7,139.04
		Number of Active Retirees	118	4	7	17	18	380
		Average Benefit	\$ 25,943.37	\$ 142,387.23	\$ 118,190.94	\$ 136,552.07	\$ 145,113.41	\$ 138,619.16
	All Plans	Average Monthly Benefit	\$ 564.27	\$ 692.05	\$ 1,018.49	\$ 1,452.87	\$ 2,149.16	\$ 2,741.11
		Number of Active Retirees	39,925	26,669	28,436	29,374	41,275	59,294
		Weighted Average AFC	\$ 28,834.00	\$ 40,811.00	\$ 44,809.00	\$ 49,457.00	\$ 55,170.00	\$ 60,879.00
FY 2020	State	Average Monthly Benefit	\$ 654.02	\$ 984.34	\$ 1,311.22	\$ 1,872.61	\$ 2,460.80	\$ 3,323.14
		Number of Active Retirees	382	397	401	325	415	1,002
		Average AFC	\$ 50,021.38	\$ 55,053.57	\$ 52,571.08	\$ 60,413.38	\$ 62,656.41	\$ 68,789.87
	Teacher	Average Monthly Benefit	\$ 486.13	\$ 865.93	\$ 1,316.79	\$ 1,846.00	\$ 2,713.81	\$ 3,340.62
		Number of Active Retirees	451	625	721	617	839	992
		Average AFC	\$ 41,230.05	\$ 50,874.10	\$ 56,958.75	\$ 63,197.88	\$ 70,243.56	\$ 74,914.36
	Political Subdivisions	Average Monthly Benefit	\$ 474.58	\$ 754.72	\$ 1,155.81	\$ 1,717.05	\$ 2,542.99	\$ 3,322.17
		Number of Active Retirees	576	546	602	506	538	577
		Average AFC	\$ 37,276.05	\$ 42,185.67	\$ 49,206.57	\$ 55,027.95	\$ 64,091.24	\$ 73,794.49
	Total VRS	Average Monthly Benefit	\$ 527.00	\$ 857.00	\$ 1,259.00	\$ 1,807.00	\$ 2,603.93	\$ 3,329.66
		Number of Active Retirees	1,409	1,568	1,724	1,448	1,792	2,571
		Weighted Average AFC	\$ 41,997.00	\$ 48,907.00	\$ 53,231.00	\$ 59,718.00	\$ 66,639.00	\$ 72,276.00
	SPORS	Average Monthly Benefit	\$ —	\$ 1,082.49	\$ 1,598.18	\$ 2,968.10	\$ 3,262.20	\$ 4,753.84
		Number of Active Retirees	—	3	6	3	15	21
		Average Benefit	\$ —	\$ 61,959.94	\$ 60,268.35	\$ 74,259.53	\$ 78,750.91	\$ 97,682.52
	VaLORS	Average Monthly Benefit	\$ 494.08	\$ 789.70	\$ 1,144.94	\$ 1,492.00	\$ 1,884.22	\$ 2,710.04
		Number of Active Retirees	29	39	61	82	45	22
		Average Benefit	\$ 35,862.33	\$ 39,996.68	\$ 42,574.08	\$ 46,019.45	\$ 49,167.93	\$ 65,649.72
	JRS	Average Monthly Benefit	\$ 1,471.81	\$ 1,455.31	\$ —	\$ —	\$ 5,506.51	\$ 8,830.85
		Number of Active Retirees	2	1	—	—	1	26
		Average Benefit	\$ 154,667.00	\$ 152,410.31	\$ —	\$ —	\$ 154,819.57	\$ 169,367.62
	All Plans	Average Monthly Benefit	\$ 528.00	\$ 856.00	\$ 1,257.00	\$ 1,792.00	\$ 2,593.35	\$ 3,390.01
		Number of Active Retirees	1,440	1,611	1,791	1,533	1,853	2,640
		Weighted Average AFC	\$ 42,030.00	\$ 48,780.00	\$ 52,892.00	\$ 59,014.00	\$ 66,361.00	\$ 73,379.00
FY 2019	State	Average Monthly Benefit	\$ 556.77	\$ 1,130.53	\$ 2,220.79	\$ 3,096.43	\$ 4,017.05	\$ 6,231.70
		Number of Active Retirees	425	843	738	680	242	5
		Average AFC	\$ 48,438.21	\$ 53,122.77	\$ 60,109.13	\$ 67,482.06	\$ 73,075.21	\$ 92,173.89
	Teacher	Average Monthly Benefit	\$ 476.86	\$ 1,065.89	\$ 2,315.80	\$ 3,207.99	\$ 4,293.18	\$ 4,423.04
		Number of Active Retirees	490	1,485	1,416	871	132	4
		Average AFC	\$ 41,487.37	\$ 52,765.27	\$ 66,479.20	\$ 73,634.63	\$ 83,052.23	\$ 79,395.87
	Political Subdivisions	Average Monthly Benefit	\$ 442.07	\$ 906.12	\$ 2,142.88	\$ 2,887.59	\$ 3,729.12	\$ 5,607.75
		Number of Active Retirees	554	1,027	1,023	543	72	2
		Average AFC	\$ 34,890.16	\$ 43,392.24	\$ 59,749.44	\$ 66,564.07	\$ 75,715.07	\$ 81,452.40
	Total VRS	Average Monthly Benefit	\$ 486.86	\$ 1,033.22	\$ 2,238.05	\$ 3,088.68	\$ 4,052.29	\$ 5,460.56
		Number of Active Retirees	1,469	3,355	3,177	2,094	446	11
		Weighted Average AFC	\$ 41,010.35	\$ 49,985.92	\$ 62,832.47	\$ 69,803.18	\$ 76,454.22	\$ 85,577.98

SCHEDULE OF AVERAGE BENEFIT PAYMENTS
FOR RETIREMENTS EFFECTIVE JULY 1, 2016, TO JUNE 30, 2025

			Years of Credited Service					
			1-10	11-15	16-20	21-25	26-30	Over 30
FY 2019 (cont.)	SPORS	Average Monthly Benefit	\$ —	\$ 1,677.61	\$ 3,040.45	\$ 4,156.60	\$ 5,375.07	\$ —
		Number of Active Retirees	—	2	24	26	6	—
		Weighted Average AFC	\$ —	\$ 56,913.25	\$ 75,116.44	\$ 89,192.84	\$ 102,437.81	\$ —
	VaLORS	Average Monthly Benefit	\$ 480.85	\$ 983.78	\$ 1,644.12	\$ 2,774.46	\$ 4,785.22	\$ —
		Number of Active Retirees	23	129	121	25	3	—
		Weighted Average AFC	\$ 40,863.42	\$ 40,995.09	\$ 47,746.88	\$ 60,974.57	\$ 83,333.98	\$ —
	JRS	Average Monthly Benefit	\$ 422.28	\$ —	\$ 6,166.24	\$ 7,382.26	\$ 7,546.48	\$ 8,028.31
		Number of Active Retirees	2	—	1	3	5	8
		Weighted Average AFC	\$ 91,640.00	\$ —	\$ 168,489.58	\$ 162,497.43	\$ 155,159.32	\$ 157,977.80
	All Plans	Average Monthly Benefit	\$ 486.68	\$ 1,031.76	\$ 2,223.40	\$ 3,103.94	\$ 4,112.31	\$ 6,541.72
		Number of Active Retirees	1,494	3,486	3,323	2,148	460	19
		Weighted Average AFC	\$ 41,075.86	\$ 49,657.19	\$ 62,403.68	\$ 70,064.58	\$ 77,693.49	\$ 116,062.11
FY 2018	State	Average Monthly Benefit	\$ 430.51	\$ 743.61	\$ 1,115.65	\$ 1,492.54	\$ 2,155.74	\$ 3,201.83
		Number of Active Retirees	329	382	437	329	413	1,226
		Average AFC	\$ 46,191.00	\$ 51,341.00	\$ 51,470.00	\$ 56,655.00	\$ 59,536.00	\$ 70,115.00
	Teacher	Average Monthly Benefit	\$ 397.48	\$ 702.13	\$ 1,164.24	\$ 1,605.86	\$ 2,411.89	\$ 3,225.68
		Number of Active Retirees	478	647	802	653	782	1,424
		Average AFC	\$ 39,946.00	\$ 47,785.00	\$ 55,420.00	\$ 58,933.00	\$ 65,809.00	\$ 73,067.00
	Political Subdivisions	Average Monthly Benefit	\$ 348.90	\$ 619.09	\$ 889.04	\$ 1,452.77	\$ 2,234.06	\$ 2,986.58
		Number of Active Retirees	471	644	583	523	595	877
		Average AFC	\$ 35,320.00	\$ 40,381.00	\$ 42,941.00	\$ 53,511.00	\$ 61,134.00	\$ 68,504.00
	Total VRS	Average Monthly Benefit	\$ 388.08	\$ 679.64	\$ 1,064.53	\$ 1,527.89	\$ 2,293.68	\$ 3,157.94
		Number of Active Retirees	1,278	1,673	1,822	1,505	1,790	3,527
		Weighted Average AFC	\$ 39,849.00	\$ 45,747.00	\$ 50,480.00	\$ 56,551.00	\$ 62,808.00	\$ 70,906.00
	SPORS	Average Monthly Benefit	\$ —	\$ 467.23	\$ —	\$ 1,344.71	\$ 2,929.29	\$ 4,355.99
		Number of Active Retirees	—	2	—	4	16	22
		Average Monthly Benefit	\$ —	\$ 54,484.00	\$ —	\$ 60,252.00	\$ 75,772.00	\$ 92,743.00
	VaLORS	Average Monthly Benefit	\$ 457.08	\$ 706.48	\$ 1,001.35	\$ 1,231.97	\$ 1,846.10	\$ 2,624.09
		Number of Active Retirees	22	51	63	131	81	41
		Weighted Average AFC	\$ 37,163.00	\$ 37,664.00	\$ 40,782.00	\$ 44,121.00	\$ 51,789.00	\$ 59,481.00
	JRS	Average Monthly Benefit	\$ —	\$ 2,287.69	\$ —	\$ —	\$ 2,020.72	\$ 7,766.95
		Number of Active Retirees	—	1	—	—	3	14
		Weighted Average AFC	\$ —	\$ 148,351.00	\$ —	\$ —	\$ 149,709.00	\$ 158,830.00
	All Plans	Average Monthly Benefit	\$ 389.25	\$ 681.11	\$ 1,062.42	\$ 1,503.79	\$ 2,279.44	\$ 3,177.07
		Number of Active Retirees	1,300	1,727	1,885	1,640	1,890	3,604
		Weighted Average AFC	\$ 39,803.00	\$ 45,578.00	\$ 50,155.00	\$ 55,567.00	\$ 62,583.00	\$ 71,251.00
FY 2017	State	Average Monthly Benefit	\$ 413.21	\$ 743.04	\$ 1,034.43	\$ 1,550.80	\$ 2,059.13	\$ 3,066.54
		Number of Active Retirees	320	374	414	338	374	1,200
		Average AFC	\$ 45,412.00	\$ 49,487.00	\$ 48,208.00	\$ 58,190.00	\$ 56,901.00	\$ 65,405.00
	Teacher	Average Monthly Benefit	\$ 386.27	\$ 693.17	\$ 1,093.01	\$ 1,571.09	\$ 2,414.56	\$ 3,132.83
		Number of Active Retirees	444	644	772	656	756	1,369
		Average AFC	\$ 39,773.00	\$ 45,512.00	\$ 52,398.00	\$ 58,570.00	\$ 65,087.00	\$ 70,892.00
	Political Subdivisions	Average Monthly Benefit	\$ 350.60	\$ 553.85	\$ 886.92	\$ 1,351.87	\$ 2,211.27	\$ 2,813.82
		Number of Active Retirees	493	590	562	482	591	813
		Average AFC	\$ 33,216.00	\$ 35,209.00	\$ 41,290.00	\$ 48,136.00	\$ 59,764.00	\$ 65,487.00

