



February 4, 2022

MEMORANDUM

TO: VRS Board of Trustees

FROM: Patricia S. Bishop
Director

RE: Agenda Materials for February 10th Board Meeting

We are looking forward to the February 10th in-person Board meeting beginning at 1:00 p.m. in the VRS Boardroom. Enclosed is the agenda and meeting materials.

Out of an abundance of caution and to limit contact with others, we will not be providing lunches and, therefore, lunch will be on your own. We apologize in advance for any inconvenience, but feel this is the safest decision given current events.

Due to the pandemic, listed below are some important reminders:

- As part of a COVID-19 self-screening protocol, please ask yourself if you are experiencing any of the following:
 - A new fever (100.4°F or higher) or a sense of having a fever.
 - A new cough that cannot be attributed to another health condition.
 - New shortness of breath or difficulty breathing that cannot be attributed to another health condition.
 - New chills that cannot be attributed to another health condition.
 - A new sore throat that cannot be attributed to another health condition.
 - New muscle aches (myalgia) that cannot be attributed to another health condition, or that may have been caused by a specific activity (such as physical exercise).
 - A new loss of taste or smell.
 - Have you had a positive test for the virus that causes COVID-19 disease within the past 5 days?
 - In the past 5 days, have you had close contact (within about 6 feet for 15 minutes or more) with someone with suspected or confirmed COVID-19?

If you are experiencing any of the above symptoms, please do not attend the meeting in person.

•VRS continues to follow the guidance of the CDC and Richmond/Henrico Department of Health regarding COVID mitigation strategies.

• Parking – Parking is available in the Bank of America deck accessed from Cary Street; a page with detailed instructions is attached. VRS covers the cost of your parking for Board and Committee meetings, and I will have parking vouchers at the meeting. In addition, reserved

parking spaces are also available for Board members in the sub-basement level of the VRS parking deck located at 1200 E. Main Street.

To park in the VRS parking deck, you will need to enter the Bank Street entrance on the right side by swiping your VRS ID badge in front of the card reader to open the gate. Once you enter the deck keep straight, make a left, followed by 4 additional left turns which will put you in the sub-basement area of the parking deck. The reserved Board/Committee spaces are marked with a yellow sign. Once you park, please enter the glass doors, by swiping your VRS ID badge in front of the card reader, get on the elevator and press G which will take you to the Ground floor level of the building where the security guard is located along with the entrance/exit door to Main Street.

For your reference, the Administration and Personnel Committee will be meeting on Tuesday, February 8th at 1:00 p.m. and the Benefits and Actuarial Committee on Wednesday, February 9th at 1:00 p.m.

Again, we look forward to seeing you at the Board of Trustees meeting on Thursday. If you have any questions, please feel free to contact me.

Attachments

cc: The Honorable Stephen E. Cummings, Secretary of Finance
June Jennings, Office of the Secretary of Finance
Craig Burns, Department of Taxation
Michael Jay, House Appropriations Committee
Adam Rosatelli, Senate Finance Committee
Zack Borgerding, Auditor of Public of Accounts
Jon Howe, Department of Planning and Budget
Dean Lynch, VA Association of Counties
Katie Boyle, VA Association of Counties
Bea Snidow, VA Education Association
Jamie Bitz, Joint Legislative Audit & Review Commission
Kimberly Sarte, Joint Legislative Audit & Review Commission
Hal Greer, Joint Legislative Audit & Review Commission
Elizabeth Bushnell Myers, Office of the Attorney General
Jessica Ackerman, VA Municipal League
Lawrence Kochard, VRS Investment Advisory Committee
Bonnie Atwood, VA Retired Teachers Association



Board of Trustees Meeting
VRS, 1111 E. Main St., 3rd Floor Board Room
Thursday, 2/10/2022
1:00 - 3:30 PM ET

I. Approve Minutes

- **December 7, 2021**
Board Minutes 12.7.21 - Page 5
- **December 7, 2021 (Retreat)**
Board Retreat Minutes 12.7.21 - Page 12
- **December 8, 2021 (Retreat)**
Board Retreat Minutes 12.8.21 - Page 15

II. Report of the Chief Investment Officer

- Asset Allocation Report 12.31.21 - Page 17*
- Daily Asset Allocation Report 2.3.22 - Page 18*
- Performance Summary 12.31.21 - Page 19*
- Plan Tracking Error - Page 20*
- New Investments and Terminations - Page 21*
- DIME Quarterly Summary - QE 12.31.21 - Page 22*
- Manager Referral Quarterly Summary - QE 12.31.21 - Page 28*

III. Report of the Benefits and Actuarial Committee

- Report of the B&AC - Page 29*
- Audit COLA Memorandum - Page 32*
- **RBA – Approval of July 1, 2022 Increase Relating to VSDP Creditable Compensation and VSDP COLA**
RBA_VSDP_COLA - Page 36
- **RBA – Approval of July 1, 2022 Increase Relating to VLDP Creditable Compensation**
RBA_VLDP_COLA - Page 38

IV. Report of the Administration and Personnel Committee

- Report of the A&PC - Page 39*
- **RBA – Reappointment of Investment Advisory Committee Member**
RBA - Reappoint IAC Member - Page 40
Bio for Bryan Lewis - Page 41
- **RBA – Appointment of Defined Contribution Plans Advisory Committee Member**
RBA - Appoint DCPAC Member - Page 42
Resume for Arun Muralidhar - Page 43

V. Legislative Update

- Legislative Update_Board - Page 45*

VI. Operational Update Series: VRS by the Numbers

- VRS by the Numbers Presentation - Page 72*

VII. Report of the Director

- VRS New Coverage Elections for February 2022 - Page 94*
- FY 2022 Agency Roadmap Update - January - Page 95*
- 80th Anniversary Campaign - Page 97*
- **Resolution for Barry Faison**

Minutes

A regular meeting of the Virginia Retirement System Board of Trustees was held on December 7, 2021 in Richmond, Virginia with the following members participating:

Board members:

O’Kelly E. McWilliams, III, Chair
Joseph W. Montgomery, Vice Chair
Hon. J. Brandon Bell, II
John M. Bennett
Michael P. Disharoon
William A. Garrett
Dr. Susan T. Gooden, Ph.D.
Troilen G. Seward, Ed.S.

VRS Staff:

Patricia Bishop, Ron Schmitz, Jennifer Schreck, John Alouf, Rory Badura, Parham Behrooz, Jeanne Chenault, Michael Cooper, Perry Corsello, Harriet Covey, Juanita Cribbs, Sara Denson, Valerie Disanto, Jon Farmer, Josh Fox, Brian Goodman, JT Grier, Dane Honrado, KC Howell, Robert Irving, Kristina Koutrakos, LaShaunda King, Matt Lacy, Chung Ma, Michael Marion, Curt Mattson, Steve McClelland, Walker Noland, Greg Oliff, Angela Payne, Steve Peterson, Paula Reid, Mark Rein, Dan Schlusser, Michael Scott, Jillian Sherman, Dan Whitlock, Cindy Wilkinson and Nick Zizzo.

Guests:

Elizabeth Myers, Office of the Attorney General; Bea Snidow, Virginia Education Association; Alex Meyer, Goldman Sachs; Zach Cziryak, Financial Investment News; John Balaod and Adam Rees, Pageant Media; and Steff Chavez, Mandate Wire.

The meeting convened at 9:31 a.m.

Opening Remarks

O’Kelly E. McWilliams, III, called the meeting to order and welcomed everyone to the December 7, 2021 meeting of the Virginia Retirement System Board of Trustees.

Approval of Minutes

Upon Mr. Montgomery’s motion, with a second by Mr. Bennett, the VRS Board of Trustees approved the minutes of the November 16, 2021 meeting.

Report of the Chief Investment Officer

Ron Schmitz, Chief Investment Officer, began his report with a market overview and discussed asset allocation, total fund portfolio performance and tracking error, concluding that risk measures are all within Board-approved levels. Next, Mr. Schmitz discussed the New Investment and Terminations report.

Mr. McWilliams thanked Mr. Schmitz for his report.

Report of the Defined Contribution Plans Advisory Committee

The Board received the report of the Defined Contribution Plans Advisory Committee and placed it on file.

WELCOME AND INTRODUCTION

Mr. Bell welcomed and introduced Mr. Ned Smither, the newest appointed member of the Committee. Mr. Smither is the Powhatan County Administrator and is filling the local government seat on the DCPAC.

ADMINISTRATION

Annual Administrative Expense Reports

Staff provided an overview of the administrative expense report and annual cost update for FY 2021, as required by the DCPAC Charter. The report provided both direct and indirect costs associated with administering VRS' defined contribution plans. Total administration costs related to participants and expenditures for FY 2021 were provided, along with a cost trend analysis over the five-year period from FY 2017 to FY 2021. Staff informed the committee of cost increases due to plan reviews being performed for all defined contribution plans.

Administrative Reports and Communications Update

Staff provided an update on administrative reports for the third quarter of 2021. Updates included an overview of the new DC Plans performance dashboards, which were developed along with MissionSquare Retirement. An overview of assets and accounts across the various defined contribution plans, as well as participant trends and the impact of various plan initiatives was also provided. Staff shared with the Committee an analysis and overview of efforts related to the third quarter focus on increasing contributions and enrollments among plan participants.

ORPHE Update

Staff provided an overview of ORPHE reports for the third quarter of 2021, including plan assets and accounts, and provider election data. Staff also provided an update on outreach activities and education initiatives, including the annual employer update and ORPHE open enrollment period.

