

# VRS Overview

Virginia Association of School Business Officials (VASBO)  
November 5, 2019

Presented by:  
Patricia S. Bishop, VRS Director  
Barry C. Faison, Chief Financial Officer  
Andrew S. Feagans, Employer Representative Program Manager



# Do You Know the Answer?

How much did VRS pay in retiree benefits in fiscal year 2019?

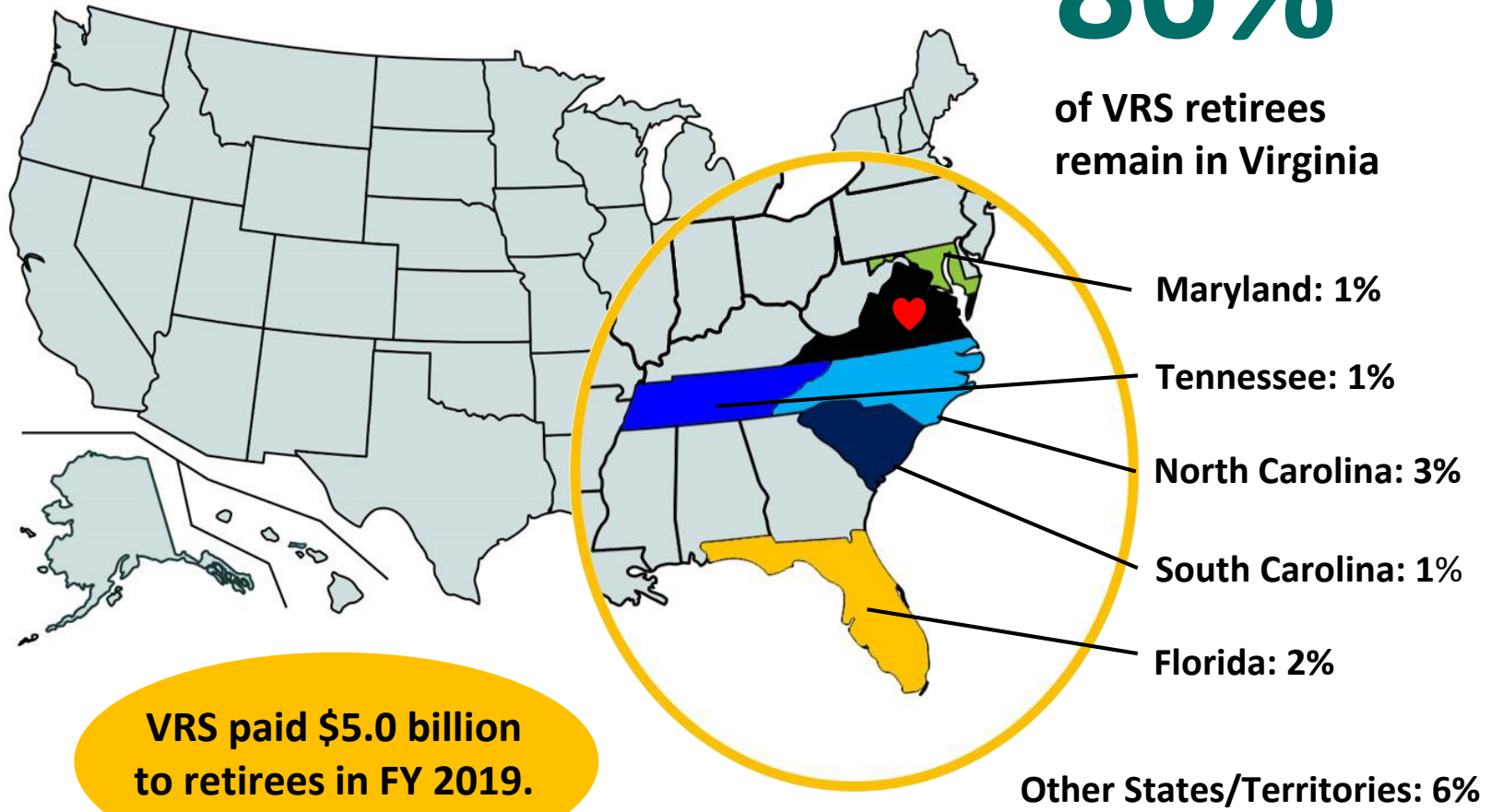
- a. \$1.0 billion
- b. \$10.0 billion
- c. \$50.0 billion
- d. \$5.0 billion



# Where VRS Retirees Live

# 86%

of VRS retirees  
remain in Virginia





## VRS Overview



## Hybrid Retirement Plan



## VRS Financial Overview



## Creditable Compensation



## GASB Update and Financial Reporting



## Employer Resources



## Member Benefits



Virginia  
Retirement  
System

# VRS Overview



# Our Vision, Mission and Commitment

## Our Vision

To be the trusted leader  
in the delivery of benefits  
and services to those we serve.



## Our Mission

VRS delivers retirement and other benefits to  
Virginia public employees through sound financial  
stewardship and superior customer service.



## Our Commitment

Serving those who serve others.  
Helping members plan for tomorrow, today.



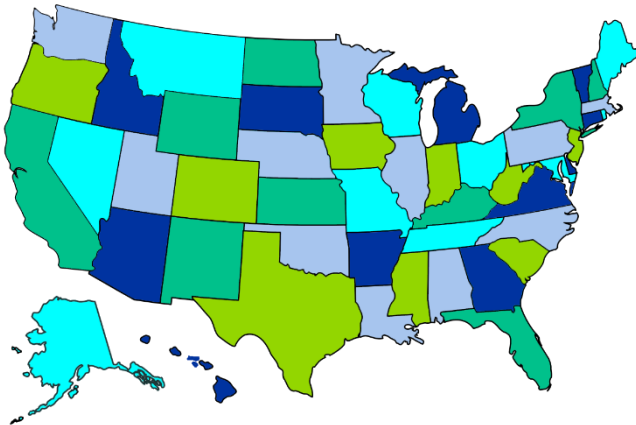


**725,027**  
active and retired members

As of June 30, 2019

**19<sup>th</sup>** largest

public or private pension system  
in the United States\*



**41<sup>st</sup>** largest

public or private pension system  
in the world\*

\* As ranked by *Pensions & Investments* in 2019

# VRS Total Membership as of June 30, 2019



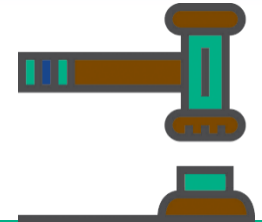
	Plan 1	Plan 2	Hybrid	Total
Teachers	73,042	31,613	44,741	<b>149,396</b>
Political Subdivision Employees	45,172	31,782	33,461	<b>110,415</b>
State Employees	34,385	15,111	25,303	<b>74,799</b>
State Police Officers' Retirement System (SPORS)	1,166	748	—	<b>1,914</b>
Virginia Law Officers' Retirement System (VaLORS)	3,134	5,558	—	<b>8,692</b>
Judicial Retirement System (JRS)	231	47	184	<b>462</b>
<b>Total Active Members</b>	<b>157,130</b>	<b>84,859</b>	<b>103,689</b>	<b>345,678</b>



\* Inactive/Deferred counts include 2,611 members on long-term disability.



# Benefit Comparison



	State	Teachers	Local*
<b>Actives:</b>			
Average Age	47.8	45.0	46.1
Average Service	11.7	11.7	10.8
Average Salary	\$58,491	\$54,955	\$45,758
<b>Retirees:</b>			
Avg. Age @ Retirement	64.2	63.0	62.3
Avg. Service @ Retirement	24.6	23.1	20.6
Avg. Benefit @ Retirement	41.8%	39.3%	35.1%
Avg. Annual Benefit	\$24,891	\$24,227	\$17,758
Avg. Social Security Benefit at Age 62	\$21,912	\$20,328	\$16,668

Information obtained from the June 30, 2019, actuarial valuations.

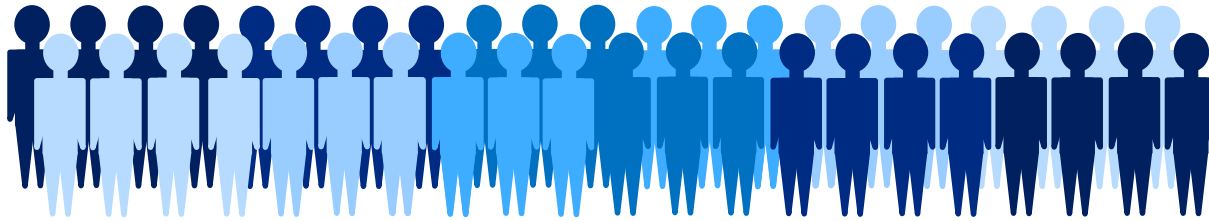
\* Local data obtained from the June 30, 2018, actuarial valuations.