SCHEDULE OF AVERAGE BENEFIT PAYMENTS

FOR RETIREMENTS EFFECTIVE JULY 1, 2016, TO JUNE 30, 2025

			Years of Credited Service					
			1-10	11-15	16-20	21-25	26-30	Over 30
FY 2017 (cont.)	Total VRS	Average Monthly Benefit	\$ 379.14	\$ 653.66	\$ 1,012.88	\$ 1,494.85	\$ 2,267.51	\$ 3,032.62
		Number of Active Retirees	1,257	1,608	1,748	1,476	1,721	3,382
		Weighted Average AFC	\$ 38,637.00	\$ 42,656.00	\$ 47,834.00	\$ 55,076.00	\$ 61,480.00	\$ 67,646.00
	SPORS	Average Monthly Benefit	\$ 599.64	\$ 639.34	\$ —	\$ 1,826.61	\$ 2,960.46	\$ 3,905.67
		Number of Active Retirees	1	4	—	3	23	47
		Weighted Average AFC	\$ 55,565.00	\$ 46,014.00	\$ —	\$ 58,898.00	\$ 74,016.00	\$ 85,256.00
	VaLORS	Average Monthly Benefit	\$ 444.50	\$ 653.93	\$ 1,032.94	\$ 1,318.83	\$ 1,788.27	\$ 2,564.74
		Number of Active Retirees	17	44	45	107	82	38
		Weighted Average AFC	\$ 35,913.00	\$ 36,428.00	\$ 41,026.00	\$ 43,808.00	\$ 47,182.00	\$ 58,498.00
	JRS	Average Monthly Benefit	\$ —	\$ 511.79	\$ —	\$ 2,608.35	\$ 4,863.62	\$ 8,352.50
		Number of Active Retirees	—	2	—	2	2	14
		Weighted Average AFC	\$ —	\$ 142,367.00	\$ —	\$ 147,295.00	\$ 156,110.00	\$ 153,865.00
	All Plans	Average Monthly Benefit	\$ 380.18	\$ 653.46	\$ 1,013.37	\$ 1,485.01	\$ 2,257.56	\$ 3,060.69
		Number of Active Retirees	1,275	1,658	1,793	1,588	1,828	3,481
		Weighted Average AFC	\$ 38,614.00	\$ 42,619.00	\$ 47,663.00	\$ 54,440.00	\$ 61,100.00	\$ 68,130.00
FY 2016	State	Average Monthly Benefit	\$ 401.55	\$ 768.31	\$ 1,038.35	\$ 1,539.86	\$ 1,907.73	\$ 3,004.64
		Number of Active Retirees	315	318	357	307	411	1,307
		Average AFC	\$ 43,993.00	\$ 49,585.00	\$ 49,392.00	\$ 55,174.00	\$ 54,986.00	\$ 64,126.00
	Teacher	Average Monthly Benefit	\$ 432.49	\$ 746.26	\$ 1,115.50	\$ 1,606.80	\$ 2,436.89	\$ 3,078.52
		Number of Active Retirees	484	681	699	671	797	1,468
		Average AFC	\$ 42,306.00	\$ 49,610.00	\$ 54,438.00	\$ 58,555.00	\$ 65,786.00	\$ 70,336.00
	Political Subdivisions	Average Monthly Benefit	\$ 320.69	\$ 562.57	\$ 895.21	\$ 1,252.95	\$ 2,082.39	\$ 2,946.00
		Number of Active Retirees	545	569	556	473	647	895
		Average AFC	\$ 31,052.00	\$ 38,544.00	\$ 41,480.00	\$ 45,989.00	\$ 58,617.00	\$ 68,431.00
	Total VRS	Average Monthly Benefit	\$ 379.90	\$ 684.08	\$ 1,022.44	\$ 1,477.29	\$ 2,196.01	\$ 3,019.89
		Number of Active Retirees	1,344	1,568	1,612	1,451	1,855	3,670
		Weighted Average AFC	\$ 38,138.00	\$ 45,589.00	\$ 48,851.00	\$ 53,743.00	\$ 60,893.00	\$ 67,660.00
	SPORS	Average Monthly Benefit	\$ —	\$ 139.46	\$ 864.59	\$ 1,538.59	\$ 2,960.02	\$ 4,092.02
		Number of Active Retirees	—	2	2	5	11	18
		Weighted Average AFC	\$ —	\$ 24,869.00	\$ 53,438.00	\$ 62,731.00	\$ 75,082.00	\$ 92,720.00
	VaLORS	Average Monthly Benefit	\$ 372.46	\$ 619.25	\$ 946.46	\$ 1,203.56	\$ 1,596.89	\$ 2,458.85
		Number of Active Retirees	29	26	48	90	79	51
		Weighted Average AFC	\$ 39,019.00	\$ 37,606.00	\$ 39,308.00	\$ 43,542.00	\$ 45,962.00	\$ 55,791.00
	JRS	Average Monthly Benefit	\$ —	\$ —	\$ —	\$ 4,396.22	\$ 5,647.58	\$ 8,048.62
		Number of Active Retirees	—	—	—	1	1	17
		Weighted Average AFC	\$ —	\$ —	\$ —	\$ 146,295.00	\$ 146,294.00	\$ 154,562.00
	All Plans	Average Monthly Benefit	\$ 379.74	\$ 682.34	\$ 1,020.04	\$ 1,463.44	\$ 2,177.77	\$ 3,040.16
		Number of Active Retirees	1,373	1,596	1,662	1,547	1,946	3,756
		Weighted Average AFC	\$ 38,156.00	\$ 45,433.00	\$ 48,581.00	\$ 53,239.00	\$ 60,411.00	\$ 68,012.00

FIGURE 5.6: DISTRIBUTION OF RETIREES BY PAYOUT OPTION SELECTED

ALL RETIREES AT JUNE 30, 2025

	Basic Benefit	Survivor Option	PLOP with Basic Benefit	PLOP with Survivor Option	Advance Pension Option	Total
VRS – State	62.92%	17.41%	13.99%	3.33%	2.35%	100.00%
VRS – Teacher	72.06%	10.52%	14.47%	1.59%	1.36%	100.00%
VRS – Political Subdivisions	67.59%	15.78%	12.55%	2.88%	1.20%	100.00%
SPORS	41.49%	27.57%	20.34%	10.14%	0.46%	100.00%
VaLORS	62.36%	14.97%	16.78%	3.01%	2.88%	100.00%
JRS	30.47%	38.50%	16.64%	13.46%	0.93%	100.00%
All Plans	70.00%	14.00%	13.00%	2.00%	1.00%	100.00%

FISCAL YEAR 2025 RETIREES

	Basic Benefit	Survivor Option	PLOP with Basic Benefit	PLOP with Survivor Option	Advance Pension Option	Total
VRS – State	64.30%	13.66%	15.85%	4.09%	2.10%	100.00%
VRS – Teacher	71.80%	10.03%	15.11%	1.94%	1.12%	100.00%
VRS – Political Subdivisions	66.00%	13.56%	15.89%	3.58%	0.97%	100.00%
SPORS	36.12%	9.72%	34.72%	19.44%	—%	100.00%
VaLORS	64.16%	12.54%	18.64%	2.87%	1.79%	100.00%
JRS	44.12%	20.59%	26.47%	8.82%	—%	100.00%
All Plans	69.00%	12.00%	15.00%	3.00%	1.00%	100.00%

Benefit Payout Options

Basic Benefit. The Basic Benefit is based on the unreduced (normal) retirement benefit calculation. It does not provide for a continuation of a benefit to a survivor. Upon the member's death, any remaining member contributions and accrued interest are paid in a lump sum to the member's beneficiary.

Survivor Option. Members may choose a whole percentage of their benefit, between 10% and 100%, to continue as a lifetime benefit to a survivor upon their death. The member's benefit is actuarially reduced accordingly.

Basic Benefit With Partial Lump-Sum Option Payment (PLOP) and Survivor Option With PLOP. This option is available with the Basic Benefit or Survivor Option. Members who are in active service for one or more years beyond their eligibility for an unreduced retirement benefit are eligible to elect a partial lump-sum payment of their member contributions and accrued interest equal to one, two or three times their annual retirement benefit, depending on how long they work beyond their unreduced retirement eligibility. The monthly benefit is actuarially reduced accordingly.

Advance Pension Option. With this option, members elect to receive a temporary higher benefit that begins at retirement and continues until an age chosen by the member, between age 62 up to the normal retirement age under Social Security. At that point, the monthly benefit is permanently reduced on an actuarially equivalent basis.

FIGURE 5.7: DISTRIBUTION OF RETIREES BY YEARS OF SERVICE

ALL RETIREES AT JUNE 30, 2025

	1-10 Years	11-20 Years	21-30 Years	31-40 Years	41-50 Years	Over 50 Years	Total
VRS – State	13.19%	23.05%	28.81%	28.50%	6.24%	0.21%	100.00%
VRS – Teacher	10.97%	24.99%	34.39%	27.52%	2.08%	0.05%	100.00%
VRS – Political Subdivisions	17.94%	29.18%	33.07%	17.91%	1.85%	0.05%	100.00%
SPORS	2.99%	4.90%	36.05%	48.97%	6.76%	0.33%	100.00%
VaLORS	9.07%	28.41%	50.99%	10.79%	0.72%	0.02%	100.00%
JRS	1.69%	3.36%	10.28%	11.96%	18.13%	54.58%	100.00%
All Plans	13.34%	25.54%	32.96%	24.83%	3.12%	0.21%	100.00%

FISCAL YEAR 2025 RETIREES

	1-10 Years	11-20 Years	21-30 Years	31-40 Years	41-50 Years	Over 50 Years	Total
VRS – State	16.43%	25.79%	26.08%	23.98%	7.22%	0.50%	100.00%
VRS – Teacher	12.94%	27.07%	36.88%	20.94%	2.07%	0.10%	100.00%
VRS – Political Subdivisions	17.61%	28.79%	34.84%	16.02%	2.62%	0.12%	100.00%
SPORS	—%	9.72%	44.44%	40.28%	5.56%	—%	100.00%
VaLORS	9.68%	27.60%	50.54%	10.75%	1.43%	—%	100.00%
JRS	5.88%	2.94%	26.47%	8.82%	17.65%	38.24%	100.00%
All Plans	15.05%	27.12%	34.05%	19.92%	3.53%	0.33%	100.00%

FIGURE 5.8: DISTRIBUTION OF RETIREES BY AGE AT RETIREMENT

ALL RETIREES AT JUNE 30, 2025

	Under 55	55-59	60-65	Over Age 65	Total
VRS – State	14.47%	18.82%	33.94%	32.77%	100.00%
VRS – Teacher	13.38%	30.11%	34.83%	21.68%	100.00%
VRS – Political Subdivisions	23.03%	18.45%	30.28%	28.24%	100.00%
SPORS	51.10%	28.69%	14.78%	5.43%	100.00%
VaLORS	43.52%	24.83%	22.92%	8.73%	100.00%
JRS	4.68%	10.65%	28.60%	56.07%	100.00%
All Plans	17.27%	23.83%	32.92%	25.98%	100.00%

FISCAL YEAR 2025 RETIREES

	Under 55	55-59	60-65	Over Age 65	Total
VRS – State	4.00%	7.88%	34.05%	54.07%	100.00%
VRS – Teacher	7.00%	19.00%	39.21%	34.79%	100.00%
VRS – Political Subdivisions	12.65%	12.99%	31.57%	42.79%	100.00%
SPORS	36.12%	33.33%	23.61%	6.94%	100.00%
VaLORS	34.77%	26.16%	22.22%	16.85%	100.00%
JRS	—%	2.94%	8.82%	88.24%	100.00%
All Plans	9.02%	14.68%	34.88%	41.42%	100.00%

FIGURE 5.9: DISTRIBUTION OF RETIREES BY AVERAGE FINAL COMPENSATION

ALL RETIREES AT JUNE 30, 2025

	Up to \$10,000	\$10,001- 20,000	\$20,001- 30,000	\$30,001- 40,000	\$40,001- 50,000	\$50,001- 60,000	\$60,001- 70,000	\$70,001- 80,000	\$80,001- 90,000	\$90,001- 100,000	Over \$100,000	Total
VRS – State	0.30%	4.39%	13.69%	19.10%	17.68%	13.42%	9.76%	6.83%	4.61%	3.13%	7.09%	100.00%
VRS – Teacher	0.46%	5.74%	8.96%	10.73%	15.70%	18.20%	14.99%	9.02%	6.04%	4.64%	5.52%	100.00%
VRS – Political Subdivisions	1.55%	11.30%	14.76%	17.21%	16.25%	12.03%	8.66%	5.98%	3.97%	2.67%	5.62%	100.00%
SPORS	0.53%	0.53%	2.32%	6.43%	11.99%	13.32%	15.31%	16.83%	12.13%	8.35%	12.26%	100.00%
VaLORS	—%	0.08%	4.50%	37.36%	35.78%	13.73%	4.50%	1.99%	0.98%	0.44%	0.64%	100.00%
JRS	0.57%	0.19%	—%	—%	0.37%	0.37%	0.56%	1.12%	2.24%	3.93%	90.65%	100.00%
All Plans	0.70%	6.72%	11.59%	15.28%	16.81%	15.10%	11.62%	7.48%	5.01%	3.63%	6.06%	100.00%