ORPHE Employer Update Report

Mr. Larson provided an overview of the ORPHE Annual Employer Update hosted by VRS on September 30, 2021. He noted that 13 participating institutions were represented.

DC Plans Consultant RFP Update

Staff provided an update on the DC Plans Consultant RFP. Proposals received in response to the Consultant RFP are under review, and an award is expected by the end of January 2022.

INVESTMENTS

Performance Reports

Staff provided an overview of the October 31, 2021 performance reports to the DCPAC, including the unbundled DC plans investment options and the bundled TIAA investment menu in the Retirement Choice (RC) contract for ORPHE.

Staff informed the Committee that next year staff will perform a review of the benchmarks used for the stand-alone funds to either affirm continuing to use them or make changes as appropriate.

CEM Defined Contribution Plans Survey

Staff reviewed the CEM DC Plans 2020 survey results, which was comprised of 110 corporate and 25 public plans representing \$1.4 trillion in assets. Staff informed the Committee that the survey results included the unbundled DC Plans supplemental 457 Deferred Compensation Plan, in addition to the bundled TIAA program for ORPHE. Staff noted that the TIAA information was based solely on the TIAA RC contract. Staff included the CEM DC Survey Reports in the appendix of the agenda packet for the Committee to review.

Staff also advised that beginning with the 2020 report, CEM no longer includes a plan-specific benchmark cost as part of the free survey. Staff will be reviewing the service to determine whether to subscribe to the benchmarking service required to receive the plan-specific benchmark cost and will consider other options that may be available.

OTHER BUSINESS

Code of Ethics

Staff informed the Committee that an email notification would be forthcoming that includes instructions for completing the review of the Board of Trustees' Code of Ethics and Conduct, an annual requirement of VRS advisory committee members. Staff shared that Committee members will be able to electronically sign and submit the affirmation statement.

VRS Legislative Package

Staff informed the Committee that the Board of Trustees approved a legislative proposal that would separate the Board-certified defined benefit employer contribution rates from the statutory estimated defined contribution employer contribution rates and discussed the reasons for the change.

Discussion of New Ideas

No new business was brought before the Committee.

2022 MEETINGS

The Committee is scheduled to meet on the following dates in 2022, all at 1:00 p.m.:

- Thursday, March 24th
- Thursday, June 2nd
- Thursday, September 8th

- Thursday, December 1st

Staff sent calendar invitations for the 2022 DCPAC meetings to DCPAC members as well as to the Board members.

Additionally, the ORPHE Annual Employer Update will be scheduled and will appear on the DCPAC agenda as an upcoming event. This is not a DCPAC meeting; however, members may attend if interested.

Mr. McWilliams thanked Mr. Bell for his report.

Report of the Audit and Compliance Committee

The Board received the report of the Audit and Compliance Committee and placed it on file.

APPROVAL OF MINUTES

Mr. Montgomery began his report by noting the Committee approved the minutes of its September 13, 2021 meeting.

EXIT ON THE AUDITOR OF PUBLIC ACCOUNTS (APA) 2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AUDIT

The APA informed the Committee the audit work over the 2021 VRS Annual Comprehensive Financial Report (ACFR) was in its final stage. Upon completion, the APA anticipates issuing an unmodified opinion on VRS' financial statements. They noted their companion "Report on Internal Controls and Compliance" would be issued either later in December or early January and at this time they do not anticipate including any formal recommendations.

ENTRANCE WITH THE APA REGARDING EMPLOYER ASSURANCES (GASB 68 AND 75)

The APA next provided the Committee with an overview of its upcoming examinations designed to provide participating employers and their auditors the assurances necessary to prepare their own annual comprehensive financial statements in accordance with Governmental Accounting Standards Board (GASB) Statements:

- No. 68, which focuses on employer reporting over pension plans, and
- No. 75, which deals with employer reporting over other post-employment benefit plans.

The APA anticipates issuing its opinions on these matters on or about June 30, 2022.

AUDIT REPORTS

The Committee received one audit report.

- The review of *Retiree Payroll and Changes* determined VRS processes associated with the monthly retiree payroll and changes to it, as well as the annual generation and distribution of the related 1099-R tax data and forms, are working as expected. There were no formal recommendations as a result of this review.

QUARTERLY REPORT ON FRAUD, WASTE AND ABUSE HOTLINE CASES

One alleged Fraud, Waste and Abuse complaint reported to Internal Audit via the Office of the State Inspector General during the period August 1, 2021 through October 31, 2021 was presented to the Committee. The case was determined to be unfounded and therefore closed.

QUALITY ASSURANCE REVIEW OF THE INTERNAL AUDIT DEPARTMENT

The Audit Director presented the results of the Department's Annual Quality Assurance Improvement Program Review as of June 30, 2021, noting the review concluded there is reasonable assurance that the VRS Internal Audit Department is operating in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

MISCELLANEOUS UPDATES

The Committee received the following miscellaneous updates:

Management's Quarterly Travel Expense and Per Diem Report

The Committee received Management's Quarterly Travel Expense and Per Diem report.

Next Committee Meeting Date

The Committee's next meeting is scheduled for Tuesday, March 29, 2022 at 2 p.m.

Mr. McWilliams thanked Mr. Montgomery for his report.

Personnel Matter – Presentation from Korn Ferry

Trish Bishop, Director, advised that VRS has engaged Korn Ferry, a global organizational consulting firm, to lead in the search for VRS' next Chief Investment Officer as Mr. Schmitz will be retiring in late 2022. Michael Kennedy, Senior Client Partner, provided an overview of the firm's executive search and recruitment process, as well as the proposed timeline. Mr. Kennedy also reviewed Korn Ferry's candidate interview and assessment practices with the Board.

Following the presentation, Mr. McWilliams noted that all Board members are welcome to serve on the search committee and additional details will be forthcoming.

Report of the Director

Ms. Bishop provided an update on the agency roadmap for FY 2022. She advised that all projects are progressing as planned, apart from a scheduling delay related to the Cloud Migration project. Staff will continue to monitor these projects and provide updates as they become available.

Next, Ms. Bishop provided the following updates to the Board:

- The Joint Legislative Audit and Review Commission (JLARC) will meet on December 13, 2021 to present its annual review of VRS' portfolio and investment performance.
- The virtual VRS Agency Annual Meeting is scheduled for December 15, 2021 to celebrate employee and agency achievements.
- The annual Code of Ethics and Conduct training will be distributed to the Board electronically and affirmation statements are due by December 31, 2021.

- The Annual Conflict of Interest filing period begins January 1, 2022 and filings are due by February 1, 2022. Information will be distributed via email from the Virginia Conflict of Interest and Ethics Advisory Council.

Ms. Bishop noted that VRS employees participated in the agency walk/run to raise funds for the Commonwealth of Virginia Campaign (CVC). Ms. Bishop also advised that following this meeting, the Board retreat will begin at 12:00 p.m.

Mr. McWilliams thanked Ms. Bishop for her report.

Due to technical difficulties, the Board was provided a link to view the “VRS Investments: Episode 1 – Our Focus” video.

Information Technology and Litigation Update (Closed Session)

Mr. Disharoon moved, with a second by Mr. Bennett, that the Virginia Retirement System Board of Trustees convene a closed meeting under the Virginia Freedom of Information Act for the purposes of (a) consultation with legal counsel about actual or probable litigation pursuant to the exemption contained in *Virginia Code* § 2.2-3711(A)(7), and (b) discussion of an information technology system or software program where discussion in an open meeting would jeopardize the security of such information technology system or software program, pursuant to the exemption contained in *Virginia Code* § 2.2-3711(A)(19).

Upon return to open meeting, Mr. Disharoon moved, with a second by Mr. Bennett, the following resolution:

WHEREAS, the Virginia Retirement System Board of Trustees convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, *Code of Virginia* § 2.2-3712 requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Board certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Board.

The Board approved the resolution upon the following roll call vote:

Mr. Bell: Aye
Mr. Bennett: Aye
Mr. Disharoon: Aye
Mr. Garrett: Aye
Dr. Gooden: Aye
Mr. Montgomery: Aye
Ms. Seward: Aye
Mr. McWilliams: Aye

Other Business

Following Mr. Bell's suggestion, the Board agreed to collaborate with staff to review its policies regarding masking and COVID prevention as the agency looks to return to the office in 2022.

Adjournment

There being no further business and following a motion by Mr. Montgomery, with a second by Mr. Bell, the VRS Board of Trustees agreed to adjourn the meeting at 11:01 a.m.

Chair

Secretary

Minutes

The Virginia Retirement System Board of Trustees held its annual retreat on December 7, 2021 at the Westin Richmond, 6631 West Broad Street, Richmond, Virginia with the following members present:

Board members:

O'Kelly E. McWilliams, III, Chair
Joseph W. Montgomery, Vice Chair
Hon. J. Brandon Bell, II
John M. Bennett
Michael P. Disharoon
William A. Garrett
Dr. Susan T. Gooden, Ph.D.
Troilen G. Seward, Ed.S.

Investment Advisory Committee:

Dr. Deborah Allen Hewitt, Ph.D.

Defined Contribution Plans Advisory Committee:

David A. Winter

VRS Staff:

Patricia Bishop, Ron Schmitz, Jennifer Schreck, Stephen Adelaar, John Alouf, Rory Badura, Kelly Baker, Parham Behrooz, Erica Billingslea, Ryan Carlson, Jeanne Chenault, Michael Cooper, Perry Corsello, Harriet Covey, John Cronin, Brian Deveney, Barry Faison, Josh Fox, Brian Goodman, JT Grier, Dane Honrado, KC Howell, Robert Irving, Kristina Koutrakos, LaShaunda King, Matt Lacy, Chung Ma, Curt Mattson, Steve McClelland, Walker Noland, Greg Oliff, Steve Peterson, Denise Rasmussen, Mark Rein, Dan Schlussler, Kristy Scott, Larry Tentor, Carol Timpano, Lisa Turner, Scott Weaver, Dan Whitlock, Cindy Wilkinson and Steve Woodall.