# Hybrid Retirement Plan



# Hybrid Retirement Plan

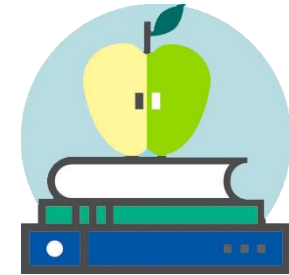
## Hybrid Retirement Plan Member Profile as of July 1, 2019



Active Hybrid Retirement Plan Members

(as of July 1, 2019)

**102,563**



Largest Member Group  
**Teachers**



Median Salary

**\$42,042**

Median Age

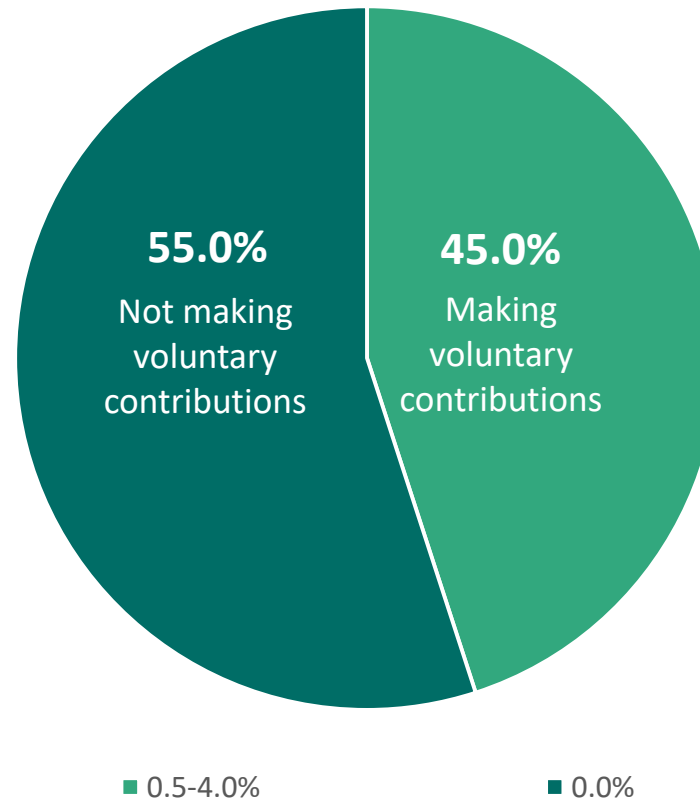
**36 years old**

Average Years in the Plan

**2.13**

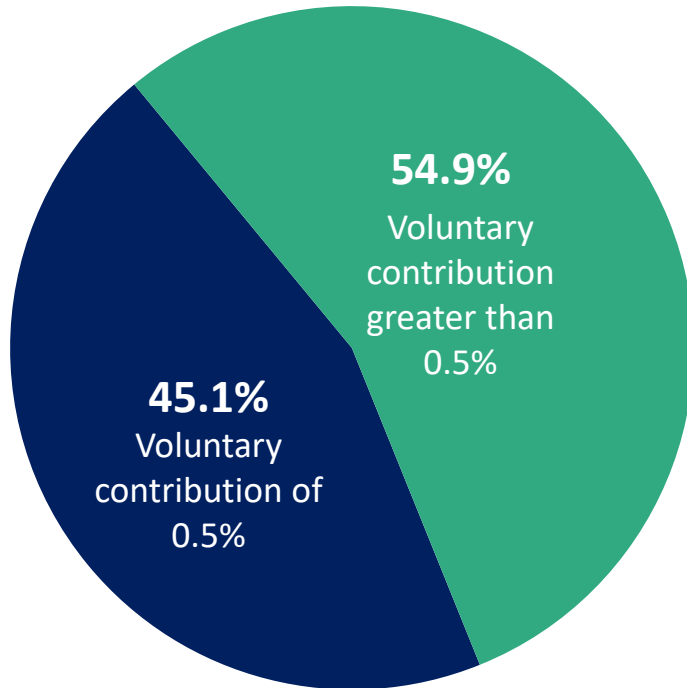
# Hybrid 457 Plan – Voluntary Contribution Elections

All active Hybrid Retirement Plan members  
at July 1, 2019

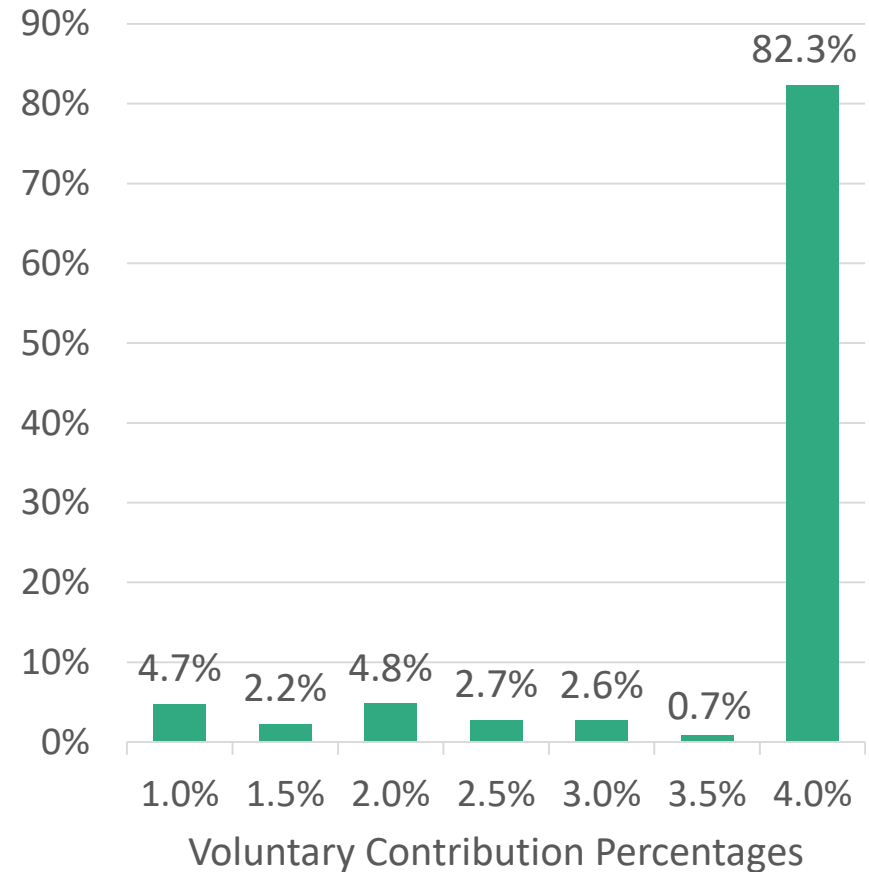


# Hybrid 457 Plan – Voluntary Contribution Elections

Active members who had a voluntary contribution effective July 1, 2019



Active members with a voluntary contribution greater than 0.5%





## Online Products and Tools

- Calculators
- Videos
- Webinars



## Local Service Team

- Member Counseling
  - Phone
  - In-person
  - Email
  - Richmond office
- Events: benefit fairs, seminars, presentations around the state



Find these resources  
and more  
at [www.varetire.org](http://www.varetire.org)

## Topics Covered

- Asset classes and application to investment options in our plans
- Investment risk, fees and performance
- Asset allocation
- Target date portfolios
- Strategies related to distributions



A **resource toolkit** assists employers in communicating plan provisions and the importance of voluntary contributions



**SmartStep** allows members to increase their voluntary contributions at a date they choose



The **hybrid paycheck calculator** helps members see the change in their paycheck if making voluntary contributions

**Enhanced voluntary contribution messaging on account pages** is a reminder for members who are not making a voluntary contribution



is a reminder for members who are not making a voluntary contribution



With **GoHybrid**, employees can elect a voluntary contribution before their hire date or enrollment in VRS



The **VRS DCP mobile app** for iPhones, Android smartphones and tablets allows members to manage their accounts on the go