FISCAL YEAR 2025 RETIREES

	Up to \$10,000	\$10,001- 20,000	\$20,001- 30,000	\$30,001- 40,000	\$40,001- 50,000	\$50,001- 60,000	\$60,001- 70,000	\$70,001- 80,000	\$80,001- 90,000	\$90,001- 100,000	Over \$100,000	Total
VRS – State	—%	0.38%	4.00%	9.86%	15.23%	15.97%	12.51%	10.11%	7.92%	6.52%	17.50%	100.00%
VRS – Teacher	0.07%	2.09%	8.38%	8.92%	7.99%	9.65%	16.72%	13.80%	9.40%	6.05%	16.93%	100.00%
VRS – Political Subdivisions	0.14%	6.14%	9.32%	11.25%	13.12%	12.84%	10.35%	9.38%	7.67%	5.80%	13.99%	100.00%
SPORS	—%	—%	—%	1.38%	1.39%	—%	1.39%	5.56%	8.33%	16.67%	65.28%	100.00%
VaLORS	—%	—%	1.78%	5.38%	40.14%	30.47%	11.83%	5.38%	2.51%	1.08%	1.43%	100.00%
JRS	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	100.00%	100.00%
All Plans	0.09%	2.88%	7.36%	9.70%	12.16%	12.64%	13.39%	11.18%	8.27%	6.00%	16.33%	100.00%

SCHEDULE OF FUNDING (MARKET VALUE OF ASSETS BASIS): ALL PENSION PLANS

(EXPRESSED IN THOUSANDS)

Actuarial Valuation Date June 30	Market Value of Assets (MVA) (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Net Pension Liability (AAL-MVA) (b-a)	Funded Ratio Funded (MVA/ AAL) (a/b)	Covered Payroll (c)	Net Pension Liability as a Percentage of Covered Payroll (b-a)/(c)
VIRGINIA RETIREMENT SYSTEM (VRS)**						
2024	\$105,579,401	\$ 124,554,003	\$ 18,974,602	84.8%	\$24,461,824	77.6%
2023	98,127,270	118,510,604	20,383,334	82.8%	22,345,513	91.2%
2022	93,836,088	112,033,122	18,197,034	83.8%	20,781,227	87.6%
2021*	95,288,645	106,643,382	11,354,737	89.4%	19,060,681	59.6%
2020	76,453,387	101,893,256	25,439,869	75.0%	18,749,343	135.7%
2019	76,871,911	99,133,971	22,262,060	77.5%	18,242,017	122.0%
2018	73,754,573	93,174,818	19,420,245	79.2%	17,614,448	110.3%
2017*	70,159,680	89,851,284	19,691,604	78.1%	16,764,876	117.5%
2016	63,954,159	87,118,992	23,164,833	73.4%	16,325,998	141.9%
2015	64,025,668	84,711,142	20,685,474	75.6%	15,901,380	130.1%
STATE POLICE RETIREMENT SYSTEM						
2024	\$ 1,160,536	\$ 1,589,981	\$ 429,445	73.0%	\$ 176,481	243.3%
2023	1,079,755	1,513,881	434,126	71.3%	168,611	257.5%
2022	1,031,383	1,418,464	387,081	72.7%	159,212	243.1%
2021*	1,050,148	1,326,646	276,498	79.2%	142,795	193.6%
2020	854,763	1,206,424	351,661	70.9%	131,255	267.9%
2019	865,273	1,181,120	315,847	73.3%	132,230	238.9%
2018	836,702	1,112,893	276,191	75.2%	126,523	218.3%
2017*	796,073	1,040,628	244,555	76.5%	110,265	221.8%
2016	730,688	1,081,980	351,292	67.5%	114,877	305.8%
2015	733,352	1,050,701	317,349	69.7%	110,543	285.5%
VIRGINIA LAW OFFICERS' RETIREMENT SYSTEM (VaLORS)						
2024	\$ 2,076,732	\$ 2,793,285	\$ 716,553	74.3%	\$ 407,759	175.7%
2023	1,931,061	2,673,711	742,650	72.2%	398,110	186.5%
2022	1,841,041	2,507,144	666,103	73.4%	372,486	178.8%
2021*	1,868,924	2,407,153	538,229	77.6%	351,086	153.3%
2020	1,500,469	2,258,553	758,084	66.4%	363,896	208.3%
2019	1,495,990	2,211,238	715,248	67.7%	369,776	193.4%
2018	1,423,980	2,057,504	633,524	69.2%	346,106	183.0%
2017*	1,345,887	1,977,781	631,894	68.1%	339,150	186.3%
2016	1,211,446	1,984,257	772,811	61.1%	352,677	219.1%
2015	1,191,353	1,906,721	715,368	62.5%	330,397	217.2%
JUDICIAL RETIREMENT SYSTEM (JRS)						
2024	\$ 717,164	\$ 812,064	\$ 94,900	88.3%	\$ 95,361	99.5%
2023	677,958	792,794	114,836	85.5%	88,391	129.9%
2022	656,964	748,557	91,593	87.8%	80,745	113.4%
2021*	673,152	733,408	60,256	91.8%	79,125	76.2%
2020	549,455	677,872	128,417	81.1%	74,734	171.8%
2019	557,541	669,741	112,200	83.2%	76,848	146.0%
2018	540,009	645,662	105,653	83.6%	67,424	156.7%
2017*	512,749	631,522	118,773	81.2%	66,288	179.2%
2016	467,389	607,798	140,409	76.9%	65,524	214.3%
2015	456,258	600,388	144,130	76.0%	61,881	230.3%

* Revised economic and demographic assumptions due to experience study.

** The breakdown of VRS data into state, teacher and political subdivisions is also presented in the Statistical Section.

SCHEDULE OF FUNDING (MARKET VALUE BASIS): VRS PENSION PLANS

(EXPRESSED IN THOUSANDS)

Actuarial Valuation Date June 30	Market Value of Assets (MVA) (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Net Pension Liability (AAL-MVA) (b-a)	Funded Ratio Funded (MVA/ AAL) (a/b)	Covered Payroll (c)	Net Pension Liability as a Percentage of Covered Payroll (b-a)/(c)
VIRGINIA RETIREMENT SYSTEM (VRS) – STATE						
2024	\$ 24,843,784	\$ 30,248,076	\$ 5,404,292	82.1%	\$ 5,979,308	90.4%
2023	23,351,827	29,126,311	5,774,484	80.2%	5,448,985	106.0%
2022	22,579,326	27,779,171	5,199,845	81.3%	4,946,307	105.1%
2021*	23,112,417	26,727,971	3,615,554	86.5%	4,594,347	78.7%
2020	18,770,067	25,751,335	6,981,268	72.9%	4,428,496	157.6%
2019	19,090,109	25,398,188	6,308,079	75.2%	4,375,061	144.2%
2018	18,532,189	24,115,157	5,582,968	76.8%	4,161,922	134.1%
2017*	17,789,888	23,311,534	5,521,646	76.3%	4,037,072	136.8%
2016	16,367,842	22,878,243	6,510,401	71.5%	4,002,477	162.7%
2015	16,398,575	22,291,558	5,892,983	73.6%	3,872,724	152.2%
VIRGINIA RETIREMENT SYSTEM (VRS) – TEACHER						
2024	\$ 51,235,326	\$ 61,965,308	\$ 10,729,982	82.7%	\$ 11,008,610	97.5%
2023	47,467,405	58,761,071	11,293,666	80.8%	10,134,322	111.4%
2022	45,211,731	55,762,533	10,550,802	81.1%	9,713,229	108.6%
2021*	45,617,878	52,747,596	7,129,718	86.5%	8,971,605	79.5%
2020	36,449,229	50,834,783	14,385,554	71.7%	8,911,307	161.4%
2019	36,522,768	49,303,959	12,781,191	74.1%	8,608,489	148.5%
2018	34,919,563	46,516,176	11,596,613	75.1%	8,479,023	136.8%
2017*	33,119,545	45,006,017	11,886,472	73.6%	7,919,450	150.1%
2016	30,168,211	43,581,629	13,413,418	69.2%	7,666,824	175.0%
2015	30,344,072	42,564,178	12,220,106	71.3%	7,488,507	163.2%
VIRGINIA RETIREMENT SYSTEM (VRS) – POLITICAL SUBDIVISIONS						
2024	\$ 29,500,291	\$ 32,340,619	\$ 2,840,328	91.2%	\$ 7,473,906	38.0%
2023	27,308,038	30,623,222	3,315,184	89.2%	6,762,206	49.0%
2022	26,045,031	28,491,418	2,446,387	91.4%	6,121,691	40.0%
2021*	26,558,350	27,167,815	609,465	97.8%	5,494,729	11.1%
2020	21,234,091	25,307,138	4,073,047	83.9%	5,409,540	75.3%
2019	21,259,034	24,431,824	3,172,790	87.0%	5,258,467	60.3%
2018	20,302,821	22,543,485	2,240,664	90.1%	4,973,503	45.1%
2017*	19,250,247	21,533,733	2,283,486	89.4%	4,808,354	47.5%
2016	17,418,106	20,659,120	3,241,014	84.3%	4,656,697	69.6%
2015	17,283,021	19,855,406	2,572,385	87.0%	4,540,149	56.7%
VIRGINIA RETIREMENT SYSTEM (VRS) – TOTAL						
2024	\$ 105,579,401	\$ 124,554,003	\$ 18,974,602	84.8%	\$ 24,461,824	77.6%
2023	98,127,270	118,510,604	20,383,334	82.8%	22,345,513	91.2%
2022	93,836,088	112,033,122	18,197,034	83.8%	20,781,227	87.6%
2021*	95,288,645	106,643,382	11,354,737	89.4%	19,060,681	59.6%
2020	76,453,387	101,893,256	25,439,869	75.0%	18,749,343	135.7%
2019	76,871,911	99,133,971	22,262,060	77.5%	18,242,017	122.0%
2018	73,754,573	93,174,818	19,420,245	79.2%	17,614,448	110.3%
2017*	70,159,680	89,851,284	19,691,604	78.1%	16,764,876	117.5%
2016	63,954,159	87,118,992	23,164,833	73.4%	16,325,998	141.9%
2015	64,025,668	84,711,142	20,685,474	75.6%	15,901,380	130.1%

* Revised economic and demographic assumptions due to experience study.

Other Employee Benefit Trust Funds

FIGURE 5.10: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION – GROUP LIFE INSURANCE FUND

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN MILLIONS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 1,163	\$ 1,225	\$ 1,438	\$ 1,595	\$ 1,763	\$ 1,855	\$ 2,413	\$ 2,468	\$ 2,708	\$ 3,080
Funding:										
Member and Employer Contributions and Other Additions	214	240	249	257	270	277	322	326	346	325
Benefits and Administrative Expenses	175	186	203	203	214	254	262	260	256	279
Net Funding	39	54	46	55	56	23	60	66	90	46
Investment Income:										
Interest, Dividends and Other Investment Income	17	18	19	21	18	17	16	51	20	27
Net Appreciation (Depreciation) in Fair Value	6	140	92	92	18	518	(21)	123	262	318
Net Investment Income	23	158	111	113	36	535	(5)	174	282	345
Net Increase (Decrease)	62	213	157	168	92	558	55	240	372	391
Fiduciary Net Position Restricted – End of Year	\$ 1,225	\$ 1,438	\$ 1,595	\$ 1,763	\$ 1,855	\$ 2,413	\$ 2,468	\$ 2,708	\$ 3,080	\$ 3,471

SCHEDULE OF GROUP LIFE INSURANCE ADDITIONS BY SOURCE

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Contributions					Investment Income (Loss)	Other	Total						
	State	Teacher	Political Subdivisions	Sub-Total										
2025	\$	99,652	\$	134,167	\$	91,153	\$	324,972	\$	345,233	\$	—	\$	670,205
2024		105,035		145,092		95,680		345,807		282,777		80		628,664
2023		98,551		138,437		89,358		326,346		173,481		—		499,827
2022		97,175		138,505		86,740		322,420		(5,235)		—		317,185
2021		83,536		119,154		74,734		277,424		534,709		—		812,133
2020		82,484		115,184		72,509		270,177		36,276		—		306,453
2019		77,778		110,262		69,288		257,328		113,440		—		370,768
2018		75,997		106,329		66,606		248,932		110,917		—		359,849
2017		71,666		103,751		64,667		240,084		158,430		—		398,514
2016		65,980		91,121		57,156		214,257		23,445		—		237,702

SCHEDULE OF GROUP LIFE INSURANCE DEDUCTIONS BY TYPE

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Group Life Claims			Administrative Expenses	Other	Total
	Active	Retired	Sub-Total			
2025	\$ 86,412	\$ 188,954	\$ 275,366	\$ 1,447	\$ 2,431	\$ 279,244
2024	75,310	177,502	252,812	1,180	2,278	256,270
2023	80,743	175,805	256,548	1,268	2,261	260,077
2022	87,472	171,525	258,997	1,184	2,089	262,270
2021	79,119	172,263	251,382	862	1,918	254,162
2020	64,273	147,787	212,060	824	1,439	214,323
2019	66,036	133,843	199,879	709	1,981	202,569
2018	64,822	135,463	200,285	664	1,713	202,662
2017	56,889	127,203	184,092	31	1,731	185,854
2016	60,427	113,416	173,843	81	1,469	175,393