Guests:

Von Hughes, PAAMCO Prisma; Mark Anderson, GTCR; Anirban Basu, Sage Policy Group, Inc.; Adebayo Ogunlesi, GIP; Stephen Farnsworth, University of Mary Washington; Paul Britton, Capstone Investment Advisors; Ryan Phillips, Ares Management; Adam Rosatelli, Senate Finance and Appropriations Committee; Elizabeth Myers, Office of the Attorney General; Michael Jay, House Appropriations Committee; Jamie Bitz, Joint Legislative Audit and Review Commission; Jeremy Bennett, Virginia Association of Counties; Josette Bulova, Virginia Municipal League; Rick Fowler and Marshall Terry, Virginia Governmental Employees Association; Noah Keys, Global Infrastructure Partners; David Swynford, Virginia Information Technologies Agency; Dave Winter, Winter HR Consulting, LLC; Erin Rodriguez, Auditor of Public Accounts; John Ockerman, David Back, Stuart Williams and Manju Ganeriwala, Department of Treasury; Nicholas Young, Encore; Adam Rees, Pageant Media; and Steff Chavez, Mandate Wire.

Retreat Called to Order

O’Kelly E. McWilliams, III, welcomed everyone to the 2021 Virginia Retirement System Board of Trustees Retreat and introduced the newest members of the Board: Chief William A. Garrett with the City of Manassas Fire Department, Dr. Susan T. Gooden, Dean of the L. Douglas Wilder School of Public Affairs at Virginia Commonwealth University, Michael P. Disharoon, Principal and Portfolio Manager with Palladium, and John M. Bennett, retired Vice President of Finance at Virginia Commonwealth University and former Secretary of Finance of the Commonwealth of Virginia.

Opening Remarks

Trish Bishop, VRS Director, and Ron Schmitz, VRS Chief Investment Officer, provided opening remarks and introduced the first guest speaker, Von Hughes, Managing Director and Partner with PAAMCO Prisma.

Presentations

Fiduciary & Governance Training

Von Hughes, Managing Director and Partner with PAAMCO Prisma, presented the Fiduciary and Governance Training.

Fireside Chat: Private Equity

John Alouf hosted a fireside chat on Private Equity with Mark Anderson, Managing Director with GTCR.

Outlook for the Market and Economy

Anirban Basu, Chairman and CEO of Sage Policy Group, Inc., provided a presentation titled, “Outlook for the Market and Economy”.

Fireside Chat: Real Assets

Walker Noland hosted a fireside chat on Real Assets with Adebayo Ogunlesi, Founding Partner, Chairman and Managing Partner with GIP.

Political Science Insights

Stephen Farnsworth, Professor of Political Science with the University of Mary Washington, provided a presentation titled, “Political Science Insights”.

Closing Remarks

Mr. Schmitz thanked the speakers and everyone who attended. He reviewed the reception and activities for the evening, as well as the meeting schedule for the next day.

Adjournment

The retreat concluded at approximately 4:30 p.m.

Chair

Secretary

Minutes

The Virginia Retirement System Board of Trustees held its annual retreat on December 8, 2021 at the Westin Richmond, 6631 West Broad Street, Richmond, Virginia with the following members present:

Board members:

O’Kelly E. McWilliams, III, Chair
Joseph W. Montgomery, Vice Chair
Hon. J. Brandon Bell, II
John M. Bennett
Michael P. Disharoon
William A. Garrett
Dr. Susan T. Gooden, Ph.D.
Troilen G. Seward, Ed.S.

VRS Staff:

Patricia Bishop, Ron Schmitz, Jennifer Schreck, Stephen Adelaar, John Alouf, Rory Badura, Kelly Baker, Parham Behrooz, Erica Billingslea, Jeanne Chenault, Michael Cooper, Perry Corsello, Harriet Covey, John Cronin, Brian Deveney, Barry Faison, Josh Fox, Brian Goodman, JT Grier, Michael Hill, Greg Hines, Dane Honrado, KC Howell, Robert Irving, Ross Kasarda, Kristina Koutrakos, LaShaunda King, Matt Lacy, Chung Ma, Curt Mattson, Moses Maxfield, Steve McClelland, Walker Noland, Greg Oliff, Steve Peterson, Matt Priestas, Denise Rasmussen, Mark Rein, Garrett Rhodes, Dan Schlussler, Kristy Scott, Larry Tentor, Carol Timpano, Scott Weaver, Dan Whitlock, Cindy Wilkinson, Steve Woodall and Nick Zizzo.

Guests:

Keith Ashton and Ryan Phillips, Ares Management; Keith Brainard, National Association of State Retirement Administrators; Kristin Ceva, Payden & Rygel; Dr. Thomas Roberts, Jr. and Donna Kampschuur, Farallon Capitol Management; Simon Taylor and Michael Taylor, HCYU; Kevin Powers, Boston College Law School; Paul Britton, Capstone Investment Advisors; Noah Keys, Global Infrastructure Partners; Michael Jay, House Appropriations Committee; Jamie Bitz and Kimberly Sarte, Joint Legislative Audit and Review Commission; Josette Bulova, Virginia Municipal League; Rick Fowler, Virginia Governmental Employees Association; Erin Rodriguez, Auditor of Public Accounts; John Ockerman, David Back, Stuart Williams and Manju Ganeriwala, Department of Treasury; Nicholas Young, Encore; and Adam Rees, Pageant Media.

Retreat Called to Order & Opening Remarks

Ron Schmitz, VRS Chief Investment Officer, welcomed the attendees to the second day of the retreat.

Presentations

Fireside Chat: Fixed Income

Greg Oliff hosted a fireside chat on Fixed Income with Kristin Ceva, Managing Director of Payden & Rygel.

Fireside Chat: Risk Based Investing (RBI)

Chung Ma hosted a fireside chat on Risk Based Investing with Paul Britton, Founder and CEO of Capstone Investment Advisors.

Fireside Chat: Public Equity

Dan Whitlock hosted a fireside chat on Public Equity with Dr. Thomas Roberts, Jr., Partner with Farallon Capital Management, LLC.

Fireside Chat: Credit Strategies

Steve Woodall hosted a fireside chat on Credit Strategies with Keith Ashton, Partner and Co-Head of Alternative Credit Ares Management.

Cyber Security

Mark Rein introduced Simon Taylor, CEO of HYCU, and Kevin Powers, Adjunct Professor with Boston College Law School, who provided a presentation on Cyber Security.

Public Pension Plans & Trends

Keith Brainard, Research Director of the National Association of State Retirement Administrators, provided a presentation on public pension plans and trends.

Closing Remarks

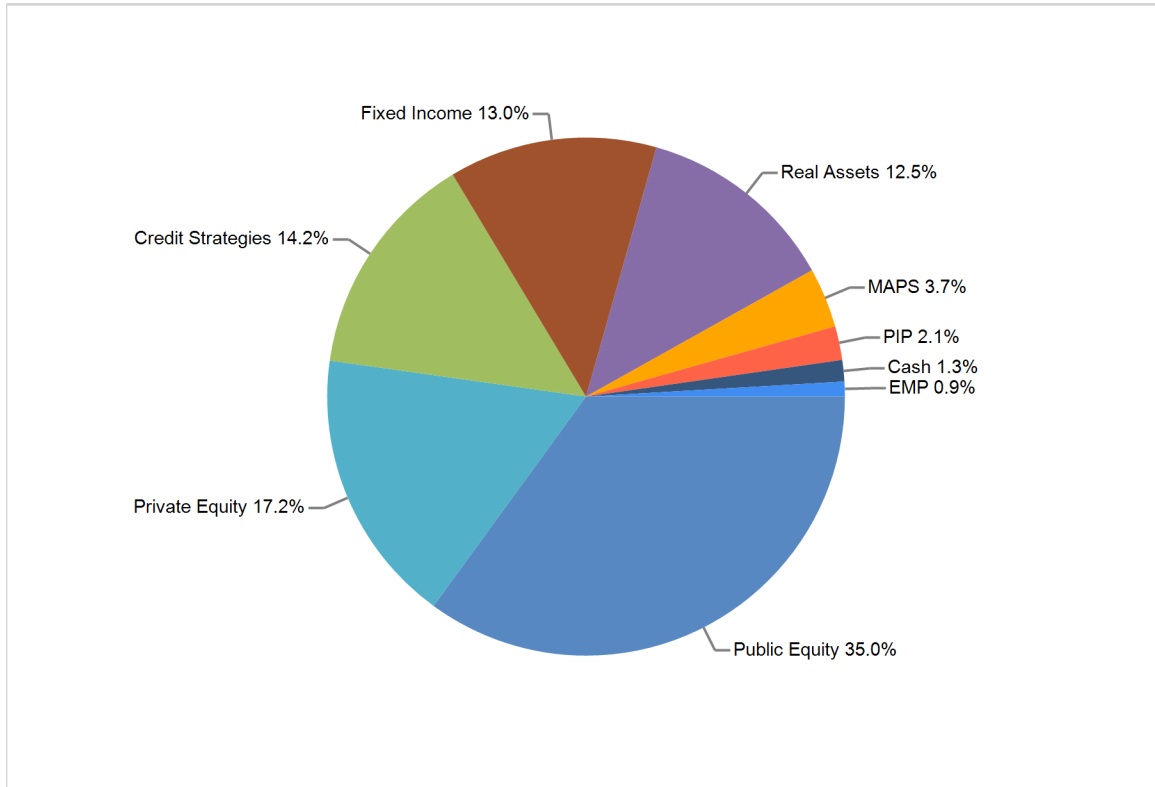
Mr. Schmitz thanked the speakers and everyone who attended the retreat. Mr. Schmitz noted that VRS will be planning an additional retreat in May of 2022.