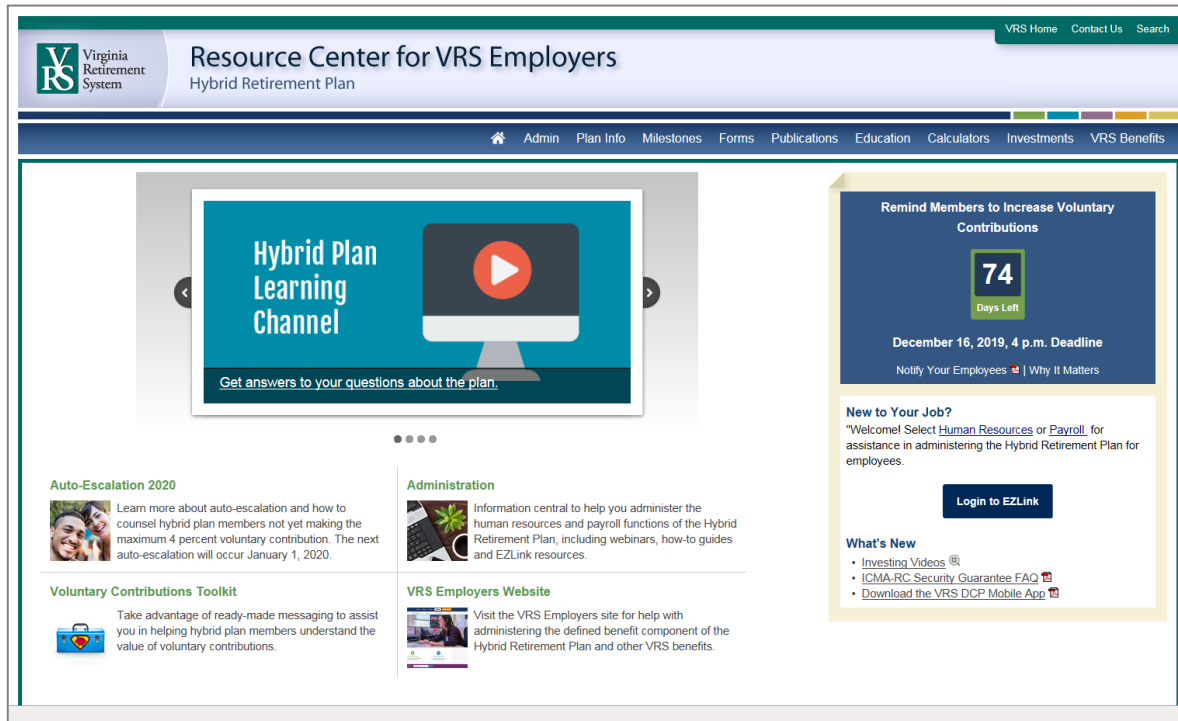
Estimated population  
eligible for auto escalation:

**84,235**

- Auto-escalation set for **Jan. 1, 2020**
- **Helps members save** for the future
- **Every three years**, members' voluntary contributions to their Hybrid 457 Deferred Compensation Plan accounts automatically **increase by 0.5%** until reaching the maximum 4%
- **Extensive communications** efforts
- Members can **opt out Oct. 1 – Dec. 16** online or by phone
- **Less than 3%** opted out in 2017, the last auto-escalation



# Engage, Communicate, Educate!



Resource Center for VRS Employers  
Hybrid Retirement Plan

Admin Plan Info Milestones Forms Publications Education Calculators Investments VRS Benefits

Hybrid Plan Learning Channel  
Get answers to your questions about the plan.

Remind Members to Increase Voluntary Contributions  
74 Days Left  
December 16, 2019, 4 p.m. Deadline  
Notify Your Employees | Why It Matters

New to Your Job?  
Welcome! Select [Human Resources](#) or [Payroll](#) for assistance in administering the Hybrid Retirement Plan for employees.  
Login to EZLink

What's New

- Investing Videos
- ICMA-RC Security Guarantee FAQ
- Download the VRS DCP Mobile App

Auto-Escalation 2020  
Learn more about auto-escalation and how to counsel hybrid plan members not yet making the maximum 4 percent voluntary contribution. The next auto-escalation will occur January 1, 2020.

Administration  
Information central to help you administer the human resources and payroll functions of the Hybrid Retirement Plan, including webinars, how-to guides and EZLink resources.

Voluntary Contributions Toolkit  
Take advantage of ready-made messaging to assist you in helping hybrid plan members understand the value of voluntary contributions.

VRS Employers Website  
Visit the VRS Employers site for help with administering the defined benefit component of the Hybrid Retirement Plan and other VRS benefits.

[www.varetirement.org/hybrid/education/hybrid-plan-learning-channel.html](http://www.varetirement.org/hybrid/education/hybrid-plan-learning-channel.html)

Employer toolkits  
Comparison guides  
Media kits  
Fund profiles  
Fund disclosures  
How-to guides  
Helpful contacts  
Payroll guides  
EZLink resources  
Seminars  
Videos  
FAQs  
Webinars  
Training materials  
Updates