**FIGURE 5.11: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION –
RETIREE HEALTH INSURANCE CREDIT FUND**

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$173,194	\$173,211	\$201,315	\$235,372	\$269,346	\$301,178	\$444,581	\$492,325	\$599,878	\$775,393
Funding:										
Employer Contributions and Other Additions	151,916	168,271	184,706	187,652	195,872	236,138	228,895	257,081	300,460	261,047
Less: Reimbursements and Administrative Expenses	154,320	159,280	164,295	169,072	169,128	172,642	179,845	182,269	184,188	191,340
Net Funding	(2,404)	8,991	20,411	18,580	26,744	63,496	49,050	74,812	116,272	69,707
Investment Income:										
Interest, Dividends and Other Investment Income	2,098	2,168	2,343	2,785	2,576	2,465	2,683	9,339	5,209	6,528
Net Appreciation (Depreciation) in Fair Value	323	16,945	11,303	12,609	2,512	77,442	(3,989)	23,402	54,034	77,380
Net Investment Income	2,421	19,113	13,646	15,394	5,088	79,907	(1,306)	32,741	59,243	83,908
Net Increase (Decrease)	17	28,104	34,057	33,974	31,832	143,403	47,744	107,553	175,515	153,615
Fiduciary Net Position Restricted – End of Year	\$173,211	\$201,315	\$235,372	\$269,346	\$301,178	\$444,581	\$492,325	\$599,878	\$775,393	\$929,008

VIRGINIA RETIREMENT SYSTEM – STATE

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 67,434	\$ 68,685	\$ 79,516	\$ 95,908	\$109,023	\$125,378	\$207,860	\$224,575	\$280,599	\$384,820
Funding:										
Employer Contributions and Other Additions	66,410	74,520	79,952	79,926	84,850	119,847	93,847	119,535	155,036	110,803
Less: Reimbursements and Administrative Expenses	66,157	71,395	69,272	73,000	70,681	72,156	76,774	77,680	78,447	83,769
Net Funding	253	3,125	10,680	6,926	14,169	47,691	17,073	41,855	76,589	27,034
Investment Income:										
Interest, Dividends and Other Investment Income	864	875	981	1,121	1,136	1,069	829	4,040	2,423	3,217
Net Appreciation (Depreciation) in Fair Value	134	6,831	4,731	5,068	1,050	33,722	(1,187)	10,129	25,209	38,108
Net Investment Income	998	7,706	5,712	6,189	2,186	34,791	(358)	14,169	27,632	41,325
Net Increase (Decrease)	1,251	10,831	16,392	13,115	16,355	82,482	16,715	56,024	104,221	68,359
Fiduciary Net Position Restricted – End of Year	\$ 68,685	\$ 79,516	\$ 95,908	\$109,023	\$125,378	\$207,860	\$224,575	\$280,599	\$384,820	\$453,179

**FIGURE 5.11: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION –
RETIREE HEALTH INSURANCE CREDIT FUND, cont.**

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

VIRGINIA RETIREMENT SYSTEM – TEACHER										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 84,386	\$ 82,854	\$ 96,091	\$ 111,639	\$ 129,016	\$ 144,161	\$ 194,305	\$ 221,845	\$ 264,054	\$ 322,457
Funding:										
Employer Contributions and Other Additions	80,831	88,059	99,019	100,643	105,210	107,172	124,845	124,627	130,581	137,122
Less: Reimbursements and Administrative Expenses	83,510	83,640	89,578	90,616	92,356	94,121	96,386	97,063	97,954	98,971
Net Funding	(2,679)	4,419	9,441	10,027	12,854	13,051	28,459	27,564	32,627	38,151
Investment Income:										
Interest, Dividends and Other Investment Income	995	1,000	1,049	1,330	1,096	1,148	1,629	4,179	2,272	2,730
Net Appreciation (Depreciation) in Fair Value	152	7,818	5,058	6,020	1,195	35,945	(2,548)	10,466	23,504	32,395
Net Investment Income	1,147	8,818	6,107	7,350	2,291	37,093	(919)	14,645	25,776	35,125
Net Increase (Decrease)	(1,532)	13,237	15,548	17,377	15,145	50,144	27,540	42,209	58,403	73,276
Fiduciary Net Position Restricted – End of Year	\$ 82,854	\$ 96,091	\$ 111,639	\$ 129,016	\$ 144,161	\$ 194,305	\$ 221,845	\$ 264,054	\$ 322,457	\$ 395,733

VIRGINIA RETIREMENT SYSTEM – POLITICAL SUBDIVISIONS										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 19,332	\$ 19,321	\$ 22,156	\$ 23,170	\$ 24,468	\$ 24,466	\$ 33,234	\$ 35,540	\$ 40,057	\$ 47,098
Funding:										
Employer Contributions and Other Additions	1,991	2,278	2,179	2,406	2,553	5,239	5,683	6,752	7,600	7,786
Less: Reimbursements and Administrative Expenses	2,278	1,717	2,735	2,598	3,044	3,182	3,380	4,471	4,521	4,809
Net Funding	(287)	561	(556)	(192)	(491)	2,057	2,303	2,281	3,079	2,977
Investment Income:										
Interest, Dividends and Other Investment Income	239	258	270	270	281	208	148	639	349	397
Net Appreciation (Depreciation) in Fair Value	37	2,016	1,300	1,220	208	6,503	(145)	1,597	3,613	4,696
Net Investment Income	276	2,274	1,570	1,490	489	6,711	3	2,236	3,962	5,093
Net Increase (Decrease)	(11)	2,835	1,014	1,298	(2)	8,768	2,306	4,517	7,041	8,070
Fiduciary Net Position Restricted – End of Year	\$ 19,321	\$ 22,156	\$ 23,170	\$ 24,468	\$ 24,466	\$ 33,234	\$ 35,540	\$ 40,057	\$ 47,098	\$ 55,168

**FIGURE 5.11: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION –
RETIREE HEALTH INSURANCE CREDIT FUND, cont.**

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

VIRGINIA RETIREMENT SYSTEM – CONSTITUTIONAL OFFICERS										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 1,120	\$ 1,479	\$ 2,427	\$ 3,278	\$ 4,479	\$ 5,112	\$ 6,668	\$ 7,604	\$ 9,767	\$ 14,168
Funding:										
Employer Contributions and Other Additions	1,830	2,305	2,397	2,794	2,526	2,666	3,112	3,193	5,064	3,760
Less: Reimbursements and Administrative Expenses	1,471	1,572	1,727	1,831	1,979	2,064	2,149	1,955	2,151	2,653
Net Funding	359	733	670	963	547	602	963	1,238	2,913	1,107
Investment Income:										
Interest, Dividends and Other Investment Income	—	24	31	41	44	30	65	263	131	133
Net Appreciation (Depreciation) in Fair Value	—	191	150	197	42	924	(92)	662	1,357	1,565
Net Investment Income	—	215	181	238	86	954	(27)	925	1,488	1,698
Net Increase (Decrease)	359	948	851	1,201	633	1,556	936	2,163	4,401	2,805
Fiduciary Net Position Restricted – End of Year	\$ 1,479	\$ 2,427	\$ 3,278	\$ 4,479	\$ 5,112	\$ 6,668	\$ 7,604	\$ 9,767	\$ 14,168	\$ 16,973

VIRGINIA RETIREMENT SYSTEM – SOCIAL SERVICES										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 915	\$ 861	\$ 1,091	\$ 1,319	\$ 2,273	\$ 1,935	\$ 2,346	\$ 2,558	\$ 5,145	\$ 6,523
Funding:										
Employer Contributions and Other Additions	824	1,062	1,126	1,847	689	1,160	1,334	2,908	2,109	1,496
Less: Reimbursements and Administrative Expenses	878	929	971	1,015	1,061	1,084	1,118	1,064	1,078	1,100
Net Funding	(54)	133	155	832	(372)	76	216	1,844	1,031	396
Investment Income:										
Interest, Dividends and Other Investment Income	—	11	12	22	18	10	9	213	31	46
Net Appreciation (Depreciation) in Fair Value	—	86	61	100	16	325	(13)	530	316	557
Net Investment Income	—	97	73	122	34	335	(4)	743	347	603
Net Increase (Decrease)	(54)	230	228	954	(338)	411	212	2,587	1,378	999
Fiduciary Net Position Restricted – End of Year	\$ 861	\$ 1,091	\$ 1,319	\$ 2,273	\$ 1,935	\$ 2,346	\$ 2,558	\$ 5,145	\$ 6,523	\$ 7,522

**FIGURE 5.11: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION –
RETIREE HEALTH INSURANCE CREDIT FUND, cont.**

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

VIRGINIA RETIREMENT SYSTEM – REGISTRARS										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$ 7	\$ 11	\$ 34	\$ 58	\$ 87	\$ 126	\$ 168	\$ 203	\$ 256	\$ 327
Funding:										
Employer Contributions and Other Additions	30	47	33	36	44	54	74	66	70	80
Less: Reimbursements and Administrative Expenses	26	27	12	12	7	35	38	36	37	38
Net Funding	4	20	21	24	37	19	36	30	33	42
Investment Income:										
Interest, Dividends and Other Investment Income	—	—	—	1	1	—	3	5	3	5
Net Appreciation (Depreciation) in Fair Value	—	3	3	4	1	23	(4)	18	35	59
Net Investment Income	—	3	3	5	2	23	(1)	23	38	64
Net Increase (Decrease)	4	23	24	29	39	42	35	53	71	106
Fiduciary Net Position Restricted – End of Year	\$ 11	\$ 34	\$ 58	\$ 87	\$ 126	\$ 168	\$ 203	\$ 256	\$ 327	\$ 433

SCHEDULE OF RETIREE HEALTH INSURANCE CREDIT ADDITIONS BY SOURCE

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Contributions					Investment Income (Loss)	Other	Total
	State	Teacher	Political Subdivisions	State-Funded HIC	Sub-Total			
2025	\$ 110,803	\$ 137,122	\$ 7,786	\$ 5,336	\$ 261,047	\$ 83,908	\$ —	\$ 344,955
2024	155,036	130,581	7,600	7,243	300,460	59,243	—	359,703
2023	119,535	124,627	6,752	6,167	257,081	32,741	—	289,822
2022	93,847	124,845	5,683	4,520	228,895	(1,306)	—	227,589
2021	119,847	107,172	5,239	3,880	236,138	79,907	—	316,045
2020	84,850	105,210	2,553	3,259	195,872	5,088	—	200,960
2019	79,926	100,643	2,406	3,259	186,234	15,394	—	201,628
2018	79,400	99,469	2,291	3,546	184,706	13,646	—	198,352
2017	74,520	88,059	2,278	3,414	168,271	19,113	—	187,384
2016	66,411	80,831	1,990	2,684	151,916	2,421	—	154,337

SCHEDULE OF RETIREE HEALTH INSURANCE CREDIT DEDUCTIONS BY TYPE

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Retiree Health Insurance Reimbursements					Administrative Expenses	Other	Total
	State	Teacher	Political Subdivisions	State- Funded HIC	Sub-Total			
2025	\$ 83,153	\$ 98,438	\$ 4,726	\$ 3,754	\$ 190,071	\$ 1,235	\$ 34	\$ 191,340
2024	77,968	97,585	4,464	3,235	183,252	894	42	184,188
2023	77,273	96,645	4,303	3,180	181,401	832	36	182,269
2022	76,023	95,289	4,460	3,271	179,043	786	16	179,845
2021	71,536	93,607	3,098	3,160	171,401	1,198	43	172,642
2020	70,440	92,086	2,996	3,035	168,557	548	23	169,128
2019	72,857	90,455	2,564	2,849	168,725	328	19	169,072
2018	69,099	89,420	2,697	2,722	163,938	257	15	164,210
2017	71,255	83,510	1,677	2,523	158,965	294	21	159,280
2016	65,984	83,329	2,226	2,375	153,914	401	5	154,320

**FIGURE 5.12: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION –
DISABILITY INSURANCE TRUST FUND**

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiduciary Net Position Restricted – Beginning of Year	\$414,518	\$407,826	\$442,334	\$462,961	\$488,241	\$490,220	\$611,919	\$602,916	\$634,779	\$692,870
Funding:										
Employer Contributions and Other Additions	25,156	24,768	25,982	25,263	26,994	26,542	28,249	31,138	34,657	30,833
Less: Disability Insurance Benefits and Administrative Expenses	38,782	38,466	38,706	31,627	35,168	36,729	37,543	39,350	38,874	38,608
Net Funding	(13,626)	(13,698)	(12,724)	(6,364)	(8,174)	(10,187)	(9,294)	(8,212)	(4,217)	(7,775)
Investment Income:										
Interest, Dividends and Other Investment Income	5,576	5,458	6,609	6,923	5,558	4,711	4,601	12,573	5,557	6,793
Net Appreciation (Depreciation) in Fair Value	1,358	42,748	26,742	24,721	4,595	127,175	(4,310)	27,502	56,751	66,823
Net Investment Income	6,934	48,206	33,351	31,644	10,153	131,886	291	40,075	62,308	73,616
Net Increase (Decrease)	(6,692)	34,508	20,627	25,280	1,979	121,699	(9,003)	31,863	58,091	65,841
Fiduciary Net Position Restricted – End of Year	\$407,826	\$442,334	\$462,961	\$488,241	\$490,220	\$611,919	\$602,916	\$634,779	\$692,870	\$758,711