Adjournment

The retreat concluded at approximately 12:30 p.m.

Chair

Secretary



	<u>Current \$Bil</u>	<u>Current Weight</u>	<u>Policy Weight</u>	<u>Variance</u>	<u>Allowable Range</u>		<u>Internal %</u>
Total Fund	107.2						27.2%
Public Equity	37.6	35.0%	36.0%	-1.0%	-5%	+5%	38.6%
Fixed Income	13.9	13.0%	15.0%	-2.0%	-3%	+5%	95.8%
Credit Strategies	15.2	14.2%	14.0%	0.2%	-5%	+5%	
RS Credit	5.3	4.9%	5.6%	-0.7%			
NRS Credit	9.9	9.2%	8.4%	0.8%			
Real Assets	13.4	12.5%	14.0%	-1.5%	-5%	+5%	9.8%
Public RE	1.3	1.2%					99.9%
Private RE	8.0	7.4%					
Other RA	4.1	3.8%					
Private Equity	18.4	17.2%	14.0%	3.2%	-5%	+5%	
MAPS	4.0	3.7%	4.0%	-0.3%	-2%	+2%	
DSTRAT	2.4	2.2%					
RBI	1.6	1.5%					1.8%
PIP	2.3	2.1%	2.0%	0.1%	-2%	+2%	
EMP	1.0	0.9%	0.0%	0.9%		+3%	
Cash	1.4	1.3%	1.0%	0.3%	-1%	+4%	

	<u>Current \$Bil</u>	<u>Current Weight</u>	<u>Policy Limit</u>
Hedge Funds	11.8	11.0%	15.0%

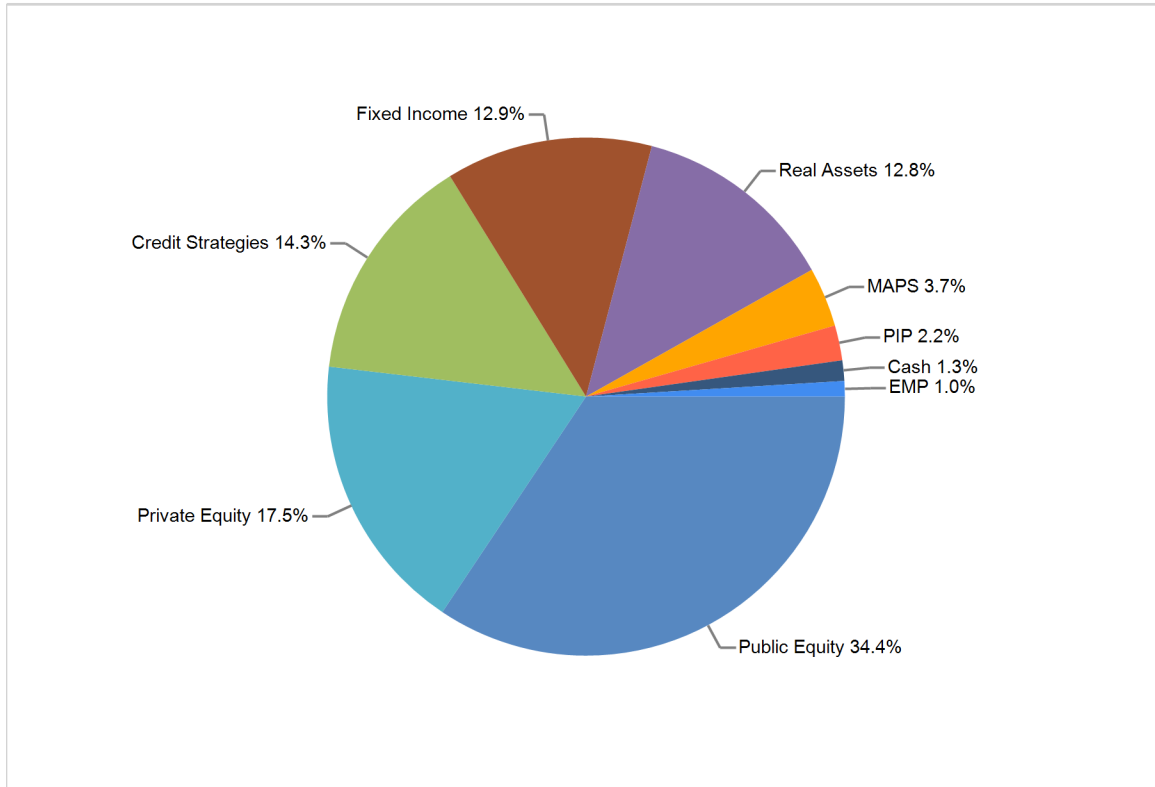
<u>3 Year Tracking Error</u>	
Total Fund:	1.69%
Total Public:	1.48%

*Total Fund includes the following amt held by the Treasurer of VA: \$ 46 million

• The values shown for each asset class on this report may differ from the VRS Monthly Performance Report due to adjustments related to derivative positions in the Rebalance Account, pending transactions, and certain accruals. The values on this report are a more descriptive representation of the Virginia Retirement System's true economic exposure to each asset class.(4 adjustments applied)

*Total Fund and Total Public annualized tracking error is calculated using compounded quarterly returns

* Differences in totals are due to rounding.



	Current \$Bil	Current Weight	Policy Weight	Variance	Allowable Range		Internal %
Total Fund	105.4						27.0%
Public Equity	36.2	34.4%	36.0%	-1.6%	-5%	+5%	38.5%
Fixed Income	13.6	12.9%	15.0%	-2.1%	-3%	+5%	95.8%
Credit Strategies	15.1	14.3%	14.0%	0.3%	-5%	+5%	
RS Credit	5.2	4.9%	5.6%	-0.7%			
NRS Credit	9.9	9.4%	8.4%	1.0%			
Real Assets	13.5	12.8%	14.0%	-1.2%	-5%	+5%	9.9%
Public RE	1.3	1.3%					99.9%
Private RE	8.0	7.6%					
Other RA	4.1	3.9%					
Private Equity	18.4	17.5%	14.0%	3.5%	-5%	+5%	
MAPS	3.9	3.7%	4.0%	-0.3%	-2%	+2%	
DSTRAT	2.3	2.2%					4.7%
RBI	1.6	1.5%					1.6%
PIP	2.3	2.2%	2.0%	0.2%	-2%	+2%	
EMP	1.0	1.0%	0.0%	1.0%		+3%	
Cash	1.3	1.3%	1.0%	0.3%	-1%	+4%	

	Current \$Bil	Current Weight	Policy Limit
Hedge Funds	11.3	10.7%	15.0%

3 Year Tracking Error	
Total Fund:	1.69%
Total Public:	1.48%

*Total Fund includes the following amt held by the Treasurer of VA: \$ 78 million

• The values shown for each asset class on this report may reflect adjustments related to derivative positions in the Rebalance Account, pending transactions and certain accruals, in order to provide a more descriptive representation of the true economic exposure to each asset class (5 adjustments applied)

*Total Fund and Total Public annualized tracking error is calculated using compounded quarterly returns

* Differences in totals are due to rounding.

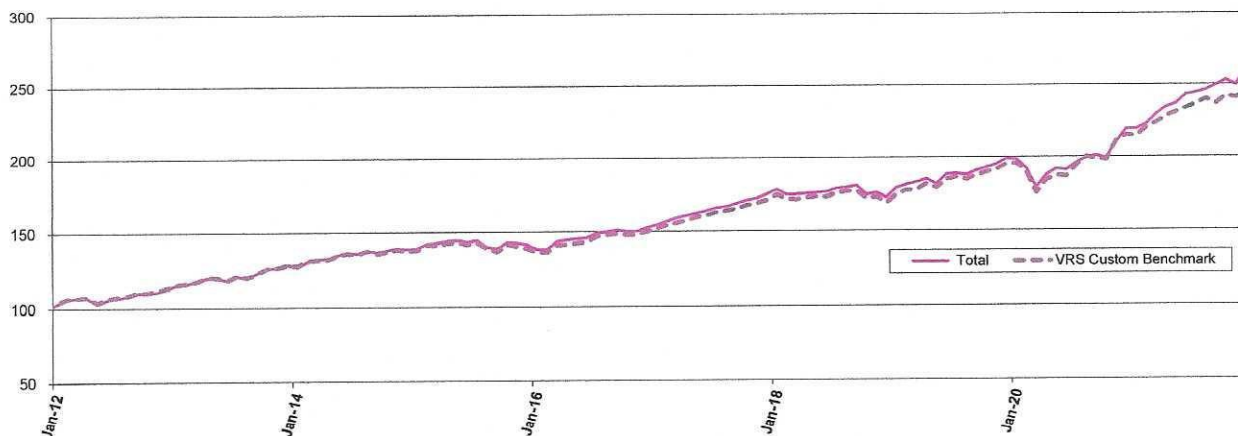
PERFORMANCE SUMMARY
Rolling Periods Ending
December 31, 2021