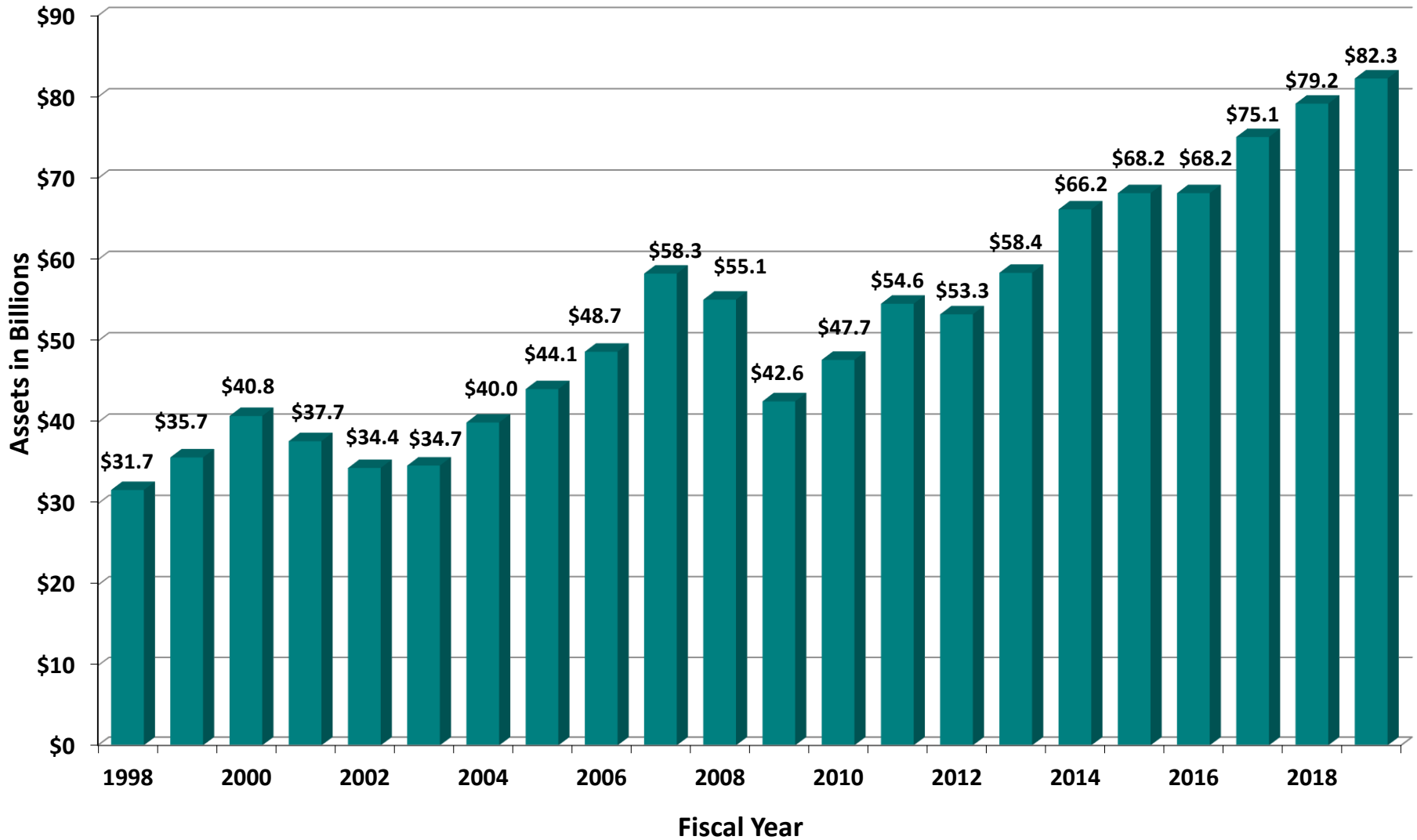


Virginia Retirement System

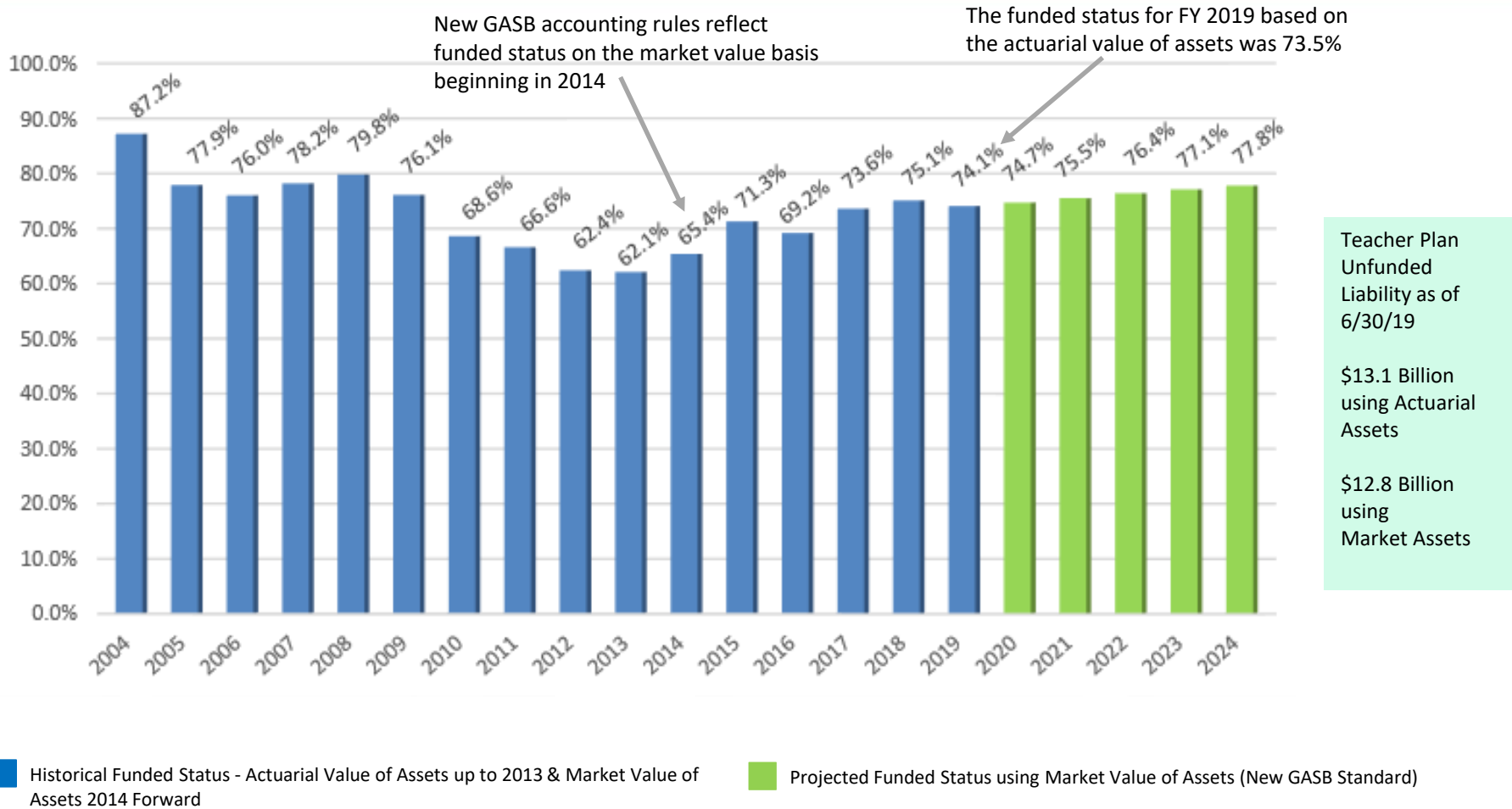
# VRS Financial Overview



# VRS Net Position



# Funded Status: Teachers



- Notes:
- Projected years' investment returns assume 6.75% with 2.5% inflation rate.
  - New GASB Accounting Rules will reflect funded status using Market Value of Assets effective 6/30/14 for Plan Reporting and 6/30/15 for Employer Reporting.

# Employer Contribution Rates for Statewide Plans Impact of Changing Long-Term Rate of Return



Teacher Plan	Fiscal Year 2020	Fiscal Year 2021	
	Discount Rate 7.0%	Prior Discount Rate 7.0%	Current Discount Rate 6.75%
<b>Employer Contribution Rate</b>	15.68%	15.00%	16.62%
<b>Total Estimated Employer Contributions</b>	\$1,287,328,000	\$1,269,900,000	\$1,407,049,000
<b>General Fund</b>	\$514,931,000	\$507,960,000	\$562,820,000
<b>Non-General Fund</b>	\$772,397,000	\$761,940,000	\$844,229, 000

Scenario	Additional Funding Required	General Fund	Non-General Fund
<b>Difference Between FY 2021 Rates @ 7.0% and FY 2021 Rates @ 6.75%</b>	\$137,149,000	\$54,860,000	\$82,289,000
<b>Difference Between FY 2020 Rates @ 7.0% and FY 2021 Rates @ 6.75%</b>	\$119,721,000	\$47,888,000	\$71,833,000

\* Estimated funding for FY 2020 is based on payroll from the 2019 valuation, while estimated funding for FY 2021 uses payroll from the 2019 valuation projected forward one year by plan assumptions. Actual funding will be based on payrolls in effect at time of billing.

# 2010-2021 Deferred Contributions: Teacher Plan



Date	Teachers	
	Loan Balance	Annual Payment
6/30/2011	\$741,432,106	\$99,232,610
6/30/2012	\$691,780,147	\$99,232,610
6/30/2013	\$634,025,864	\$99,232,610
6/30/2014	\$572,228,882	\$99,232,610
6/30/2015	\$313,221,882	\$61,413,678
6/30/2016	\$269,434,778	\$61,413,678
6/30/2017	\$222,582,578	\$61,413,678
6/30/2018	\$172,450,723	\$61,413,678
6/30/2019	\$118,809,638	\$61,413,678
6/30/2020	\$61,413,678	\$61,413,678
6/30/2021	\$0	

# Creditable Compensation



# Creditable Compensation Definition



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

*(Continued)*



# Creditable Compensation Definition



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.

# Creditable Compensation Job Aid

The VRS Creditable Compensation Job Aid and Checklist is divided into three sections by employer type:

**Creditable  
Compensation  
for  
School  
Divisions**

**Creditable  
Compensation  
for  
Political  
Subdivisions**

**Creditable  
Compensation  
for  
State  
Agencies/  
Higher  
Education**

# Creditable Compensation for School Divisions



For each employer type, VRS has developed a list of inclusions and exclusions to current annual base salary reported for creditable compensation.

- This list may be updated from time to time.
- This information serves as a guide.
- Contact VRS with questions.

[employers.varetire.org/credcompjobaid](https://employers.varetire.org/credcompjobaid)



## Creditable Compensation JOB AID AND CHECKLIST

### BACKGROUND

The Virginia Retirement System (VRS) has a fiduciary and statutory responsibility to correctly calculate members' creditable compensation because it determines their future retirement benefit amounts, as well as life insurance and disability coverage amounts while working. Current annual base salary reported to VRS may differ from total compensation paid to the member.

To clarify VRS policy, the agency has revised the definition of creditable compensation, which is based on the Code of Virginia.

### Creditable Compensation Defined

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.

While this information serves as a guide to reporting creditable compensation, every potential scenario may not have been contemplated or addressed here. As VRS makes final determinations regarding creditable compensation based on individual facts and circumstances, it is important to contact VRS with questions.

### CREDITABLE COMPENSATION PER THE CODE OF VIRGINIA

- 1) § 22.1-302 Written contracts required; execution of contracts; qualifications of temporarily employed teachers; rules and requirements.
- 2) § 51.1-124.3 Definitions.
- 3) § 51.1-144 Member contributions.
- 4) § 51.1-152 Limitations on average final compensation.
- 5) § 51.1-168 Limits on creditable compensation; maximum benefits; mandatory payment of allowance.

## The Creditable Compensation Job Aid includes a checklist

### CREDITABLE COMPENSATION CHECKLIST

Accurate reporting of VRS members' current annual base salary ensures creditable compensation is calculated correctly. The following checklist serves as a tool for employers when reporting current annual base salary information to VRS. The creditable compensation checklist is not considered an exhaustive list.

**IMPORTANT:** If you answer "yes" to any of the questions, that amount **should not** be included in the current annual base salary reported to VRS for purposes of calculating creditable compensation.

Does the current annual base salary you report to VRS include...	Yes	No
--	-----	----

Does the current annual base salary you report to VRS include...	Yes	No
A signing, retention or other bonus?		
Annual stipends for serving on school boards, city/county government or commissions?		
Bonus pay?		
Compensation from private sources, such as foundations or endowments?		