SCHEDULE OF DISABILITY INSURANCE TRUST FUND ADDITIONS BY SOURCE

FISCAL YEARS 2016–2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Contributions	Investment Income	Transfers and Other Additions	Total
LONG-TERM DISABILITY PROGRAM				
2025	\$ 30,216	\$ 58,476	\$ —	\$ 88,692
2024	33,521	49,476	—	82,997
2023	30,117	31,653	—	61,770
2022	27,322	(413)	—	26,909
2021	25,671	107,844	—	133,515
2020	26,559	7,786	—	34,345
2019	24,856	25,197	—	50,053
2018	25,195	26,653	—	51,848
2017	23,399	40,339	—	63,738
2016	20,134	5,911	—	26,045
LONG-TERM CARE PROGRAM				
2025	\$ 617	\$ 13,905	\$ 1,235	\$ 15,757
2024	1,136	11,613	1,219	13,968
2023	1,021	7,285	1,137	9,443
2022	1,723	(92)	—	1,631
2021	1,384	23,529	—	24,913
2020	1,143	1,659	—	2,802
2019	1,557	5,297	—	6,854
2018	2,065	5,420	—	7,485
2017	1,369	7,867	—	9,236
2016	5,022	1,023	—	6,045
TOTAL DISABILITY INSURANCE TRUST FUND				
2025	\$ 30,833	\$ 72,381	\$ 1,235	\$ 104,449
2024	34,657	61,089	1,219	96,965
2023	31,138	38,938	1,137	71,213
2022	29,045	(505)	—	28,540
2021	27,055	131,373	—	158,428
2020	27,702	9,445	—	37,147
2019	26,413	30,494	—	56,907
2018	27,260	32,073	—	59,333
2017	24,768	48,206	—	72,974
2016	25,156	6,934	—	32,090

SCHEDULE OF DISABILITY INSURANCE TRUST FUND DEDUCTIONS BY TYPE

FISCAL YEARS 2016-2025

(EXPRESSED IN THOUSANDS)

Year Ended June 30	Long-Term Disability Benefits	Long-Term Care and Costs	TPA Administrative Services	VRS Administrative Expenses	Transfers and Other Expenses	Total
LONG-TERM DISABILITY PROGRAM						
2025	\$ 29,375	\$ —	\$ 6,759	\$ 652	\$ 257	\$ 37,043
2024	30,004	—	6,804	381	129	37,318
2023	30,516	—	6,447	648	162	37,773
2022	29,327	—	6,338	395	153	36,213
2021	28,704	—	7,137	493	166	36,500
2020	27,162	—	6,611	520	100	34,393
2019	23,045	—	6,431	650	27	30,153
2018	29,421	—	6,637	799	29	36,886
2017	29,792	—	7,001	600	45	37,438
2016	30,358	—	7,102	660	10	38,130
LONG-TERM CARE PROGRAM						
2025	\$ —	\$ 483	\$ 866	\$ 154	\$ 62	\$ 1,565
2024	—	533	904	89	30	1,556
2023	—	489	902	149	37	1,577
2022	—	298	908	89	35	1,330
2021	—	86	—	107	36	229
2020	—	643	—	111	21	775
2019	—	1,331	—	137	6	1,474
2018	—	1,652	—	162	6	1,820
2017	—	902	—	117	9	1,028
2016	—	536	—	114	2	652
TOTAL DISABILITY INSURANCE TRUST FUND						
2025	\$ 29,375	\$ 483	\$ 7,625	\$ 806	\$ 319	\$ 38,608
2024	30,004	533	7,708	470	159	38,874
2023	30,516	489	7,349	797	199	39,350
2022	29,327	298	7,246	484	188	37,543
2021	28,704	86	7,137	600	202	36,729
2020	27,162	643	6,611	631	121	35,168
2019	23,045	1,331	6,431	787	33	31,627
2018	29,421	1,652	6,637	961	35	38,706
2017	29,792	902	7,001	717	54	38,466
2016	30,358	536	7,102	774	12	38,782

FIGURE 5.13: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION – LINE OF DUTY ACT

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Position Restricted – Beginning of Year	\$ 728	\$ 2,708	\$ 3,461	\$ 1,889	\$ 2,839	\$ 4,333	\$ 7,553	\$ 7,214	\$ 5,311	\$ 4,841
Funding:										
Employer Contributions and Other Additions	10,881	11,608	10,890	13,377	13,567	13,633	13,770	13,271	15,074	18,276
Less: Disability Insurance Benefits and Administrative Expenses	9,026	11,538	13,140	13,362	13,000	14,074	15,023	16,418	17,491	19,989
Net Funding	1,855	70	(2,250)	15	567	(441)	(1,253)	(3,147)	(2,417)	(1,713)
Investment Income:										
Interest, Dividends and Other Investment Income	62	77	96	769	681	727	745	852	805	873
Net Appreciation (Depreciation) in Fair Value	63	606	582	166	246	2,934	169	392	1,142	971
Net Investment Income	125	683	678	935	927	3,661	914	1,244	1,947	1,844
Net Increase (Decrease)	1,980	753	(1,572)	950	1,494	3,220	(339)	(1,903)	(470)	131
Net Position Restricted – End of Year	\$ 2,708	\$ 3,461	\$ 1,889	\$ 2,839	\$ 4,333	\$ 7,553	\$ 7,214	\$ 5,311	\$ 4,841	\$ 4,972

FIGURE 5.14: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION – VIRGINIA LOCAL DISABILITY PROGRAM

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Position Restricted – Beginning of Year	\$ —	\$ —	\$ 630	\$ 1,463	\$ 3,623	\$ 6,204	\$ 11,756	\$ 15,268	\$ 21,141	\$ 29,474
Funding:										
Employer Contributions and Other Additions	1,351	1,993	3,030	4,192	5,110	6,504	7,671	9,587	11,834	12,571
Less: Disability Insurance Benefits and Administrative Expenses	1,351	1,363	2,261	2,208	2,622	3,069	4,047	4,910	5,841	6,605
Net Funding	—	630	769	1,984	2,488	3,435	3,624	4,677	5,993	5,966
Investment Income:										
Interest, Dividends and Other Investment Income	—	—	14	26	43	62	80	346	198	281
Net Appreciation (Depreciation) in Fair Value	—	—	50	150	50	2,055	(192)	850	2,142	3,148
Net Investment Income	—	—	64	176	93	2,117	(112)	1,196	2,340	3,429
Net Increase (Decrease)	—	630	833	2,160	2,581	5,552	3,512	5,873	8,333	9,395
Net Position Restricted – End of Year	\$ —	\$ 630	\$ 1,463	\$ 3,623	\$ 6,204	\$ 11,756	\$ 15,268	\$ 21,141	\$ 29,474	\$ 38,869

**FIGURE 5.14: ANALYSIS OF CHANGES AND GROWTH IN FIDUCIARY NET POSITION –
VIRGINIA LOCAL DISABILITY PROGRAM, cont.**

FOR THE YEARS ENDED JUNE 30

(EXPRESSED IN THOUSANDS)

VIRGINIA RETIREMENT SYSTEM – TEACHER											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Net Position Restricted – Beginning of Year	\$ —	\$ —	\$ 279	\$ 647	\$ 1,661	\$ 2,887	\$ 5,590	\$ 7,320	\$ 10,007	\$ 13,637	
Funding:											
Employer Contributions and Other Additions	567	883	1,339	1,966	2,426	3,166	3,783	4,387	5,154	5,477	
Less: Disability Insurance Benefits and Administrative Expenses	567	604	1,000	1,035	1,245	1,494	1,997	2,247	2,542	2,878	
Net Funding	—	279	339	931	1,181	1,672	1,786	2,140	2,612	2,599	
Investment Income:											
Interest, Dividends and Other Investment Income	—	—	7	13	22	30	39	158	85	122	
Net Appreciation (Depreciation) in Fair Value	—	—	22	70	23	1,001	(95)	389	933	1,372	
Net Investment Income	—	—	29	83	45	1,031	(56)	547	1,018	1,494	
Net Increase (Decrease)	—	279	368	1,014	1,226	2,703	1,730	2,687	3,630	4,093	
Net Position Restricted – End of Year	\$ —	\$ 279	\$ 647	\$ 1,661	\$ 2,887	\$ 5,590	\$ 7,320	\$ 10,007	\$ 13,637	\$ 17,730	

VIRGINIA RETIREMENT SYSTEM – POLITICAL SUBDIVISIONS											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Net Position Restricted – Beginning of Year	\$ —	\$ —	\$ 351	\$ 816	\$ 1,962	\$ 3,317	\$ 6,166	\$ 7,948	\$ 11,134	\$ 15,837	
Funding:											
Employer Contributions and Other Additions	784	1,110	1,691	2,226	2,684	3,338	3,888	5,200	6,680	7,094	
Less: Disability Insurance Benefits and Administrative Expenses	784	759	1,261	1,173	1,377	1,575	2,050	2,663	3,299	3,727	
Net Funding	—	351	430	1,053	1,307	1,763	1,838	2,537	3,381	3,367	
Investment Income:											
Interest, Dividends and Other Investment Income	—	—	7	13	21	32	41	188	113	159	
Net Appreciation (Depreciation) in Fair Value	—	—	28	80	27	1,054	(97)	461	1,209	1,776	
Net Investment Income	—	—	35	93	48	1,086	(56)	649	1,322	1,935	
Net Increase (Decrease)	—	351	465	1,146	1,355	2,849	1,782	3,186	4,703	5,302	
Net Position Restricted – End of Year	\$ —	\$ 351	\$ 816	\$ 1,962	\$ 3,317	\$ 6,166	\$ 7,948	\$ 11,134	\$ 15,837	\$ 21,139	

FIGURE 5.15: OTHER POST-EMPLOYMENT BENEFIT PLAN STATISTICS

SCHEDULE OF RETIRED MEMBERS AND BENEFICIARIES BY PLAN

	Group Life Insurance	Retiree Health Insurance Credit	Disability Insurance	Line of Duty
2025	235,040	144,007	2,097	907
2024	231,543	142,245	2,178	854
2023	227,538	140,669	2,290	820
2022	218,944	138,662	2,393	791
2021	213,194	132,361	2,481	749
2020	208,644	129,855	2,488	739
2019	188,370	127,802	2,579	726
2018	182,438	124,406	2,710	696
2017	176,107	120,304	2,785	654
2016	169,786	116,408	2,844	621

SCHEDULE OF AVERAGE BENEFIT PAYMENTS BY PLAN

Group Life Insurance			Retiree Health Insurance Credit		
Year Ended June 30	Number of Claims Paid	Average Claim Amount	Payment Period	Number of Recipients	Average Monthly Credit Amount
2025	6,407	\$ 27,839	June 2025	144,007	\$ 109
2024	6,174	26,437	June 2024	142,245	109
2023	6,172	25,992	June 2023	140,669	106
2022	6,079	25,848	June 2022	138,662	106
2021	6,291	26,308	June 2021	132,361	108
2020	5,304	25,516	June 2020	129,855	108
2019	5,171	24,307	June 2019	127,802	108
2018	5,255	24,865	June 2018	124,406	108
2017	4,846	24,634	June 2017	120,304	108
2016	4,660	23,735	June 2016	116,408	108

Disability Insurance			
Payment Period	Number of Claims Paid	Average Gross Monthly Benefit	Average Net Monthly Benefit*
June 2025	2,097	\$ 2,168	\$ 1,341
June 2024	2,178	2,058	1,314
June 2023	2,290	2,272	1,347
June 2022	2,393	2,090	1,156
June 2021	2,481	2,066	1,052
June 2020	2,488	2,211	1,263
June 2019	2,579	2,181	1,252
June 2018	2,707	1,899	982
June 2017	2,783	1,851	969
June 2016	2,836	1,797	892

* The net monthly benefit reflects adjustments for Social Security, workers' compensation and other offsets.

SCHEDULE OF AVERAGE BENEFIT PAYMENTS BY PLAN, cont.

Line of Duty					
Line of Duty Death Benefits*			Health Insurance Benefits		
Year Ended June 30	LOD Death	Presumptive LOD Death	Year Ended June 30	Number of Active Claims	Avg. Annual Health Insurance Benefit
2025	4	2	2025	907	\$ 20,316
2024	3	2	2024	854	18,795
2023	2	3	2023	820	18,912
2022	—	5	2022	791	17,683
2021	—	2	2021	749	17,417
2020	1	1	2020	739	16,238
2019	1	3	2019	726	17,464
2018	3	—	2018	696	17,381
2017	3	3	2017	654	15,107
2016	1	2	2016	621	13,503

**The Line of Duty Program provides a \$100,000 death benefit of an eligible individual whose death was as a direct or proximate result of the performance of their duty. The program also provides a \$25,000 (\$75,000 starting 1/1/2025) death benefit for certain individuals whose death arose out of their employment or was within five years of the date of retirement.*

VRS-Participating Employers

More than 800 employers participate in the Virginia Retirement System (VRS) on behalf of their employees. Employers include state agencies, public colleges and universities, school divisions and political subdivisions.