TOTAL FUND PERFORMANCE

	10 Yr	5 Yr	3 Yr	1 Yr	Qtr	Month	Fiscal YTD	Cal YTD	Market Value (\$MM)
Total Public Equity Strategies	11.9	12.9	18.5	19.3	5.0	4.4	4.4	19.3	37,568
<i>Benchmark</i>	12.0	14.0	19.9	18.6	6.2	4.0	5.1	18.6	
Total Fixed Income	3.8	4.7	6.4	-0.3	0.0	0.1	0.2	-0.3	13,605
<i>Benchmark</i>	3.0	3.6	4.9	-1.3	0.0	-0.1	0.1	-1.3	
Total Credit Strategies	7.5	7.9	10.2	11.7	1.9	1.5	4.2	11.7	15,195
<i>Benchmark</i>	6.1	6.0	7.8	4.5	0.7	0.9	1.7	4.5	
Total Real Assets	10.6	9.3	9.0	17.8	6.5	6.0	10.1	17.8	13,415
<i>Benchmark</i>	8.9	7.2	7.2	13.7	5.4	2.1	8.7	13.7	
Total Private Equity	18.0	22.6	25.4	49.7	7.7	7.9	21.1	49.7	18,445
<i>Benchmark</i>	16.5	16.7	16.0	29.8	-1.0	-4.0	6.2	29.8	
Total Private Investment Partnerships	n/a	10.9	11.5	29.6	4.6	4.6	11.6	29.6	2,261
<i>Benchmark</i>	n/a	9.8	9.6	16.8	1.7	-0.3	5.7	16.8	
Total Multi-Asset Public Strategies	n/a	n/a	8.3	9.3	2.5	3.1	2.8	9.3	4,007
<i>Benchmark</i>	n/a	n/a	11.3	8.5	2.8	1.9	2.9	8.5	
Total Fund	10.0	11.2	14.7	18.6	4.3	4.1	7.0	18.6	107,248
<i>VRS Custom Benchmark</i>	9.4	10.2	13.1	13.6	3.1	1.4	4.5	13.6	

10-Year Performance
Indexed to 100

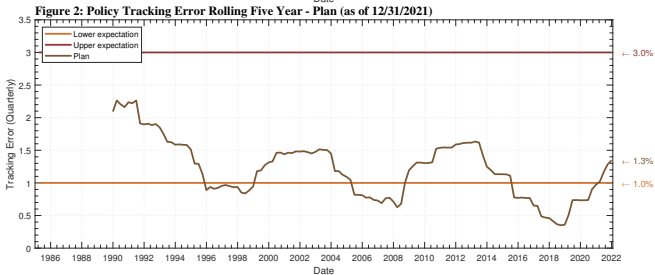
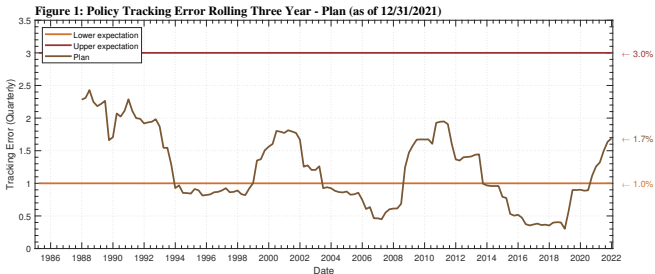


Effective July 2013, the VRS Custom Benchmark is a blend of the Asset Class Benchmarks at policy weights.

The VRS Cash Account, the Treasurer Short-Term Investment Account, the VRS Rebalancing Account, transition activity and accounts with market values of less than \$1 million are included in the Total Fund's market value. Differences in market value totals are due to rounding.



Total Fund Tracking Error



The VRS Defined Benefit Plan Investment Policy Statement established the total fund tracking error range as the allowable observed tracking error calculated quarterly using 5 years of history.

Program	Action	Effective Date	Commitment/Current Value	Funding/Defunding Period	Description
Credit Strategies	Hired	12/15/2021	\$350 Million	4 Years	HPS Strategic Investment Partners V – A private credit fund focused primarily on subordinated debt investments in larger companies.
Credit Strategies	Hired	12/21/2021	\$325 Million	4 Years	Ares SSG Capital Partners VI – A private credit fund targeting special situation and distressed debt investments in Asia.
Real Assets	Hired	12/07/2021	\$200 Million	3 Years	QuadCP Fund I – U.S. focused closed-end fund focused on opportunistic real estate.
Real Assets	Hired	12/21/2021	\$200 Million	5 Years	Blackstone Real Estate Partners Asia III L.P. – Pan-Asia focused closed-end fund focused on opportunistic real estate.
Real Assets	Hired	12/31/2021	\$125 Million	4 Years	* Artemis Real Estate Partners Fund IV, L.P. – A closed-end fund investing in value-add/opportunistic U.S. real estate.

*The manager is considered DIME under the definition that considers industry best practices and defines an ownership threshold of greater than 51% of firm ownership or carry.

VRS Investment Department
DIME Quarterly Report
Activity for Quarter Ending December 31, 2021

Investment Program	Activity	Manager Name	Description	VRS Action
Public Equity	On-Going Monitoring of Current VRS Manager	Kylin Management (minority-owned firm) ¹	Current VRS public equity hedge fund manager.	Staff performed on-going due diligence and monitoring of this current VRS minority manager during the quarter.
Public Equity	On-Going Monitoring of Current VRS Manager	Ariel Global (minority and women-owned firm) ¹	Current VRS global equity manager.	Staff performed on-going due diligence and monitoring of this current VRS minority and women-owned manager during the quarter.
Public Equity	On-Going Monitoring of Current VRS Manager	Advent Capital Management (minority-owned firm) ¹	Current VRS convertible bond manager.	Staff performed on-going due diligence and monitoring of this current VRS minority manager during the quarter.
Public Equity	Virtual Manager Meeting	Aravt Global (minority-owned firm) ¹	Manager focused on fundamental global equity long/short and long only investments.	Staff had an introductory meeting with this manager to discuss the firm and their strategy.
Public Equity	Virtual Manager Meeting	ARK Investment Management (women-owned firm) ¹	Manager focused on thematic investment strategies aimed to deliver long-term growth.	Staff had an update meeting with this manager to discuss the firm and their strategy.
Public Equity	Virtual Manager Meeting	Lone Pine Capital (minority- and women-owned firm) ¹	Manager focused on long/short and long-only strategies.	Staff had an update meeting with this manager to discuss the firm and their strategy.
Public Equity	Virtual Manager Meeting	Longfellow Investment Management (women-owned firm) ¹	Manager focused on domestic, international, emerging market, and global strategies.	Staff had an update meeting with this manager to discuss the firm and their strategy.
Public Equity	Virtual Investor Update	Impactive Capital (women-owned firm) ¹	Manager focused on activist investment management.	Staff attended an investor update webinar hosted by this manager to learn about the firm and their strategy.
Credit Strategies	Virtual Manager Meeting	Silver Rock Financial (minority- and women-owned firm) ¹	Manager focused on credit asset management.	Staff reviewed materials and had a call with the manager to discuss their firm and strategy.

VRS Investment Department
DIME Quarterly Report
Activity for Quarter Ending December 31, 2021

Investment Program	Activity	Manager Name	Description	VRS Action
Credit Strategies	Virtual Manager Meeting	Pier Asset Management (women-owned firm) ¹	Manager focused on alternative credit.	Staff reviewed materials and had a call with the manager to discuss their firm and strategy.
Credit Strategies	Virtual Manager Meeting	Hudson Cove Capital Management (minority-owned firm) ¹	Manager focused on asset based and structured credit investing.	Staff reviewed materials and had a call with the manager to discuss their firm and strategy.
Credit Strategies	Virtual Manager Meeting	Palmer Square Capital Management (women-owned firm) ¹	Manager focused on credit and alternatives.	Staff reviewed materials and had a call with the manager to discuss their firm and strategy.
Credit Strategies	Virtual Manager Meeting	Centre Lane (minority-owned firm) ²	Manager focused on equity and debt of middle market companies in North America.	Staff reviewed materials and had a call with the manager to discuss their firm and strategy.
Credit Strategies	Virtual Manager Meeting	SVP Global (minority-owned firm) ¹	Manager focused on distressed debt, private equity, and event driven opportunities in North America and Europe.	Staff reviewed materials and had a call with the manager to discuss their firm and strategy.
Credit Strategies	Periodic Communication with Fund-of-Fund Manager	N/A	As part of their mandate Aksia Private Credit will come across DIME owned firms in the smaller and emerging credit fund space.	Periodic communication to review DIME and other emerging managers along with opportunities in the private credit markets more broadly.
Public Equity and Credit Strategies	Periodic Update Communication with Consultant	N/A	Aon Hewitt Investment Consulting is the consultant used by these two investment programs.	Periodic communication to review the DIME monitoring activity done on behalf of VRS as well as industry trends.
Real Assets	On-Going Monitoring of Current VRS Manager	Artemis Real Estate Partners (women-owned firm) ¹	Current VRS real estate manager.	Staff performed on-going due diligence and monitoring of this current VRS women-owned manager during the quarter.
Real Assets	On-Going Monitoring of Current VRS Manager	Tristan Capital Partners (minority-owned firm) ¹	Current VRS real estate manager.	Staff performed on-going due diligence and monitoring of this current VRS minority-owned manager during the quarter.