Payment for extracurricular activity sponsorship?		
Payments for extra duties, such as coaching, acting as an advisor, tutoring, driver education, summer school or special projects?		
Payments for work as an independent contractor or consultant?		
Payments of a temporary nature?		
Non-elective employer contributions to qualified and non-qualified deferred compensation plans?		
Payment for professional development or education assistance?		
Retrospective increments or adjustments made at or near the end of a member's service?		
Supplements for acting in a temporary position if the member was not confirmed for the permanent position?		
Termination pay?		
Travel reimbursements?		
Travel, housing, cell phone, vehicle, internet, clothing or tool/equipment allowances?		
Unused annual or sick leave payments?		
Worker's compensation not paid with sick leave?		

## The Creditable Compensation Job Aid includes model contract language

### MODEL CONTRACT LANGUAGE

Use the following language to assist with developing contracts for executive-level positions. In this model language, the deferred compensation contribution is considered reportable because it meets the creditable compensation definition.

### EXAMPLE 3

*The parties agree that the Employee's annual base salary is \$100,000.*

*The Employer agrees to make a contribution to a deferred compensation plan or plans on behalf of the Employee in the aggregate annual amount of \$24,000. The parties also agree that the contribution is not conditional, the contribution would have otherwise been included in Employee's taxable income, and the Employee acknowledges that he/she has elected the deferral. Finally, the parties acknowledge that they are responsible for ensuring adherence to the applicable contribution limits for the deferred compensation plan or plans to which the contribution is made.*

This example includes components that supplement annual base salary, and VRS does not consider these components to be creditable compensation even if that language is used in the contract. The creditable compensation that should be reported to VRS is \$70,000.

### EXAMPLE 3

*The parties agree that the Employee's annual base salary is \$100,000.*

*The Employer agrees to make a contribution to a deferred compensation plan or plans on behalf of the Employee in the aggregate annual amount of \$24,000. The parties also agree that the contribution is not conditional, the contribution would have otherwise been included in Employee's taxable income, and the Employee acknowledges that he/she has elected the deferral. Finally, the parties acknowledge that they are responsible for ensuring adherence to the applicable contribution limits for the deferred compensation plan or plans to which the contribution is made.*

In this example, the creditable compensation that should be reported to VRS is \$124,000.

# GASB Update and Financial Reporting



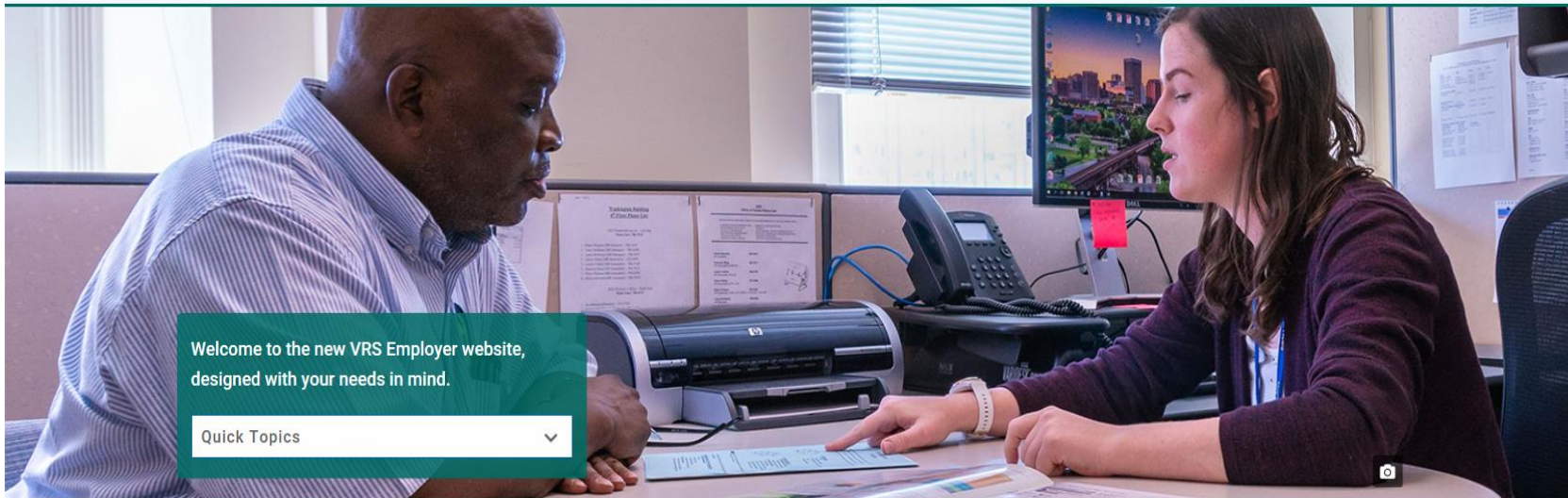
# VRS Employer Website



Virginia Retirement System | VRS Website for Employers

About VRS | Newsroom | VRS Home | [EZLink](#) | [myVRS Navigator](#)

- Employer Hub
- Training
- Financial Reporting
- Plans & Benefits
- Forms
- Publications
- Q ▾



Welcome to the new VRS Employer website, designed with your needs in mind.

Quick Topics ▾



### Education & Training

In-class sessions, webinars, e-learning, videos and more.



### Financial Reporting

Resources and links to assist with GASB and other financial reporting.



### New to Your Job?

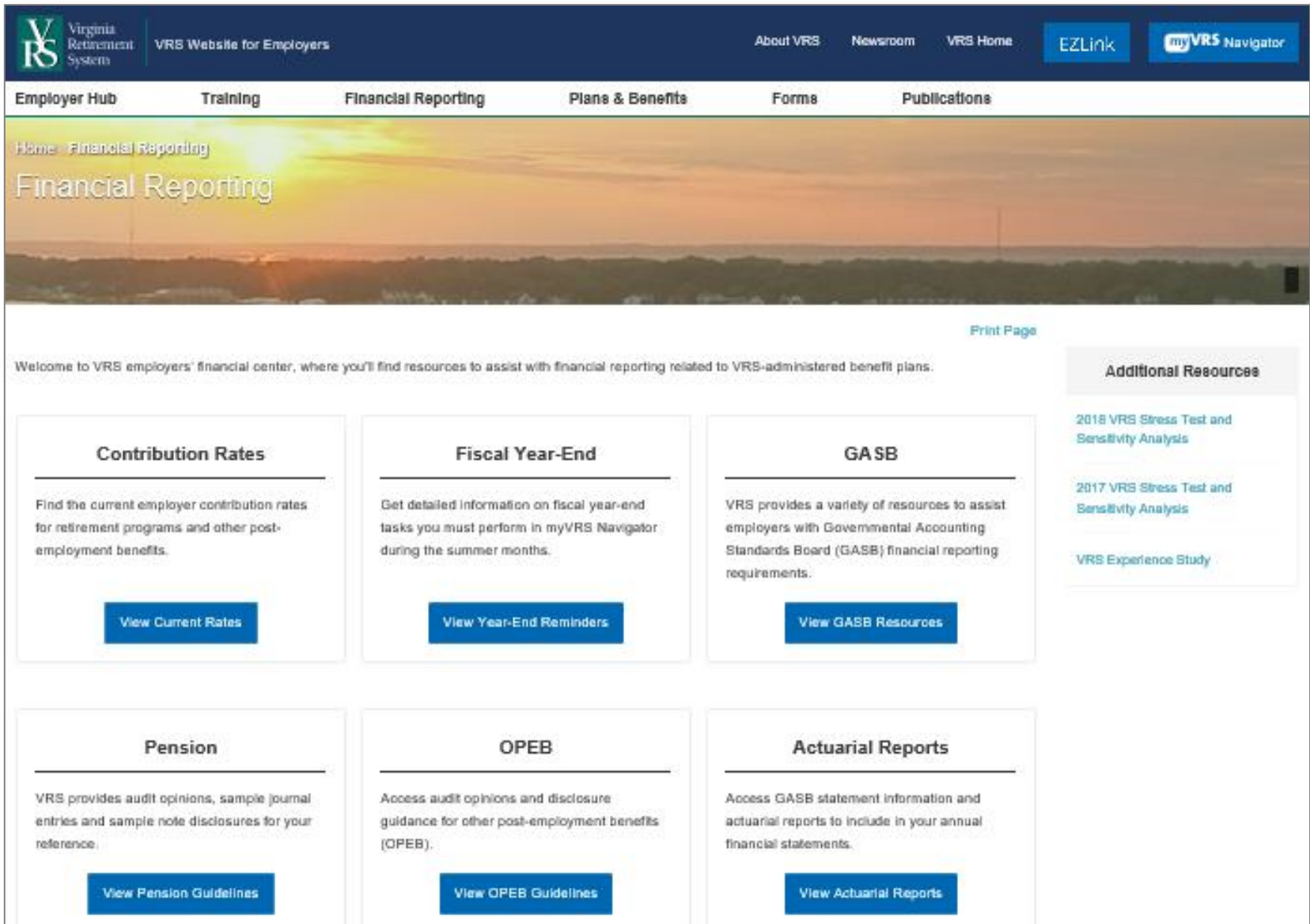
Here are four steps to get you started administering VRS benefits.