The following employers were participating in VRS as of June 30, 2025:

PARTICIPATING POLITICAL SUBDIVISIONS: 480

A: retirement only

B: retirement and group life insurance

C: retirement, group life insurance and retiree health insurance credit

D: retirement and retiree health insurance credit

COUNTIES: 93			
Accomack County: C	Dickenson County: A	Lancaster County: B	Rappahannock County: C
Albemarle County: B	Dinwiddie County: B	Lee County: B	Richmond County: B
Alleghany County: B	Essex County: C	Loudoun County: B	Roanoke County: C
Amelia County: C	Fauquier County: B	Louisa County: C	Rockbridge County: B
Amherst County: C	Floyd County: B	Lunenburg County: B	Rockingham County: B
Appomattox County: B	Fluvanna County: C	Madison County: C	Russell County: C
Augusta County: B	Franklin County: C	Mathews County: C	Scott County: B
Bath County: B	Frederick County: B	Mecklenburg County: B	Shenandoah County: C
Bedford County: B	Giles County: B	Middlesex County: B	Smyth County: B
Bland County: C	Gloucester County: C	Montgomery County: B	Southampton County: C
Botetourt County: B	Goochland County: B	Nelson County: B	Spotsylvania County: B
Brunswick County: B	Grayson County: B	New Kent County: C	Stafford County: C
Buchanan County: B	Greene County: C	Northampton County: B	Surry County: B
Buckingham County: B	Greensville County: C	Northumberland County: C	Sussex County: B
Campbell County: B	Halifax County: C	Nottoway County: B	Tazewell County: C
Caroline County: B	Hanover County: C	Orange County: B	Warren County: B
Carroll County: B	Henrico County: B	Page County: B	Washington County: C
Charles City County: B	Henry County: C	Patrick County: C	Westmoreland County: C
Charlotte County: B	Highland County: B	Pittsylvania County: C	Wise County: C
Chesterfield County: B	Isle of Wight County: C	Powhatan County: C	Wythe County: C
Clarke County: B	James City County: C	Prince Edward County: B	York County: C
Craig County: C	King & Queen County: C	Prince George County: B	
Culpeper County: B	King George County: B	Prince William County: C	
Cumberland County: B	King William County: B	Pulaski County: C	

CITIES AND TOWNS: 168

City of Alexandria: A	Town of Ashland: B	Town of Gate City: B	Town of Pearisburg: C
City of Bristol: B	Town of Bedford: B	Town of Glade Spring: B	Town of Pembroke: B
City of Buena Vista: B	Town of Berryville: B	Town of Glasgow: B	Town of Pennington Gap: A
City of Chesapeake: B	Town of Big Stone Gap: A	Town of Gordonsville: B	Town of Pound: A
City of Colonial Heights: B	Town of Blacksburg: B	Town of Gretna: B	Town of Pulaski: B
City of Covington: C	Town of Blackstone: B	Town of Grottoes: B	Town of Purcellville: B
City of Danville: A	Town of Bluefield: B	Town of Grundy: B	Town of Quantico: B
City of Emporia: B	Town of Bowling Green: B	Town of Halifax: B	Town of Remington: B
City of Fairfax: A	Town of Boyce: B	Town of Hamilton: C	Town of Rich Creek: B
City of Falls Church: B	Town of Boydton: B	Town of Haymarket: B	Town of Richlands: A
City of Franklin: B	Town of Boykins: A	Town of Haysi: A	Town of Rocky Mount: B
City of Fredericksburg: B	Town of Bridgewater: B	Town of Herndon: B	Town of Round Hill: B
City of Galax: B	Town of Broadway: B	Town of Hillsville: B	Town of Rural Retreat: A
City of Hampton: B	Town of Brodnax: A	Town of Hurt: B	Town of Saltville: A
City of Harrisonburg: B	Town of Brookneal: B	Town of Independence: A	Town of Scottsville: B
City of Hopewell: B	Town of Buchanan: B	Town of Iron Gate: B	Town of Shenandoah: C
City of Lexington: B	Town of Burkeville: B	Town of Jarratt: A	Town of Smithfield: B
City of Lynchburg: B	Town of Cape Charles: B	Town of Jonesville: B	Town of South Boston: B
City of Manassas Park: B	Town of Chase City: B	Town of Kenbridge: C	Town of South Hill: B
City of Manassas: C	Town of Chatham: B	Town of Kilmarnock: C	Town of St. Paul: B
City of Martinsville: B	Town of Chilhowie: B	Town of La Crosse: A	Town of Stanley: C
City of Newport News: B	Town of Chincoteague: B	Town of Lawrenceville: C	Town of Stephens City: B
City of Norfolk: B	Town of Christiansburg: A	Town of Lebanon: B	Town of Strasburg: C
City of Norton: B	Town of Clarksville: B	Town of Leesburg: B	Town of Stuart: A
City of Petersburg: B	Town of Clifton Forge: B	Town of Louisa: B	Town of Tappahannock: B
City of Poquoson: C	Town of Coeburn: B	Town of Lovettsville: B	Town of Tazewell: A
City of Portsmouth: B	Town of Colonial Beach: B	Town of Luray: B	Town of Timberville: B
City of Radford: C	Town of Courtland: B	Town of Madison: B	Town of Troutville: A
City of Richmond: B	Town of Craigsville: B	Town of Marion: B	Town of Urbanna: B
City of Roanoke: B	Town of Crewe: B	Town of McKenney: B	Town of Victoria: B
City of Salem: B	Town of Culpeper: B	Town of Middleburg: B	Town of Vienna: B
City of Staunton: B	Town of Dayton: B	Town of Middletown: D	Town of Vinton: B
City of Suffolk: B	Town of Dillwyn: A	Town of Mineral: B	Town of Wakefield: A
City of Virginia Beach: B	Town of Dublin: C	Town of Montross: B	Town of Warrenton: B
City of Waynesboro: B	Town of Dumfries: C	Town of Mount Jackson: B	Town of Warsaw: B
City of Williamsburg: B	Town of Eastville: B	Town of Narrows: A	Town of Waverly: A
City of Winchester: C	Town of Edinburg: A	Town of New Market: B	Town of Weber City: B
Town of Abingdon: C	Town of Elkton: B	Town of Occoquan: A	Town of West Point: B
Town of Alberta: B	Town of Exmore: A	Town of Onancock: B	Town of Windsor: B
Town of Altavista: B	Town of Farmville: A	Town of Onley: B	Town of Wise: B
Town of Amherst: B	Town of Floyd: B	Town of Orange: B	Town of Woodstock: C
Town of Appomattox: B	Town of Front Royal: B	Town of Parksley: B	Town of Wytheville: B

AUTHORITIES, COMMISSIONS, DISTRICTS, REGIONAL INSTITUTIONS AND COMMUNITY SERVICES BOARDS: 219

Accomack-Northampton Planning District Commission: C	Colonial Soil & Water Conservation District: B
Albemarle County Service Authority: B	Commonwealth Regional Council: B
Albemarle-Charlottesville Regional Jail: B	Crater Criminal Justice Training Academy: B
Alexandria Redevelopment & Housing Authority: B	Crater Juvenile Detention Home Community: B
Alexandria Renew Enterprises: A	Culpeper Soil & Water Conservation District: B
Alleghany Highlands Community Services Board: B	Cumberland Mountain Community Services Board: B
Alleghany Highlands Regional Library, Inc.: B	Cumberland Plateau Regional Housing Authority: B
Amherst County Service Authority: C	Daniel Boone Soil & Water Conservation District: C
Anchor Commission: B	Danville-Pittsylvania Community Services Board: B
Appalachian Juvenile Commission: C	Danville Redevelopment & Housing Authority: B
Appomattox Regional Library: B	Dinwiddie County Water Authority: B
Appomattox River Water Authority: B	District 19 Community Services Board: C
Augusta County Service Authority: B	Eastern Shore Community Services Board: B
Bedford Public Library: B	Eastern Shore Public Library: B
Bedford Regional Water Authority: B	Eastern Shore Soil & Water Conservation District: B
Big Sandy Soil & Water Conservation District: B	Economic Development Authority of Henrico County: B
Big Stone Gap Redevelopment & Housing Authority: B	Evergreen Soil & Water Conservation District: C
Big Walker Soil & Water Conservation District: A	Fauquier County Water & Sanitation Authority: B
Blacksburg-VPI Sanitation Authority: B	Ferrum Water & Sewage Authority: A
Blue Ridge Behavioral Healthcare: B	Franklin Redevelopment & Housing Authority: B
Blue Ridge Juvenile Detention Center: B	Frederick County Sanitation Authority: C
Blue Ridge Regional Jail Authority: B	Giles County Public Service Authority: B
Blue Ridge Resource Authority: B	Goochland-Powhatan Community Services Board: B
Breaks Interstate Park Commission: A	Greensville County Water & Sewer Authority: C
Bristol Redevelopment & Housing Authority: B	Greensville-Emporia Department of Social Services: C
Bristol Virginia Utilities Authority: B	Halifax Service Authority: B
Brunswick Industrial Development Authority: B	Hampton-Newport News Community Services Board: A
Campbell County Utilities & Service Authority: B	Hampton Redevelopment & Housing Authority: B
Castlewood Water And Sewage Authority: B	Hampton Roads Planning District Commission: B
Capital Region Airport Commission: C	Hampton Roads Regional Jail Authority: B
Central Rappahannock Regional Library: B	Hampton Roads Sanitation District: C
Central Shenandoah Justice Training Academy: B	Hampton Roads Transit: B
Central Virginia Planning District Commission: B	Hampton Roads Transportation Accountability Commission: C
Central Virginia Regional Jail: B	Hampton Roads Workforce Council: B
Central Virginia Waste Management Authority: C	Handley Regional Library: B
Charlottesville-Albemarle Airport Authority: B	Harrisonburg-Rockingham Community Services Board: C
Charlottesville Redevelopment & Housing Authority: B	Harrisonburg-Rockingham Regional Sewer Authority: B
Chesapeake Bay Bridge & Tunnel District: B	Henrico Sports and Entertainment Authority: B
Chesapeake Redevelopment & Housing Authority: B	Henricopolis Soil & Water Conservation District: B
Chesterfield County Health Center Commission: B	Henry County Public Service Authority: C
Clinch Valley Soil & Water Conservation District: B	Holston River Soil & Water Conservation District: C
Coeburn-Norton-Wise Regional Water Treatment Authority: B	Hopewell Redevelopment & Housing Authority: A
Colonial Behavioral Health: C	Horizon Behavioral Health: B

AUTHORITIES, COMMISSIONS, DISTRICTS, REGIONAL INSTITUTIONS AND COMMUNITY SERVICES BOARDS, cont.