VRS Investment Department
DIME Quarterly Report
Activity for Quarter Ending December 31, 2021

Investment Program	Activity	Manager Name	Description	VRS Action
Real Assets	On-Going Monitoring of Current VRS Manager	Pritzker Realty Group (women-owned firm) ¹	Current VRS real estate manager.	Staff performed on-going due diligence and monitoring of this current VRS women-owned manager during the quarter.
Real Assets	On-Going Monitoring of Current VRS Manager	Capri EGM (minority-owned firm) ¹	Current VRS real estate manager.	Staff performed on-going due diligence and monitoring of this current VRS minority-owned manager during the quarter.
Real Assets	On-Going Monitoring of Current VRS Manager	Grain Management (minority-owned firm) ¹	Current VRS infrastructure manager.	Staff performed on-going due diligence and monitoring of this current VRS minority-owned manager during the quarter.
Real Assets	On-Going Monitoring of Current VRS Manager	Pantheon Ventures	Current VRS infrastructure and natural resource fund-of-funds manager.	Staff had periodic communication with this manager to discuss potential DIME firms in their market.
Real Assets	Virtual Manager Meeting	Brasa Capital Management (minority-owned firm) ¹	Western U.S. focused, opportunistic real estate manager.	Staff held an update meeting with this manager to discuss their current fundraise initiative and market update.
Real Assets	Virtual Manager Meeting	Excel Group (minority-owned firm) ¹	Hotel focused, U.S. real estate manager.	Staff held an introductory meeting with this manager to learn more about their team, investment philosophy, fundraise goals, etc.
Real Assets	Virtual Manager Meeting	Sage Hall Partners Management (minority-owned firm) ¹	Opportunistic real estate manager focused on the New York metro area.	Staff held an introductory meeting with this manager to learn more about their team, investment philosophy, fundraise goals, etc.
Real Assets	Virtual Manager Meeting	American Triple I Partners (minority-owned firm) ¹	U.S. focused middle-market infrastructure manager.	Staff held an introductory meeting with this manager to learn more about their team, investment philosophy, investment pipeline and fundraise goals.
Real Assets	Virtual Manager Meeting	Adelante Capital Management (minority-owned firm) ¹	Manager focused on investing in publicly traded real estate securities.	Staff held an introductory meeting with this manager to learn more about their team, investment philosophy, fundraise goals, etc.

VRS Investment Department
DIME Quarterly Report
Activity for Quarter Ending December 31, 2021

Investment Program	Activity	Manager Name	Description	VRS Action
Real Assets	Telephone Call with Manager	The Martin Group (minority-owned firm) ²	Mixed-use developer primarily focused on Western U.S.	Staff held an introductory call with this manager to learn more about their team, investment philosophy, fundraise goals, etc.
Real Assets	Telephone Call with Manager	Croatan Investments (minority-owned firm) ¹	Multifamily focused U.S. real estate manager.	Staff held an introductory call with this manager to learn more about their team, investment philosophy, fundraise goals, etc.
Real Assets	Periodic Update Communication with Consultant	N/A	TorreyCove is a private markets consultant with whom VRS has a relationship.	Staff exchanged emails with this consultant regarding a potential DIME manager in Real Assets.
Real Assets	Periodic Update Communication with Consultant	N/A	The Townsend Group is the consultant used by Real Assets.	Periodic communication to review the DIME monitoring activity done on behalf of VRS as well as real estate and infrastructure industry trends.
Private Equity	New Investment	TSG Consumer Partners (women-owned firm) ²	Growth fund investing exclusively in middle market consumer-branded companies.	VRS entered into a new fund with this existing manager during the quarter.
Private Equity	On-Going Monitoring of Current VRS Manager	Asia Alternatives (minority and women-owned firm) ¹	A fund-of-funds manager focusing on alternative investments in Asia.	Staff had a call with this manager during the quarter.
Private Equity	On-Going Monitoring of Current VRS Manager	Clearlake Capital Group (minority-owned firm) ¹	A private equity fund investing in special situations and distressed opportunities in small and medium-sized companies.	Staff had a call with this manager during the quarter.
Private Equity	On-Going Monitoring of Current VRS Manager	MBK Partners (minority-owned firm) ¹	A North Asia private equity firm.	Staff had a call with this manager during the quarter.

VRS Investment Department
DIME Quarterly Report
Activity for Quarter Ending December 31, 2021

Investment Program	Activity	Manager Name	Description	VRS Action
Private Equity	On-Going Monitoring of Current VRS Manager	SIRIS Capital (minority-owned firm) ¹	A middle market buyout firm making control investments in data/telecommunications, technology and technology-enabled business service companies in North America.	Staff had a meeting with this manager during the quarter.
Private Equity	On-Going Monitoring of Current VRS Manager	Sycamore Partners (minority-owned firm) ¹	Middle market buyout fund targeting consumer and retail companies.	Staff had a call with this manager during the quarter.
Private Equity	On-Going Monitoring of Current VRS Manager	Veritas Capital (minority-owned firm) ²	Middle market buyout fund targeting primarily technology or technology-enabled solutions to government.	Staff had a meeting with this manager during the quarter.
Private Equity	On-Going Monitoring of Current VRS Manager	Vista Equity Partners (minority-owned firm) ¹	A large market buyout fund targeting enterprise software companies.	Staff had a call with this manager during the quarter.
Private Equity	Virtual Manager Meeting	Africa Finance Corporation (minority-owned firm) ¹	An African private equity fund that invests in climate resilient infrastructure projects across the African continent.	Staff had a meeting with this manager during the quarter.
Private Equity	Virtual Manager Meeting	Black Dragon Capital (minority-owned firm) ¹	A firm making control investments in growing technology companies in industries disrupted by digitization.	Staff had a meeting with this manager during the quarter.
Private Equity	Virtual Manager Meeting	Fairview Capital Partners, Inc. (minority-owned firm) ¹	A manager focused on private equity fund of funds and separate accounts.	Staff had a meeting with this manager during the quarter.
Private Equity	Virtual Manager Meeting	Steward Asset Management (women-owned firm) ¹	Fund of Funds manager investing and seeding new emerging and diverse managers in private equity.	Staff had a meeting with this manager during the quarter.

VRS Investment Department
DIME Quarterly Report
Activity for Quarter Ending December 31, 2021

Investment Program	Activity	Manager Name	Description	VRS Action
Private Equity	Virtually Attend DIME Conference	Grosvenor Small and Emerging Managers Conference	Attended a conference focused on raising the visibility of small, emerging and diverse investment managers.	Staff attended the event during the quarter.
Private Equity	Periodic Update Communication with Consultant	N/A	Grosvenor Capital Management Customized Fund Investment Group is the consultant used by Private Equity.	Periodic communication to review the DIME monitoring activity done on behalf of VRS as well as industry trends.
Risk-Based Investments	Telephone Call with Manager	Meketa	A consultant and asset manager that uses a Fund of Funds model that includes DIME managers.	Staff had calls with this manager to further discuss their firm and strategies.
Fixed Income	On-Going Monitoring of Current VRS Manager	Payden & Rygel (women-owned firm) ¹	Current VRS emerging market debt manager.	Staff had various interactions with this current VRS women-owned manager during the quarter.

Index:

- 1 – The manager is considered Diverse Investment Management Engagement (DIME) under the Commonwealth of Virginia definition, which defines ownership threshold of 51% or more.
- 2 – The manager is considered DIME under the definition that considers industry best practices, and defines an ownership threshold of greater than or equal to 33% and less than 51% of firm ownership or carry.

VRS Investment Department
Quarterly External Investment Manager Referral Report
Activity for Quarter Ending December 31, 2021

Investment Program	Type of Contact	Investment Manager Name	Official Making Referral	VRS Action
--------------------	-----------------	-------------------------	--------------------------	------------

No activity to report this quarter.

Report

Pursuant to § 2.2-3708.2(A)(2) et seq. of the *Code of Virginia*, the Benefits and Actuarial Committee met on February 9, 2022 and took up the following matters:

APPROVAL OF MINUTES

The Committee approved the minutes of its November 15, 2021 meeting.

COST OF LIVING ADJUSTMENTS

Virginia Sickness and Disability Program

Rory Badura, Senior Staff Actuary, presented the recommendations of Cavanaugh Macdonald Consulting, LLC, the Plan Actuary, regarding statutory annual adjustments to Virginia Sickness and Disability Program (VSDP) creditable compensation for members on long-term disability. For VSDP, Mr. Badura advised that the Plan Actuary recommends an increase in the creditable compensation for VRS pension benefit purposes of 4.00%, effective July 1, 2022. In addition, a COLA in the amount of 3.85% shall be applied to long-term disability (LTD) benefit payments for Plan 1 members vested prior to January 1, 2013. A COLA of 3.00% shall be applied for Plan 1 members not vested prior to January 1, 2013, and all Plan 2 and Hybrid Retirement Plan members who have been recipients of LTD benefits for at least one year. The calculations were reviewed by VRS staff and Internal Audit.

Following some discussion, the Committee recommended approval of the following action to the full Board of Trustees:

Request for Board Action: Effective July 1, 2022 the following increases shall apply:

- *The creditable compensation used in calculating the member's average final compensation at retirement shall be increased in the amount of 4.00% for a Plan 1, Plan 2 or Hybrid member who has been the recipient of long-term disability (LTD) benefits for at least one year under the Virginia Sickness and Disability Program (VSDP); and*
- *A cost of living adjustment shall be applied to the net LTD benefit payment of 3.85% for Plan 1 members vested prior to January 1, 2013, or 3.00% for Plan 1 members not vested by January 1, 2013, and all Plan 2 and Hybrid members.*

Virginia Local Disability Program

Mr. Badura advised that for the VLDP program the Plan Actuary recommends an increase in the creditable compensation used at retirement of 3.74% effective July 1, 2022. The VLDP plan does not provide for a COLA on LTD benefits being received. The calculations for the increase in creditable compensation were reviewed by VRS staff and Internal Audit.