Subscribe to the Monthly Employer Update Newsletter

Email Address

Subscribe

# Financial Reporting



The screenshot shows the Virginia Retirement System's Financial Reporting page. At the top, there is a navigation bar with the VRS logo and 'VRS Website for Employers' on the left, and links for 'About VRS', 'Newsroom', 'VRS Home', 'EZLink', and 'myVRS Navigator' on the right. Below this is a secondary navigation bar with links for 'Employer Hub', 'Training', 'Financial Reporting', 'Plans & Benefits', 'Forms', and 'Publications'. The main content area features a large banner image of a sunset over a landscape with the text 'Home - Financial Reporting' and 'Financial Reporting'. A 'Print Page' link is located in the top right of the content area. Below the banner, a welcome message reads: 'Welcome to VRS employers' financial center, where you'll find resources to assist with financial reporting related to VRS-administered benefit plans.' The page is organized into a grid of six main content boxes and one 'Additional Resources' sidebar. The 'Additional Resources' sidebar lists: '2018 VRS Stress Test and Sensitivity Analysis', '2017 VRS Stress Test and Sensitivity Analysis', and 'VRS Experience Study'. The six main content boxes are: 1. 'Contribution Rates' with a description and a 'View Current Rates' button. 2. 'Fiscal Year-End' with a description and a 'View Year-End Reminders' button. 3. 'GASB' with a description and a 'View GASB Resources' button. 4. 'Pension' with a description and a 'View Pension Guidelines' button. 5. 'OPEB' with a description and a 'View OPEB Guidelines' button. 6. 'Actuarial Reports' with a description and a 'View Actuarial Reports' button.

Virginia Retirement System  
VRS Website for Employers

About VRS Newsroom VRS Home EZLink myVRS Navigator

Employer Hub Training Financial Reporting Plans & Benefits Forms Publications

Home - Financial Reporting  
Financial Reporting

Print Page

Welcome to VRS employers' financial center, where you'll find resources to assist with financial reporting related to VRS-administered benefit plans.

**Additional Resources**

- 2018 VRS Stress Test and Sensitivity Analysis
- 2017 VRS Stress Test and Sensitivity Analysis
- VRS Experience Study

**Contribution Rates**

Find the current employer contribution rates for retirement programs and other post-employment benefits.

[View Current Rates](#)

**Fiscal Year-End**

Get detailed information on fiscal year-end tasks you must perform in myVRS Navigator during the summer months.

[View Year-End Reminders](#)

**GASB**

VRS provides a variety of resources to assist employers with Governmental Accounting Standards Board (GASB) financial reporting requirements.

[View GASB Resources](#)

**Pension**

VRS provides audit opinions, sample journal entries and sample note disclosures for your reference.

[View Pension Guidelines](#)

**OPEB**

Access audit opinions and disclosure guidance for other post-employment benefits (OPEB).

[View OPEB Guidelines](#)

**Actuarial Reports**

Access GASB statement information and actuarial reports to include in your annual financial statements.

[View Actuarial Reports](#)



# VRS Guidelines and Resources: Pension



Home / Financial Reporting / VRS Guidelines and Resources

## Financial Reporting

[Print Page](#)

[Current Contribution Rates](#)

[Fiscal Year-End Reminders](#)

[Governmental Accounting Standards Board \(GASB\)](#)

**VRS Guidelines and Resources: Pension**

[VRS Guidelines and Resources: OPEB](#)

[Actuarial Reports](#)

### VRS Guidelines and Resources: Pension

VRS monitors Governmental Accounting Standards Board (GASB) statements and resources to assist employers in their compliance efforts as well as with other financial resources. Bookmark this page in your web browser and check it regularly for the latest updates.

#### Audit Opinions & Disclosure Guidance

To assist employers with financial reporting, VRS is providing GASB schedules and copies to the state auditor's office. In addition, VRS has developed sample journal entries and sample disclosures for reference.

**Note:** Reports, sample journal entries, note disclosures and other GASB documents are for the year ended June 30<sup>th</sup> of the previous year.

2019

2018

2017

### 2019 Documents

[GASB 68 Reports With Audit Opinions](#)

[Political Subdivision Retirement Plans](#)

[State Employee Retirement Plan](#)

[Teacher Retirement Plan](#)

[Report on Management's Assertions Related to Census Data for the Year Ended June 30, 2017](#)

[Sample Journal Entries](#)

[Sample Note Disclosures](#)

[Analysis of 2018 Net Pension Liability](#)

[Covered Payroll & Contributions](#)

VRS has developed sample journal entries and sample note disclosures for employers' reference for the following post-employment benefits:

**Health  
Insurance  
Credit  
(HIC)**

**Group  
Life  
Insurance  
(GLI)**

**Line of  
Duty Act  
Fund  
(LODA)**

**Virginia  
Local  
Disability  
Program  
(VLDP)**

**Virginia  
Sickness &  
Disability  
Program  
(VSDP)**

## Financial Reporting

Current Contribution Rates

Fiscal Year-End Reminders

Governmental Accounting Standards Board (GASB)

VRS Guidelines and Resources: Pension

VRS Guidelines and Resources: OPEB

Actuarial Reports

### VRS Guidelines and Resources: OPEB

VRS monitors Governmental Accounting Standards Board (GASB) statements and regularly provides resources to assist employers in their compliance efforts as well as with other financial reporting. Bookmark this page in your web browser and check it regularly for the latest updates.

### 2019 Audit Opinions & Disclosure Guidance

To assist employers with financial reporting, VRS is providing GASB schedules and corresponding state auditor's office. In addition, VRS has developed sample journal entries and sample note disclosures for other post-employment benefits:

Note: Reports, sample journal entries, note disclosures and other documents are for the measurement period ended June 30, 2018.

HIC

GLI

LODA

VLDP

### 2019 Audit Opinions & Disclosure Guidance

To assist employers with financial reporting, VRS is providing GASB schedules and corresponding opinions issued by the state auditor's office. In addition, VRS has developed sample journal entries and sample note disclosures for employers' reference for other post-employment benefits:

Note: Reports, sample journal entries, note disclosures and other documents are for the measurement period ended June 30, 2018.

HIC

GLI

LODA

VLDP

VSDP

#### Health Insurance Credit (HIC)

##### GASB 75 Reports With Audit Opinions

Political Subdivisions

State

Teacher

Sample Journal Entries

Sample Note Disclosures

Analysis of Changes in Net OPEB Liability

Covered Payroll & Contributions

### Report on Management's Assertions

Report on Management's Assertions Related to Census Data for the Measurement Date of June 30, 2017

# Contribution Rates and Valuation Reports



Home / Financial Reporting / Current Contribution Rates

## Financial Reporting

### Current Contribution Rates

Fiscal Year-End Reminders

Governmental Accounting Standards Board (GASB)

VRS Guidelines and Resources: Pension

VRS Guidelines and Resources: OPEB

Actuarial Reports

### Current Contribution Rates

The following tables provide the General Assembly-enacted employer contribution rates for fiscal years 2019 and 2020. The 2019-2020 budget funds 100 percent of the VRS-certified contributions rates.

#### VRS Employer Contribution Rates By Fiscal Year

Retirement Program	2019 & 2020 *
State Employees	13.52%
Teachers	15.68%
State Police Officers' Retirement System	24.88%
Virginia Law Officers' Retirement System	21.61%
Judicial Retirement System	34.39%
Non-Professional School Board and Political Subdivision Employees	Varies by Employer

\* Full actuarially determined rates.

[Print Page](#)

#### Other Post-Employment Benefits Contribution Rates By Fiscal Year

		2019 & 2020 *
Group Life Insurance	Employee	0.79%
	Employer	0.52%
	Total	1.31%
Health Insurance Credit	State Employees	1.17%
	Teachers	1.20%
	Non-Professional School Board Members and Political Subdivision Employees	Varies by Employer
Virginia Sickness and Disability Program (VSDP)	Covered Payroll	0.62%
Virginia Local Disability Program (VLDP)	Teachers	0.41%
	Political Subdivision Employees	0.72%

### Valuation Reports

VRS provides actuarial valuation reports to help employers establish required contribution levels and disclose plan assets and actuarial liabilities that are used to determine the funded status of the retirement plan, and to provide supporting information regarding the plan's operation. The reports are also a resource for complying with Governmental Accounting Standards Board Statements No. 43 and No. 45, which require actuarial valuations of retirees' other post-employment benefits (OPEB).