Institute for Advanced Learning and Research: A	Peaks of Otter Soil & Water Conservation District: B
James City Service Authority: C	Peanut Soil and Water Conservation District: B
John Marshall Soil & Water Conservation District: B	Peninsula Airport Commission: B
Lee County Public Service Authority: B	Pepper's Ferry Regional Wastewater Authority: C
Lee County Redevelopment & Housing Authority: B	Peter Francisco Soil & Water Conservation District: A
Lenowisco Planning District Commission: B	Petersburg Redevelopment & Housing Authority: C
Lonesome Pine Regional Library: B	Peumansend Creek Regional Jail Authority: B
Lonesome Pine Soil & Water Conservation District: B	Piedmont Community Services Board: B
Loudoun County Sanitation Authority: B	Piedmont Regional Jail: B
Massanutten Regional Library: B	Piedmont Regional Juvenile Detention Center: B
Maury Service Authority: B	Pittsylvania County Service Authority: B
Meherrin Regional Library: C	Planning District One Behavioral Health Services Board: C
Meherrin River Regional Jail Authority: C	Portsmouth Redevelopment & Housing Authority: B
Middle Peninsula Juvenile Detention Commission: C	Potomac and Rappahannock Transportation Commission: C
Middle Peninsula-Northern Neck Community Services Board: B	Potomac River Fisheries Commission: B
Middle Peninsula Planning District Commission: B	Prince William County Service Authority: C
Middle Peninsula Regional Security Center: B	Prince William Soil & Water Conservation District: B
Middle River Regional Jail Authority: B	Rapidan Service Authority: A
Monacan Soil & Water Conservation District: C	Rappahannock Area Community Services Board: C
Montgomery Regional Solid Waste Authority: B	Rappahannock Area Youth Services & Group Home Commission: B
Mount Rogers Community Services Board: B	Rappahannock Juvenile Center: C
Nelson County Service Authority: B	Rappahannock-Rapidan Community Services Board: B
New River Resource Authority: C	Rappahannock-Rapidan Regional Planning District Commission: B
New River Soil & Water Conservation District: B	Rappahannock Regional Jail: B
New River Valley Community Services Board: A	Region Ten Community Services Board: B
New River Valley Emergency Communications Regional Authority: B	Richmond Behavioral Health Authority: A
New River Valley Juvenile Detention Home Commission: B	Richmond Metropolitan Transportation Authority: B
New River Valley Regional Commission: A	Richmond Redevelopment & Housing Authority: B
New River Valley Regional Jail: B	Richmond Regional Planning District Commission: A
Norfolk Airport Authority: B	Rivanna Solid Waste Authority: B
Norfolk Redevelopment & Housing Authority: B	Rivanna Water & Sewer Authority: B
Northern Neck Planning District Commission: B	Riverside Regional Jail: B
Northern Neck Regional Jail: B	Roanoke Higher Education Authority: C
Northern Neck Soil and Water Conservation District: D	Roanoke Redevelopment & Housing Authority: A
Northern Shenandoah Valley Regional Commission: B	Roanoke River Service Authority: B
Northern Virginia Health Care Center Commission: A	Robert E. Lee Soil & Water Conservation District: A
Northern Virginia Juvenile Detention Home: B	Rockbridge Area Community Services Board: B
Northern Virginia Soil and Water Conservation District: A	Rockbridge Area Social Services Department: B
Northern Virginia Transportation Authority: C	Rockbridge County Public Service Authority: B
Northwestern Community Services Board: B	Rockbridge Regional Library: A
NRV Regional Water Authority: B	RSW Regional Jail Authority: B
Orange County Broadband Authority: B	Russell County Public Service Authority: C
Pamunkey Regional Jail: C	Scott County Public Service Authority: B
Pamunkey Regional Library: C	Scott County Redevelopment & Housing Authority: B

AUTHORITIES, COMMISSIONS, DISTRICTS, REGIONAL INSTITUTIONS AND COMMUNITY SERVICES BOARDS, cont.

Scott County Soil & Water Conservation District: C	Upper Occoquan Sewage Authority: B
Shenandoah Valley Juvenile Center: C	VA Coalfield Economic Dev Auth: C
Shenandoah Valley Regional Airport Commission: B	Valley Community Services Board: B
Skyline Soil & Water Conservation District: A	Virginia Biotechnology Research Park Authority: C
South Central Wastewater Authority: B	Virginia Dare Soil and Water Conservation District: A
Southeastern Virginia Public Service Authority: B	Virginia Highlands Airport Authority: B
Southside Behavioral Health: C	Virginia Peninsula Regional Jail: B
Southside Planning District Commission: B	Virginia Peninsulas Public Service Authority: B
Southside Regional Library Board: A	Virginia Resources Authority: B
Southside Regional Jail: C	Washington County Service Authority: B
Southside Regional Juvenile Group Home Commission: B	Washington Metropolitan Area Transportation Commission: A
Southwest Regional Recreation Authority: B	Waynesboro Redevelopment & Housing Authority: B
Southwest Virginia Regional Jail: B	Western Tidewater Community Services Board: D
Staunton Redevelopment & Housing Authority: B	Western Tidewater Regional Jail: B
Suffolk Redevelopment & Housing Authority: B	Western Virginia Regional Jail Authority: C
Sussex Service Authority: B	Western Virginia Water Authority: B
Tazewell Soil & Water Conservation District: B	Williamsburg Area Transit Authority: C
Thomas Jefferson Planning District Commission: B	Wise County Public Service Authority: B
Thomas Jefferson Soil & Water Conservation District: B	Wise County Redevelopment & Housing Authority: C
Three Rivers Soil & Water Conservation District: A	Woodway Water Authority: B
Tidewater Soil & Water Conservation District: A	Wythe-Grayson Regional Library: B
Tidewater Youth Services Commission: C	Wytheville Redevelopment & Housing Authority: B
Tri-County/City Soil & Water Conservation District: B	

SCHOOLS: 142*

E: teacher and non-teacher (as applicable) employees covered by retirement, group life insurance and the retiree health insurance credit

COUNTY SCHOOLS: 94

Accomack County Schools: E	Caroline County Schools: E	Franklin County Schools: E	King William County Schools: E
Albemarle County Schools: E	Carroll County Schools: E	Frederick County Schools: E	Lancaster County Schools: E
Alleghany County Schools: E	Charles City County Schools: E	Giles County Schools: E	Lee County Schools: E
Amelia County Schools: E	Charlotte County Schools: E	Gloucester County Schools: E	Loudoun County Schools: E
Amherst County Schools: E	Chesterfield County Schools: E	Goochland County Schools: E	Louisa County Schools: E
Appomattox County Schools: E	Clarke County Schools: E	Grayson County Schools: E	Lunenburg County Schools: E
Arlington County Schools: E	Craig County Schools: E	Greene County Schools: E	Madison County Schools: E
Augusta County Schools: E	Culpeper County Schools: E	Greensville County Schools: E	Mathews County Schools: E
Bath County Schools: E	Cumberland County Schools: E	Halifax County Schools: E	Mecklenburg County Schools: E
Bedford County Schools: E	Dickenson County Schools: E	Hanover County Schools: E	Middlesex County Schools: E
Bland County Schools: E	Dinwiddie County Schools: E	Henrico County Schools: E	Montgomery County Schools: E
Botetourt County Schools: E	Essex County Schools: E	Henry County Schools: E	Nelson County Schools: E
Brunswick County Schools: E	Fairfax County Schools: E	Highland County Schools: E	New Kent County Schools: E
Buchanan County Schools: E	Fauquier County Schools: E	Isle of Wight County Schools: E	Northampton County Schools: E
Buckingham County Schools: E	Floyd County Schools: E	King & Queen County Schools: E	Northumberland County
Campbell County Schools: E	Fluvanna County Schools: E	King George County Schools: E	Schools: E

COUNTY SCHOOLS, cont.

Nottoway County Schools: E	Prince William County Schools: E	Scott County Schools: E	Tazewell County Schools: E
Orange County Schools: E	Pulaski County Schools: E	Shenandoah County Schools: E	Warren County Schools: E
Page County Schools: E	Rappahannock County Schools: E	Smyth County Schools: E	Washington County Schools: E
Patrick County Schools: E	Richmond County Schools: E	Southampton County Schools: E	Westmoreland County
Pittsylvania County Schools: E	Roanoke County Schools: E	Spotsylvania County Schools: E	Schools: E
Powhatan County Schools: E	Rockbridge County Schools: E	Stafford County Schools: E	Wise County Schools: E
Prince Edward County Schools: E	Rockingham County Schools: E	Surry County Schools: E	Wythe County Schools: E
Prince George County Schools: E	Russell County Schools: E	Sussex County Schools: E	York County Schools: E

CITY AND TOWN SCHOOLS: 38

Alexandria City Schools: E	Franklin City Schools: E	Martinsville City Schools: E	Salem City Schools: E
Bristol City Schools: E	Fredericksburg City Schools: E	Newport News Public Schools: E	Staunton City Schools: E
Buena Vista City Schools: E	Galax City Schools: E	Norfolk Public Schools: E	Suffolk City Schools: E
Charlottesville Public Schools: E	Hampton City Schools: E	Norton City Schools: E	Virginia Beach City Schools: E
Chesapeake Public Schools: E	Harrisonburg City Schools: E	Petersburg City Schools: E	Waynesboro City Schools: E
Colonial Beach Schools: E	Hopewell City Schools: E	Poquoson City Schools: E	West Point Schools: E
Colonial Heights City Schools: E	Lexington City Schools: E	Portsmouth City Schools: E	Williamsburg—James City County
Danville City Schools: E	Lynchburg Public Schools: E	Radford City Schools: E	Schools: E
Fairfax City Schools: E	Manassas City Schools: E	Richmond City Public Schools: E	Winchester Public Schools: E
Falls Church Public Schools: E	Manassas Park City Schools: E	Roanoke City Schools: E	

OTHER SCHOOLS: 10

Amelia-Nottoway Technical Center: E	Charlottesville-Albemarle Vocational Technical Center: E	Northern Neck Regional Special Education Program: E	Valley Vocational Technical Center: E
Appomattox Regional Governor's School: E	Maggie Walker Governor's School for Government and International Studies: E	Northern Neck Regional Vocational Center: E	
Bridging Communities Regional Career Center & Technical Center: E	New Horizons Technical Center: E	Rowanty Vocational Technical Center: E	

** Of the 142 school boards, 131 also provide coverage for non-teacher employees and are treated as political subdivisions.*

AGENCIES OF THE COMMONWEALTH OF VIRGINIA, INCLUDING PUBLIC COLLEGES AND UNIVERSITIES: 242

Covered by retirement, group life insurance, retiree health insurance credit, and sickness and disability

TOTAL VRS-PARTICIPATING EMPLOYERS: 864

FIGURE 5.16: VRS EMPLOYER RANKING

CURRENT YEAR

AS OF JUNE 30, 2025

Employer	Active Employees	Percentage of Total
1. Fairfax County Public Schools	22,515	5.96%
2. Prince William County School Board	11,318	2.99%
3. Loudoun County School Board	10,760	2.85%
4. Virginia Beach City School Board	7,739	2.05%
5. Virginia Department of Transportation	7,403	1.96%
6. Chesterfield County School Board	7,116	1.88%
7. City of Virginia Beach	6,368	1.68%
8. Henrico County School Board	5,963	1.58%
9. University of Virginia - Academic	5,665	1.50%
10. Henrico County	5,330	1.41%
11. All Other	287,883	76.14%
Total	378,060	100.00%

HISTORICAL COMPARISON

AS OF JUNE 30, 2015

Employer	Active Employees	Percentage of Total
1. Fairfax County Schools - Professional Employees	21,354	6.27%
2. Prince William County Schools - Professional Employees	8,145	2.39%
3. Loudoun County Schools - Professional Employees	8,140	2.39%
4. Virginia Beach City Schools - Professional Employees	8,082	2.37%
5. Chesterfield County Schools - Professional Employees	6,051	1.78%
6. City of Virginia Beach - General Government	5,912	1.74%
7. Henrico County Schools - Professional Employees	5,143	1.51%
8. University of Virginia - Academic Division	5,104	1.50%
9. Henrico County - General Government	4,963	1.46%
10. Virginia Polytechnic Institute and State University - Academic	4,857	1.43%
11. All other	262,825	77.16%
Total	340,576	100.00%

HYBRID DEFINED CONTRIBUTION PLAN SCHEDULE OF FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Total Hybrid Defined Contribution Plans
Assets:	
Receivables:	
Contributions	\$ —
Total Receivables	—
Investments:	
Hybrid Defined Contribution Investments	3,571,198
Total Investments	3,571,198
Total Assets	3,571,198
Liabilities:	
Other Payables	—
Total Liabilities	—
Net Position – Restricted for Benefits	\$ 3,571,198

HYBRID DEFINED CONTRIBUTION PLAN SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

	Total Hybrid Defined Contribution Plans
Additions:	
Contributions:	
Members	\$ 310,613
Employers	235,317
Total Contributions	545,930
Investment Income:	
Interest, Dividends and Other Investment Income	887
Net Appreciation/(Depreciation) in Fair Value of Investments	559,247
Total Investment Income Before Investment Expenses	560,134
Investment Expenses:	
Total Investment Expenses	(18,747)
Net Investment Income	541,387
Miscellaneous Revenue	—
Total Additions	1,087,317
Deductions:	
Refunds of Member Contributions	73,930
Administrative Expenses	—
Other Expenses	—
Total Deductions	73,930
Net Increase (Decrease)	1,013,387
Net Position – Restricted for Benefits – Beginning of Year	2,557,811
Net Position – Restricted for Benefits – End of Year	\$ 3,571,198

HYBRID PLAN MEMBER AND EMPLOYER CONTRIBUTIONS

	Virginia Retirement System		Judicial Retirement System		(EXPRESSED IN THOUSANDS)
					Total Hybrid Contributions
Member Contributions	\$	307,507	\$	3,106	\$ 310,613
Employer Contributions		232,964		2,353	235,317
Total	\$	540,471	\$	5,459	\$ 545,930

Commonwealth of Virginia 457 Deferred Compensation and Cash Match Plans Program With Oversight by VRS

PLAN OVERVIEW

The Commonwealth of Virginia 457 Deferred Compensation Plan is qualified under Section 457(b) of the Internal Revenue Code and regulated by Title 51.1, Chapter 6, of the *Code of Virginia*. The 457 Deferred Compensation Plan provides eligible members a way to save for retirement through deferrals of compensation each pay period.

The Cash Match Plan is qualified under Section 401(a) of the Internal Revenue Code and is regulated by Title 51.1, Chapter 6, of the *Code of Virginia*. Employees participating in the Deferred Compensation Plan are eligible to receive an employer-provided contribution to the Cash Match Plan if they are state employees or employees whose employers have elected the Cash Match Plan.