After receiving the report and some discussion, the Committee recommended approval of the following action to the full Board of Trustees:

Request for Board Action: Effective July 1, 2022, each recipient of LTD benefits under the Virginia Local Disability Program (VLDP) who has been receiving LTD benefits for at least one calendar year, and who ultimately retires directly from LTD, will have their creditable compensation at date of disability increased by an amount set by the Board to be used in determining the member's average final compensation for disability retirement. The recommendation applicable to July 1, 2022 is an increase of 3.74% to be applied to a recipient's creditable compensation.

INFORMATION ITEMS

2022 COLAs Called for Under Statute Not Requiring Board Approval

Mr. Badura noted that, by statute, VRS cost of living increases are based on the consumer price index for all items, all urban consumers, as published by the Bureau of Labor Statistics of the U.S. Department of Labor. Mr. Badura advised that the COLA increase effective July 1, 2022 of 3.85% is applicable to eligible Plan 1 members vested prior to January 1, 2013. A COLA increase of 3.00% is applicable to Plan 1 members not vested prior to January 1, 2013, and all Plan 2 and Hybrid Plan members effective July 1, 2022. This figure was calculated by the VRS Plan Actuary, Cavanaugh Macdonald Consulting, LLC, and verified by VRS and Internal Audit staff. The COLA did not require action by the Committee.

The Group Life Insurance Program minimum benefit for members retired with at least 30 years of service is to be increased by the same COLA applicable to VRS Plan 2 members, or 3.00%, effective July 1, 2022. The new minimum life insurance payout effective July 1, 2022 will be \$8,984. The Group Life Insurance Program minimum did not require action by the Committee. The calculations were reviewed by VRS staff and Internal Audit.

2022 Legislative Update

Ms. Wilkinson provided an update on VRS-related legislation in the 2022 General Assembly session.

Actuarial Services RFP Update

Ms. Wilkinson provided an update on the Actuarial Services RFP that was issued in January. The Committee will interview finalists at its April 6 meeting and make a recommendation to the Board at the following Board meeting.

2022 B&A Committee Meeting Schedule:

- February 9 at 1:00 p.m.
- April 6 at 1:00 p.m.
- April 19 at 12:30 p.m. (if needed)
- June 6 at 1:00 p.m.
- October 17 at 1:00 p.m.
- November 14 at 1:00 p.m.

Submitted to the Board of Trustees on February 10, 2022.

William A. Garrett, Chair
Benefits and Actuarial Committee



MEMORANDUM

TO: Patricia S. Bishop, VRS Director

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

DATE: February 1, 2022

RE: Cost of Living Adjustments (COLAs)

Internal Audit has reviewed the amounts referred to as "Cost of Living Adjustments" as set forth in the attached letter and supporting table from VRS' actuary, Cavanaugh Macdonald Consulting, LLC, dated January 20, 2022.

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

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

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

Attachment



Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

January 20, 2022

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

2022 Cost of Living Adjustments

Dear Rory:

As requested, we have calculated the Cost of Living Adjustments (COLAs) called for under Virginia Statutes for VRS, VSDP, and VLDP.

In the table enclosed we present the COLAs to be effective July 1, 2022.

By statute, the VRS COLA is based on the ratio of the average of the monthly CPI-U for the 2021 calendar year (270.970) to the average of the monthly CPI-U for the most recent calendar year used in the determination of a COLA, 2020 calendar year (258.811). The result is 4.70%. The VRS COLA formula is applied to the CPI increase to produce COLAs effective July 1, 2022 of 3.85% for Plan 1 members vested as of January 1, 2013 and 3.00% for Plan 1 members not vested as of January 1, 2013 and all Plan 2 and Hybrid Plan members.

Statute also provides a COLA under the Group Life Insurance program in the minimum \$8,000 life insurance amount for members with at least 30 years of creditable service. The increase is the same percentage as the VRS COLA of 3.00% used for Plan 1 members not vested as of January 1, 2013 and all Plan 2 and Hybrid Plan members. Applying this increase to the prior year minimum of \$8,722, the minimum effective life insurance amount for members with at least 30 years of creditable service will increase to \$8,984 effective July 1, 2022.

The VSDP and VLDP COLAs are required by statute but the actual amounts are set by Board resolution. We have calculated the VSDP increase in creditable compensation for VRS pension benefit purposes based on the approach adopted in 2011. As recommended in 2011, the VSDP creditable compensation COLA is based on the increase in the pay rate for State, SPORS and VaLORS VSDP members active at the beginning and the end of the most recent plan year before the date of determination of the COLA, capped at 4.00%. For 2022, it would be the ratio of the annual pays as of June 30, 2021 to the annual pays as of June 30, 2020 for VSDP members who were active in the State, SPORS and VaLORS plans as of both dates. The COLA calculated in this manner may be modified to reflect extraordinary pay adjustments during a given year. On this basis we have determined a VSDP creditable compensation COLA of 6.76% effective July 1, 2022, before applying the 4.00% maximum. Our calculation is based on the data provided by VRS for the June 30, 2020 and 2021 actuarial valuations. The final VSDP credible compensation COLA is capped at 4.00%.



Mr. Rory Badura
January 20, 2022
Page 2

We used a similar approach to determine the VLDP creditable compensation COLA. That is, we have based the VLDP creditable compensation COLA on the increase in the pay rate for Teachers and non-hazardous Political Subdivision Hybrid plan members active at the beginning and the end of the most recent plan year before the date of determination of the COLA. For 2022, it would be the ratio of the annual pays as of June 30, 2021 to the annual pays as of June 30, 2020 for non-hazardous members who were active in the Teachers and Political Subdivision Hybrid plans as of both dates. The COLA calculated in this manner may be modified to reflect extraordinary pay adjustments during a given year. On this basis we have determined a VLDP creditable compensation COLA of 3.74% effective July 1, 2022. Our calculation is based on the data provided by VRS for the June 30, 2020 and 2021 actuarial valuations.

We have enclosed a table showing the calculations of the COLAs in detail.

Please let us know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'LL', with a stylized flourish at the end.

Larry Langer, ASA, FCA, EA, MAAA
Principal and Consulting Actuary

Enc.

Copy to: Cynthia Wilkinson (VRS)

**Virginia Retirement System (VRS), Virginia Sickness and Disability Program (VSDP), Virginia Local Disability Program (VLDP)
and Group Life Insurance Program**



Cost of Living Adjustments (COLAs) Recommendations Effective July 1, 2022

Item	Code Section(s)	CPI-U		CPI Increase	COLA Calculation		
		2020	2021		100% of First 3%	50% of Next 4%	COLA (maximum 5%)
VRS COLA - Plan 1 vested as of 1/1/2013 - (100% of the increase in the CPI-U up to 3%, plus 50% of the next 4%, with a maximum COLA of 5%)	51.1-166	258.811	270.970	4.70% *	3.00%	0.85%	3.85%
Item	Code Section(s)	CPI-U		CPI Increase	COLA Calculation		
		2020	2021		100% of First 2%	50% of Next 2%	COLA (maximum 3%)
VRS COLA - Plan 1 non-vested as of 1/1/2013, Plan 2 and Hybrid Plan - (100% of the increase in the CPI-U up to 2%, plus 50% of the next 2%, with a maximum COLA of 3%)	51.1-166	258.811	270.970	4.70%	2.00%	1.35%	3.00%
Item	Code Section(s)	Creditable Compensation		Increase in Pay	COLA Calculation		
		2020	2021		100% of First 4%		COLA (maximum 4%)
VSDP increase in creditable compensation for VRS pension benefit purposes (100% of the increase in the pay over the previous plan year for continuing active VSDP members in the State, SPORS and VaLORS plans, with a maximum COLA of 4%)	51.1-1117 51.1-1123 51.1-1128	\$3,918,972,090	\$4,183,957,341	6.76%	4.00%		4.00%
Item	Code Section(s)	Creditable Compensation		Increase in Pay	COLA Calculation		
		2020	2021		100% of First 4%		COLA (maximum 4%)
VLDP increase in creditable compensation for VRS pension benefit purposes (100% of the increase in the pay over the previous plan year for non-hazardous continuing active members in the Teachers and Political Subdivision Hybrid plans, with a maximum COLA of 4%)	51.1-1161 51.1-1169	\$3,362,579,487	\$3,488,293,389	3.74%	3.74%		3.74%
Item	Code Section(s)				COLA Calculation		
							COLA
VSDP increase in net LTD benefit - Plan 1 vested as of 1/1/2013 - (100% of the VRS COLA for Plan 1 vested as of 1/1/2013)	51.1-1112						3.85%
Item	Code Section(s)				COLA Calculation		
							COLA
VSDP increase in net LTD benefit - Plan 1 non-vested as of 1/1/2013, Plan 2 and Hybrid Plan - (100% of the VRS COLA for Plan 1 non-vested as of 1/1/2013, Plan 2 and Hybrid Plan)	51.1-1112						3.00%
Item	Code Section(s)				COLA Calculation		
					Before COLA	After COLA	COLA
Increase in minimum \$8,000 life insurance amount for members with at least 30 years of creditable service - (100% of the VRS COLA for Plan 1 non-vested as of 1/1/2013, Plan 2 and Hybrid Plan)	51.1-505.B.				\$8,722	\$8,984	3.00%

* CPI-U increase is ratio or percentage increase of CPI-U indices year over year (270.970/258.811 - 1 = 4.70%)



Approval of July 1, 2022 increase relating to VSDP creditable compensation and VSDP COLA.