Pension

OPEB

LODA

[2018 Retirement Valuation](#)

[2017 Retirement Valuation](#)

[2016 Retirement Valuation](#)

[2015 Retirement Valuation](#)

# Understanding Your Valuation Report

Home / Financial Reporting / Current Contribution Rates

## Financial Reporting

[Print Page](#)

**Current Contribution Rates**

Fiscal Year-End Reminders

Governmental Accounting Standards Board (GASB)

VRS Guidelines and Resources: Pension

VRS Guidelines and Resources: OPEB

Actuarial Reports

### Current Contribution Rates

The following tables provide the General Assembly-enacted employer contribution rates for fiscal years 2019 and 2020. The 2019-2020 budget funds 100 percent of the VRS-certified contributions rates.

#### VRS Employer Contribution Rates By Fiscal Year

Retirement Program	2019 & 2020 *
State Employees	13.52%
Teachers	15.68%
State Police Officers' Retirement System	
Virginia Law Officers' Retirement System	
Judicial Retirement System	34.39%
Non-Professional School Board and Political Subdivision Employees	Varies by Employer

\* Full actuarially determined rates.

**Additional Resources**

- 2018 VRS Stress Test and Sensitivity Analysis
- 2017 VRS Stress Test and Sensitivity Analysis
- VRS Experience Study
- Annual Investment Report

## Understanding Your 2018 Actuarial Valuation Report

The actuarial valuation report of pension benefits to Savanagh Macdonald Consulting, the main purpose of the updated information regarding the funded status of the

set contribution rates for the subsequent two fiscal years, set employer contribution rates for fiscal years ending on (i.e., 2018) for informational purposes to assist you

presented in the following sections:

contains introductory and summary information related to plan. Table 1 provides a summary of the key results of the prior year.

Employer contribution rates are provided as a payroll, which is assumed to increase annually by 3.0%. Note that a smaller than expected payroll will cause an increase in employer

assets to plan liabilities. A funded ratio will exceed current assets. In general, the ratio will increase over year if assumptions are met.

to decrease, for example due to poor investment performance. As of June 30, 2018, 70% of political subdivision plans had a funded status of at least 100%. The majority of plans being greater than 100% funded.

**Funded Liability (Item 7)** – Is the excess of plan liabilities over assets. If the ratio is less than 100%, the plan is unfunded. A majority of the unfunded liabilities and has an amortization schedule before it will be paid off.

**Rate (Item 9)** – Shows the cost components that make up the employer contribution rate. Page 1 of the report describes the various components of the contribution rate. Section II of the report contains additional detail on the development of the contribution rate.

- II. **Plan Contribution Development** – Shows additional detail of the components of the employer contribution rate as a percentage of covered payroll for your members. The June 30, 2018, valuation is only used for informational purposes. Although the rate shown will not be used to collect contributions, it does give an indication of whether your rate is trending up or down compared to the prior valuation.

**Table 3** – Shows the obligations of the plan as of the valuation date broken out among the various member groups. As plans mature, liabilities associated with retired and terminated members may exceed active member liabilities.

## Financial Reporting

 Print Page

[Current Contribution Rates](#)

[Fiscal Year-End Reminders](#)

[Governmental Accounting Standards Board \(GASB\)](#)

[VRS Guidelines and Resources: Pension](#)

[VRS Guidelines and Resources: OPEB](#)

**[Actuarial Reports](#)**

### Actuarial Reports

VRS monitors Governmental Accounting Standards Board (GASB) statements and regularly provides guidelines and resources to assist employers in their compliance efforts as well as with other financial reporting requirements. Bookmark this page in your web browser and check it regularly for the latest updates.

#### Statement No. 67

The GASB 67 report includes member data, actuarial assumptions and methods used in developing the GASB 67 results.

 [2018 Report](#)

 [2017 Report](#)

 [2016 Report](#)

#### Statement No. 74

The GASB 74 report includes member data, actuarial assumptions and methods used in developing the GASB 74 results.

 [2018 Report](#)

 [2017 Report](#)

 [2017 Line of Duty Act Report](#)

#### Statement No. 68

To comply with GASB 68, employers that prepare annual financial statements are required to report net pension liability (NPL) and pension expense (PE) as participants in VRS. Within this report, you will find employer-specific information to be included in your financial statements.

 [2018 Report](#)

 [2017 Report](#)

 [2016 Report](#)

#### Statement No. 75

To comply with GASB 75, employers that prepare annual financial statements are required to report net pension liability (NPL) and pension expense (PE) as participants in VRS. Within this report, you will find employer-specific information to be included in your financial statements.

 [2019 Report](#)

 [2018 Report](#)

 [2018 Line of Duty Act Report](#)

#### Additional Resources

 [2018 VRS Stress Test and Sensitivity Analysis](#)

 [2017 VRS Stress Test and Sensitivity Analysis](#)

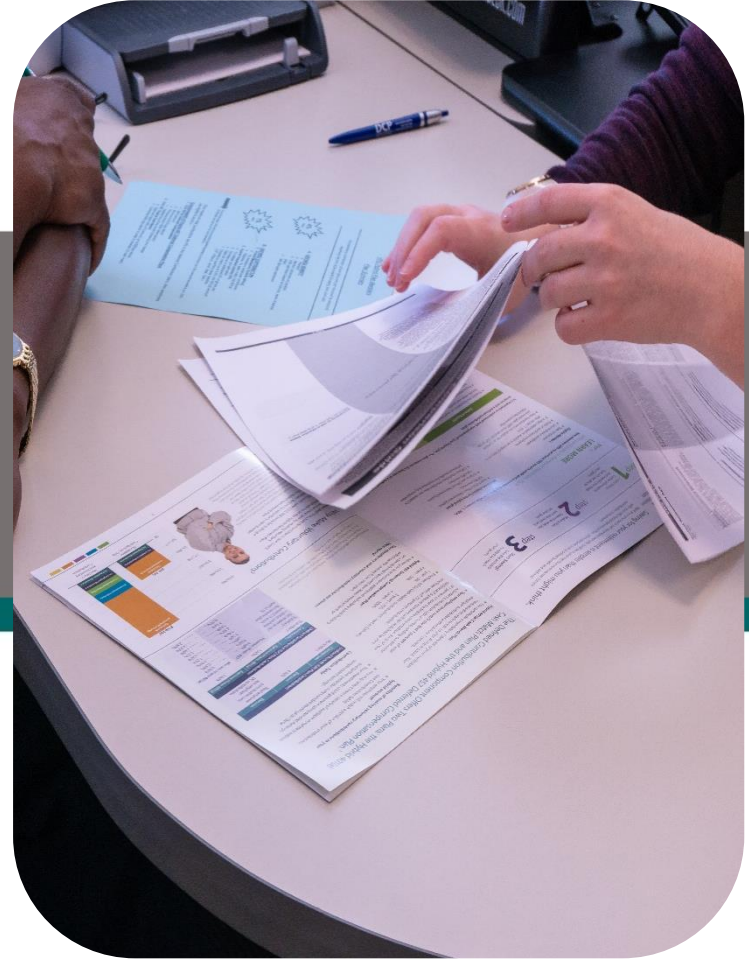
 [VRS Experience Study](#)

 [VRS Annual Reports](#)

 [Annual Imputed Income Calculation for Group Term Insurance](#)

 [Auditor of Public Accounts](#)

# Employer Resources



# Sign Up for Employer Update

- Monthly e-newsletter
- Updates on policy, procedures, GASB, legislation, upcoming events
- Select Employer Update on the Employer website menu and sign up