ELIGIBILITY

New and rehired salaried state employees in Plan 1 and Plan 2 are automatically enrolled in the Deferred Compensation Plan upon employment with two opportunities to opt out of the plan. The Deferred Compensation Plan is voluntary for salaried state employees hired before January 1, 2008, and for eligible political subdivision employees whose employers have elected to participate in the plan.

Wage employees of employers that offer the plans may participate in the Deferred Compensation Plan but not the Cash Match Plan. Figure 5.17 presents details of each plan's activity for the years ended June 30, 2025, 2024 and 2023.

Contributions to the Deferred Compensation Plan during fiscal year 2025 and fiscal year 2024 were \$219,440,460 and \$202,481,494, respectively.

Contributions to the Cash Match Plan during fiscal year 2025 and fiscal year 2024 were \$14,723,167 and \$14,494,540, respectively.

As shown in Figures 5.18 and 5.19, there were approximately 94,194 employees in the Deferred Compensation Plan and 76,089 employees in the Cash Match Plan as of June 30, 2025.

Current state legislation establishing the Commonwealth of Virginia 457 Deferred Compensation Plan allows participants to use plan funds to purchase eligible prior service credit in their defined benefit plan. Approximately 65 plan participants on average used the trustee-to-trustee transfer provision to buy VRS service credit.

The Virginia Retirement System (the System) has oversight but no investment responsibility for the Deferred Compensation and Cash Match Plans.

These plans' assets are not included in the System's Basic Financial Statements.

FIGURE 5.17: STATEMENT OF CHANGES IN PLAN ACCUMULATION ASSETS

FOR THE YEARS ENDED JUNE 30

	Deferred Compensation Plan – 457(b)			Cash Match Plan – 401(a)		
	2025	2024	2023	2025	2024	2023
Plan Assets on July 1	\$ 4,633,701,246	\$ 4,087,343,947	\$ 3,703,870,805	\$ 656,530,746	\$ 591,468,575	\$ 545,721,662
Contributions	219,440,460	202,481,494	185,467,052	14,723,167	14,494,540	14,332,479
Distributions	(318,692,654)	(254,548,044)	(216,621,541)	(39,415,008)	(35,213,758)	(30,552,757)
Plan Transfers*	54,118,158	22,427,144	15,822,468	3,092,924	5,673,925	5,793,593
Third-Party Administrative Fees**	(2,814,594)	(2,366,049)	(2,373,406)	(116,945)	(83,496)	(82,742)
Period Earnings	552,388,673	578,362,754	401,178,569	75,177,364	80,190,960	56,256,340
Plan Assets on June 30	\$ 5,138,141,289	\$ 4,633,701,246	\$ 4,087,343,947	\$ 709,992,248	\$ 656,530,746	\$ 591,468,575

* For the Deferred Compensation Plan, this represents plan transfers from other eligible Section 457(b) plans into the Commonwealth's Plan. For the Cash Match Plan, this represents transfers from other qualified plans, including Partial Lump-Sum Option Payments (PLOPs) for the VRS pension plans.

** The current third-party administrator, Voya, is compensated based on an annual record-keeping and communication fee of \$35.50 per participant deducted on a monthly basis (approximately \$2.96 per month). Participants with multiple accounts only pay one annual fee of \$35.50. In addition, administrative costs were incurred by VRS for each of the plans. For the Deferred Compensation Plan, they were \$1,219,517 and \$952,954 in fiscal year 2025 and fiscal year 2024, respectively. For the Cash Match Plan, they were \$1,108,209 and \$864,569 in fiscal year 2025 and fiscal year 2024, respectively. These costs are funded by the employers participating in the plans.

FIGURE 5.18: 457(b) ACTIVE AND INACTIVE PLAN PARTICIPANTS

AT JUNE 30

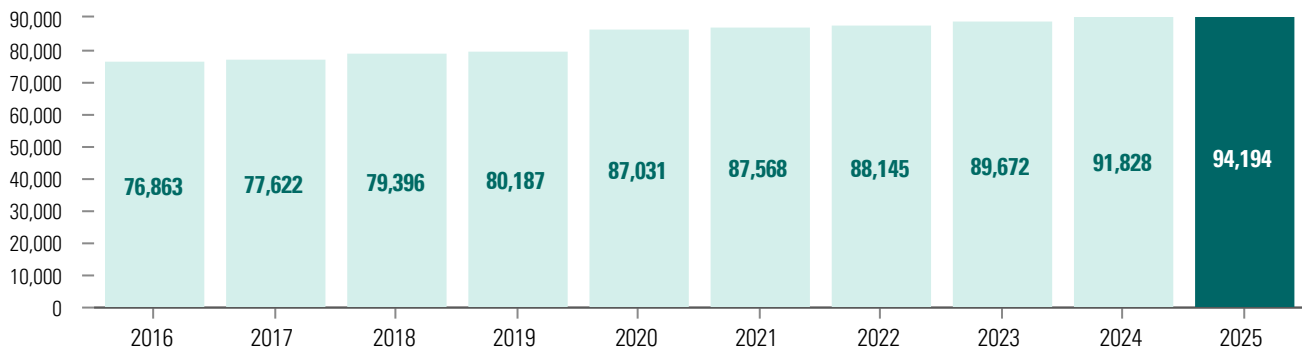


FIGURE 5.19: 401(a) ACTIVE AND INACTIVE PLAN PARTICIPANTS

AT JUNE 30

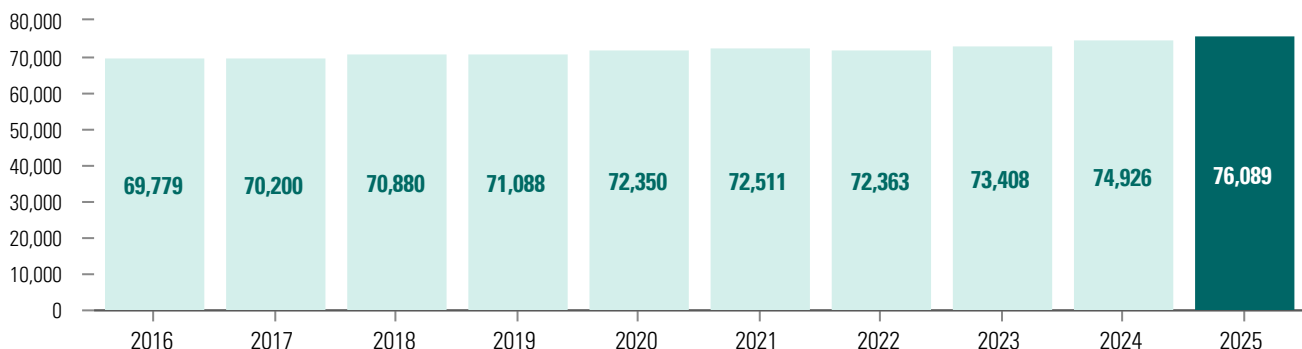


FIGURE 5.20: TOTAL PARTICIPANT ACCOUNTS IN EACH FUND OPTION

AT JUNE 30, 2025

(EXPRESSED IN THOUSANDS)

Fund Name	Deferred Compensation Plan – 457(b)	Cash Match Plan – 401(a)
Retirement Portfolio	12,713	9,860
Target Date 2030 Portfolio	8,350	6,460
Target Date 2035 Portfolio	9,148	7,086
Target Date 2040 Portfolio	8,456	6,662
Target Date 2045 Portfolio	9,355	7,460
Target Date 2050 Portfolio	9,392	7,774
Target Date 2055 Portfolio	7,905	6,588
Target Date 2060 Portfolio	4,616	3,793
Target Date 2065 Portfolio	3,051	2,621
Target Date 2070 Portfolio	463	438
Money Market Fund	4,644	2,958
Stable Value Fund	15,787	12,552
Bond Fund	9,064	5,672
Inflation-Protected Bond Fund	3,716	2,299
High-Yield Bond Fund	3,953	2,261
Stock Fund	24,439	16,724
Small/Mid-Cap Stock Fund	13,704	8,536
International Stock Fund	11,976	7,454
Global Real Estate fund	6,805	4,661
VRS Investment Portfolio	1,437	805
Self-Directed Brokerage	926	132

The number of participant accounts exceeds the number of participants, as a participant may invest in more than one fund.

FIGURE 5.21: ACCUMULATION PLAN ASSETS BY FUND

FOR THE YEARS ENDED JUNE 30

Fund Name	Deferred Compensation Plan – 457(b)			Cash Match Plan – 401(a)		
	2025	2024	2023	2025	2024	2023
Bond Fund	\$ 154,948,226	\$ 135,917,806	\$ 133,626,932	\$ 14,689,221	\$ 12,821,607	\$ 12,793,720
Global Real Estate Fund	\$ 78,444,256	\$ 70,940,805	\$ 72,931,343	\$ 10,735,563	\$ 10,152,252	\$ 10,610,189
High-Yield Bond Fund	\$ 49,330,557	\$ 43,623,148	\$ 38,438,389	\$ 4,875,868	\$ 4,272,239	\$ 3,985,648
Inflation-Protected Bond Fund	\$ 48,910,944	\$ 43,687,702	\$ 45,967,172	\$ 4,692,765	\$ 4,443,340	\$ 4,701,175
International Stock Fund	\$ 236,259,193	\$ 190,866,123	\$ 179,703,723	\$ 21,329,367	\$ 17,282,345	\$ 16,172,423
Money Market Fund	\$ 141,294,003	\$ 111,621,095	\$ 93,742,020	\$ 14,460,184	\$ 11,590,765	\$ 10,243,346
Preliminary Investment Portfolio VRSIP	\$ 488,221	\$ 614,896	\$ 1,822,230	\$ 23,789	\$ 39,887	\$ 107,954
Retirement Portfolio	\$ 483,297,864	\$ 261,646,192	\$ 257,862,357	\$ 73,580,150	\$ 44,028,299	\$ 43,676,038
Self-Directed Brokerage	\$ 142,584,582	\$ 116,623,111	\$ 88,168,071	\$ 3,199,785	\$ 2,475,551	\$ 1,989,029
Small/Mid-Cap Stock Fund	\$ 387,142,558	\$ 372,885,019	\$ 348,617,138	\$ 43,112,143	\$ 41,516,470	\$ 39,690,162
Stable Value Fund	\$ 487,893,707	\$ 494,882,379	\$ 529,374,471	\$ 97,173,099	\$ 98,419,049	\$ 102,927,717
Stock Fund	\$ 1,800,597,254	\$ 1,634,556,781	\$ 1,328,608,436	\$ 234,095,467	\$ 215,140,112	\$ 178,329,997
Target Date 2025 Portfolio	\$ —	\$ 213,555,635	\$ 204,506,612	\$ —	\$ 29,376,264	\$ 27,680,395
Target Date 2030 Portfolio	\$ 256,576,993	\$ 224,284,530	\$ 188,539,989	\$ 33,502,047	\$ 30,694,529	\$ 27,111,588
Target Date 2035 Portfolio	\$ 250,925,399	\$ 210,495,469	\$ 174,292,005	\$ 35,767,200	\$ 32,437,747	\$ 27,662,731
Target Date 2040 Portfolio	\$ 185,122,422	\$ 153,845,012	\$ 125,162,126	\$ 31,146,111	\$ 27,226,224	\$ 22,586,110
Target Date 2045 Portfolio	\$ 153,295,065	\$ 122,977,882	\$ 96,936,996	\$ 29,847,080	\$ 25,371,780	\$ 20,914,462
Target Date 2050 Portfolio	\$ 117,718,233	\$ 93,433,232	\$ 70,939,870	\$ 25,887,073	\$ 21,844,140	\$ 17,768,544
Target Date 2055 Portfolio	\$ 70,336,864	\$ 55,883,115	\$ 41,631,658	\$ 14,840,162	\$ 12,482,512	\$ 10,045,084
Target Date 2060 Portfolio	\$ 22,945,111	\$ 17,796,340	\$ 12,827,721	\$ 4,743,194	\$ 3,736,569	\$ 2,686,769
Target Date 2065 Portfolio	\$ 11,371,367	\$ 8,387,452	\$ 4,897,778	\$ 1,778,103	\$ 1,261,233	\$ 699,876
Target Date 2070 Portfolio	\$ 838,796	\$ —	\$ —	\$ 136,336	\$ —	\$ —
VRS Investment Portfolio	\$ 57,819,674	\$ 55,177,522	\$ 48,746,910	\$ 10,377,541	\$ 9,917,832	\$ 9,085,618
Total Accumulation Plan Assets	\$5,138,141,289	\$4,633,701,246	\$4,087,343,947	\$ 709,992,248	\$ 656,530,746	\$ 591,468,575

Detailed information on each of these funds, including the investment objective, distribution of assets, investment performance and annual operating expense for each fund, is presented in the Investment Section.



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