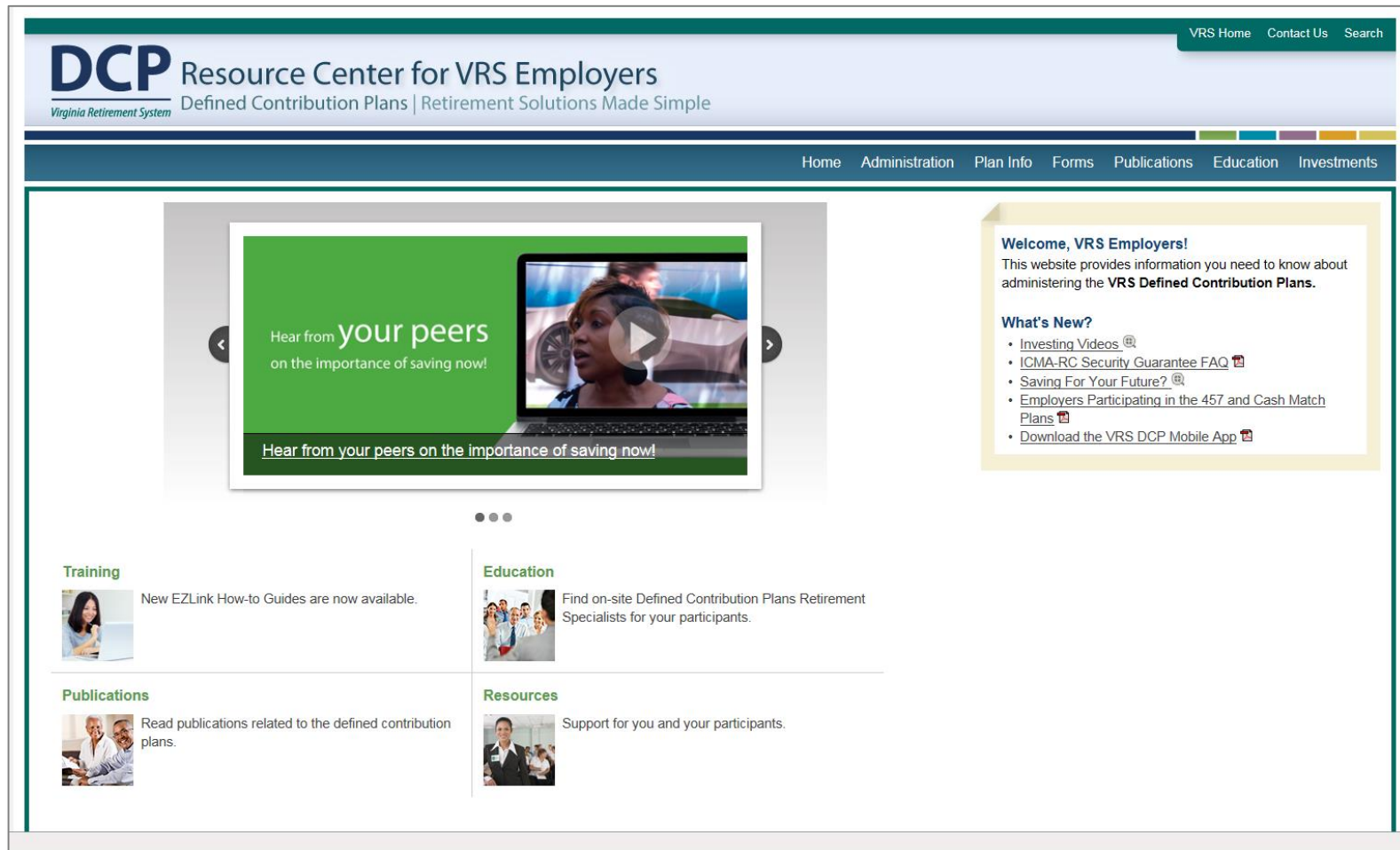




# Employer Resources



The screenshot shows the VRS Employer website interface. At the top left is the VRS logo and the text "Virginia Retirement System" and "VRS Website for Employers". To the right are navigation links: "About VRS", "Newsroom", "VRS Home", "EZLink", and "myVRS Navigator". Below this is a horizontal menu with "Employer Hub", "Training", "Financial Reporting", "Plans & Benefits", "Forms", "Publications", and a search icon. The main content area features a large image of two office workers at a desk. A green overlay on the image contains the text "Welcome to the new VRS Employer website, designed with your needs in mind." and a "Quick Topics" dropdown menu. Below the image are three feature boxes: "Education & Training" (with a lightbulb icon), "Financial Reporting" (with a calculator icon), and "New to Your Job?" (with a handshake icon). At the bottom is a purple footer with a newsletter subscription form: "Subscribe to the Monthly Employer Update Newsletter", an "Email Address" input field, and a "Subscribe" button.



The screenshot shows the website interface for the DCP Resource Center for VRS Employers. At the top, there is a navigation bar with links for "VRS Home", "Contact Us", and "Search". Below this is the main header with the "DCP" logo and the text "Resource Center for VRS Employers" and "Defined Contribution Plans | Retirement Solutions Made Simple". A secondary navigation bar includes "Home", "Administration", "Plan Info", "Forms", "Publications", "Education", and "Investments".

The main content area features a large video player with a green background and a play button. The video text reads: "Hear from your peers on the importance of saving now!". Below the video player are four content boxes:

- Training:** New EZLink How-to Guides are now available. (Accompanied by an image of a woman on a laptop)
- Education:** Find on-site Defined Contribution Plans Retirement Specialists for your participants. (Accompanied by an image of a group of people)
- Publications:** Read publications related to the defined contribution plans. (Accompanied by an image of two men in a meeting)
- Resources:** Support for you and your participants. (Accompanied by an image of a man in a suit)

On the right side of the page, there is a "Welcome, VRS Employers!" section with a brief introduction and a "What's New?" section listing several links: "Investing Videos", "ICMA-RC Security Guarantee FAQ", "Saving For Your Future?", "Employers Participating in the 457 and Cash Match Plans", and "Download the VRS DCP Mobile App".

## ICMA-RC Employer Support:

1-VRS-DC-PLAN1 (1-877-327-5261), select option 3

# Employer Representatives



## Employer Representative Program Manager

**Andrew Feagans**  
804-344-3156  
afeagans@varetire.org

### Political Subdivision Representatives

**Stephanie Conyers**  
804-771-7393  
sconyers@varetire.org

### School Division Representatives

**Julia Minnigh**  
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### State Agency Representative

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### Employer Coverage Coordinator

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**Beth Valdrighi**  
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bvaldrighi@varetire.org



## **VRS Employer Support Team**

Respond to phone inquiries from employers

## **Training and Education Department**

*(Members, employers and VRS staff)*

- Develop and present training on VRS products, services and process (in-person, webinar and e-learning)
- Counsel members
- Respond to customer emails
- Prepare service and disability retirement estimates



# ICMA-RC Plan Specialists



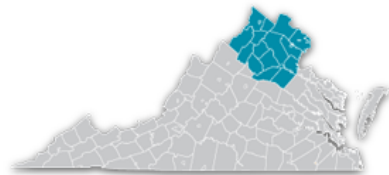
**Sherrel Addison**  
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Contact information:  
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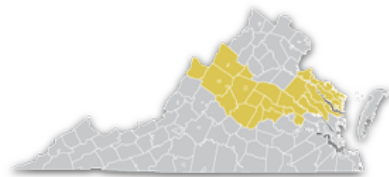
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**Steven Scott**  
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1-855-553-3088



**Mackenzie Moss**  
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1-855-253-1201



**Sharon Bradley**  
Plan Coordinator  
Contact information:  
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1-877-327-5261, Option 2

# Member Benefits



Powered by Enrich
Back To VRS | How It Works

Topics
Courses
Tools
Community

Log Out

**Ronald Anderson**

BADGES

FINANCIAL LITERACY HEALTH

Welcome from Virginia Retirement System

[READ](#)

**Your Courses** [SEE ALL >](#)

Financial health assessment [ACTION PLAN](#) | [RETAKE COURSE](#)

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Investing to build wealth [START COURSE](#)

**ACTION PLAN**  
& CERTIFICATE OF COMPLETION

This certifies that  
**RONALD ANDERSON**  
has successfully completed the course:  
**FINANCIAL HEALTH ASSESSMENT**

Prepared By: Enrich  
Date: 7/23/2018  
Confirmation Number: 1389406-4083

**Recommended Content** [See More >](#)

ANNUAL AND AGGREGATE LOAN LIMITS

FEDERAL STUDENT LOANS

Annual and Aggregate Loan Limits

MANAGING DEBT

Feel Like You Have an MBA by Learning These Three Rules and Theories

CONSUMER PROTECTION

Insurance for Your Investments: What the SIPC Can Do for You

# Financial Wellness Features



## Budget

Plan for expenses, set goals and keep your finances on track

## Courses

Learn the fundamentals of money management



## Live Webinars

Watch webinars with financial wellness experts

## Student Loan Snapshot

Track all your student loans in one place in five minutes or less



## Calculators

Experiment with mortgage, budget, auto, student loan calculators

## Games

Play financial trivia and real-world simulator games




## Scholarship Search

Find quality scholarships to help pay for school



# Commonwealth of Virginia Group Long Term Care Insurance Program



- 
- A vertical line of seven colored circles (dark blue, blue, teal, dark teal, green, light green, yellow) connected by a thin green line, running down the left side of the text.
- Enrollment began September 16, with policies effective December 1, underwritten by Genworth Life Insurance Co.
  - Retirees and spouses under age 75 are eligible to participate
  - Participants pay premiums to Genworth
  - Full medical underwriting (proof of good health) is required
  - Benefits include:
    - A maximum monthly benefit for covered long-term care expenses
    - Three benefit increase options to keep pace with inflation
  - Those that have policies under the previous program will continue coverage under that program
  - For more information, call Genworth Life toll-free at 800-870-0877 or visit [www.genworth.com/COVpreview](http://www.genworth.com/COVpreview)**



**Helping members plan for tomorrow,  
today.**