Requested Action

Effective July 1, 2022 the following increases shall apply:

- The creditable compensation used in calculating the member's average final compensation at retirement shall be increased in the amount of 4.00% for a Plan 1, Plan 2 or Hybrid member who has been the recipient of long-term disability (LTD) benefits for at least one year under the Virginia Sickness and Disability Program (VSDP); and
- A cost of living adjustment shall be applied to the net LTD benefit payment of 3.85% for Plan 1 members vested prior to January 1, 2013 or 3.00% for Plan 1 members not vested by January 1, 2013 and all Plan 2 and Hybrid members.

Description/Background

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

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

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

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

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

Rationale for Requested Action

Per the attached January 20, 2022 letter, the VRS plan actuary, Cavanaugh Macdonald Consulting, LLC, observed increases in creditable compensation of 6.76% during fiscal year 2021 for members enrolled in

VSDP. Based on the recommendation from the plan actuary, and consistent with past practice, the recommended increase in creditable compensation for purposes of service retirement from disability shall be 4.00%, and after offsets, an adjustment to the benefit payments of VSDP LTD recipients who have been receiving such payments for at least one calendar year of 3.85% for Plan 1 members vested as of January 1, 2013 or 3.00% for Plan 1 members not vested by January 1, 2013 and all Plan 2 and Hybrid members.

Authority for Requested Action

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

The above action is approved.

O'Kelly E. McWilliams, III, Chairman
VRS Board of Trustees

Date



**Approval of July 1, 2022 increase relating to
VLDP creditable compensation.**

Requested Action

Effective July 1, 2022, each recipient of LTD benefits under the Virginia Local Disability Program (VLDP) who has been receiving LTD benefits for at least one calendar year, and who ultimately retires directly from LTD, will have their creditable compensation at date of disability increased by an amount set by the Board to be used in determining the member's average final compensation for disability retirement. The recommendation applicable July 1, 2022 is an increase of 3.74% to be applied to a recipient's creditable compensation.

Description/Background

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

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

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

Rationale for Requested Action

Per the attached January 20, 2022 letter, the VRS plan actuary, Cavanaugh Macdonald Consulting, LLC, observed increases in creditable compensation of 3.74% during fiscal year 2021 for VLDP members. Based on the recommendation from the plan actuary, and consistent with past practice the recommended increase in creditable compensation for purposes of service retirement from disability shall be 3.74%.

Authority for Requested Action

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

The above action is approved.

O'Kelly E. McWilliams, III, Chairman
VRS Board of Trustees

Date

Report

The Administration and Personnel Committee met on February 8, 2022 and discussed the following:

APPROVAL OF MINUTES

The Committee approved the minutes of its November 16, 2021 meeting.

REAPPOINTMENT OF INVESTMENT ADVISORY COMMITTEE MEMBER

Ron Schmitz, Chief Investment Officer, informed the Committee that Mr. Bryan Lewis is eligible for reappointment to the Investment Advisory Committee. Mr. Lewis is the Vice President and Chief Investment Officer for U.S. Steel. Mr. Lewis is interested in continuing to serve on the IAC for an additional term.

The Committee recommends approval of the following action to the full Board:

Request for Board Action: *The Board approves the reappointment of Mr. W. Bryan Lewis to the Investment Advisory Committee for a two-year term ending March 31, 2024.*

APPOINTMENT OF DEFINED CONTRIBUTION PLANS ADVISORY COMMITTEE MEMBER

Mr. Schmitz next advised the Board that staff has identified a candidate to fill the vacant seat on the Defined Contribution Plans Advisory Committee. Mr. Arun Muralidhar is the co-founder and CEO of MCube Investment Technologies, LLC and AlphaEngine Global Investment Solutions. Mr. Muralidhar has over 25 years of investment-related experience and has expressed his willingness to serve on the DCPAC.

The Committee recommends approval of the following action to the full Board:

Request for Board Action: *The Board appoints Arun S. Muralidhar to the vacant seat on the Defined Contribution Plans Advisory Committee (DCPAC) for a term ending June 20, 2022 and reappoints Mr. Muralidhar for a two-year term ending June 20, 2024.*

QUARTERLY BUDGET UPDATE

Barry Faison, Chief Financial Officer, introduced Jonathan Farmer, Budget and Performance Reporting Manager, who presented the quarterly budget update. Mr. Farmer reviewed the agency's expenditures through December 31, 2021 and outlined anticipated spending through the remainder of the fiscal year. Mr. Farmer indicated that VRS is on track to finish the year with a surplus of approximately \$6.5 million.

Submitted to the Board of Trustees on February 10, 2022.

O'Kelly E. McWilliams, III, Chair
Administration and Personnel Committee



Reappointment of IAC Member.

Requested Action

The Board reappoints W. Bryan Lewis to the Investment Advisory Committee for a two-year term ending March 31, 2024.

Rationale for Requested Action

Bryan Lewis currently serves on the Investment Advisory Committee (IAC) and is willing to be reappointed for another two-year term. Mr. Lewis is Vice President & Chief Investment Officer for the United States Steel Corporation.

Authority for Requested Action

Code of Virginia § 51.1-124.26 requires the Board to appoint an Investment Advisory Committee to provide the Board with sophisticated, objective, and prudent investment advice, which will further assist the Board in fulfilling its fiduciary duty as trustee of the funds of the Retirement System.

The above action is approved.

O'Kelly E. McWilliams, III, Chair
VRS Board of Trustees

Date



Bryan Lewis

Vice President & Chief Investment Officer

Bryan Lewis joined U. S. Steel in August 2019 as vice president and chief investment officer. He has executive responsibility for the company's global investments for both the defined contribution and defined benefit plans, as well as other related programs.

Mr. Lewis arrived at U. S. Steel from the Pennsylvania State Employees' Retirement System (SERS), where he served as chief investment officer and managed a \$30 billion pension fund for the prior three years. Prior to that, he served as the executive director of the \$20 billion Illinois State Universities Retirement System.

Earlier in his career, Mr. Lewis spent six years in senior investment management roles with the North Carolina Department of State Treasurer. In this capacity, he was responsible for the management, investment and operational strategy, legislative policy and regulatory compliance of the division that managed the \$90 billion North Carolina Retirement Systems. In addition, Mr. Lewis created the Emerging Manager Program, identifying high-performing asset management companies owned by minorities and women.

Mr. Lewis is a member of the board of AIF Global, National Institute of Public Finance and the Institute for Private Capital. He is also a member of the Investment Advisory Committee for the Virginia Retirement System. In addition, Mr. Lewis was a fellow of the inaugural class of the Finance Leaders Fellowship and is a member of the Aspen Global Leadership Network.

A native of Rocky Mount, N.C., Mr. Lewis earned a bachelor's degree in economics from the University of Maryland at College Park, and completed a master's degree in business administration at the University of Miami in Coral Gables, Fla.



Appointment of DCPAC member.

Requested Action

The Board appoints Arun S. Muralidhar to the vacant seat on the Defined Contribution Plans Advisory Committee (DCPAC) for a term ending June 20, 2022 and reappoints Mr. Muralidhar for a two-year term ending June 20, 2024.

Rationale for Requested Action

Dr. Muralidhar is co-founder of Mcube Investment Technologies LLC. He is also co-founder and Client CIO of AlphaEngine Global Investment Solutions, an SEC registered investment advisor, a subsidiary of Mcube. Both firms assist pension funds, foundations and sovereign funds in asset allocation, currency management and external manager oversight through customized investment advice and the award-winning AlphaEngine® technology.

Dr. Muralidhar has over 25 years of asset raising, asset management/alpha generation, product innovation and portfolio advice experience.

Dr. Muralidhar earned his undergraduate degree from Wabash College in Crawfordsville, Indiana (Phi Beta Kappa) and his doctorate in managerial economics from MIT.

Dr. Muralidhar is highly qualified and willing to be appointed to the DCPAC, and it is the Board's pleasure to appoint him to the Committee.

Authority for Requested Action

Code of Virginia § 51.1-124.26 authorizes the Board to appoint such other advisory committees as it deems necessary. Each member appointment requires a two-thirds vote of the Board, and advisory committee members serve at the pleasure of the Board.

The above action is approved.

O'Kelly E. McWilliams, III, Chair
VRS Board of Trustees

Date

Arun S. Muralidhar

Summary: Over 25 years of asset raising, asset management/alpha generation, product innovation, and portfolio advice experience. Strong communication skills and extensive relationships with CIOs/press.

EXPERIENCE

Sep 2001-

Mcube Investment Technologies, LLC, Great Falls, VA (www.mcubeit.com)
AlphaEngine Global Investment Solutions, Plano, TX (www.alphaengine.net)
Co-Founder and Client CIO

- Founded firms to help investors dynamically manage multi-asset portfolios to get paid to manage risks. Primarily responsible for client acquisition, marketing and product design.
- Co-manage the award-winning SMART Rebalancing® program – multi-asset futures overlay. Is one of the few programs that made money in 2008, 2018 and Q1 2020. Also, created a unique global macro program for the Kodak US and Canadian Pension Plans.
- At its peak, AEGIS managed in excess of \$8bn in SMART Rebalancing® overlays.
- Developed AlphaEngine®, a web-based system, to help investors manage assets more efficiently. Clients added substantial value (over \$2 bn in alpha), won industry awards and been featured in *Institutional Investor*, *CIO Magazine* and *Canadian Investment Review*.
- Clients include pensions, endowments, sovereign wealth funds and insurance companies, in countries as diverse as America, Abu Dhabi, Canada, Japan, and the Netherlands.
- Only non-Dutch member of PGGM's Academic Advisory Board, advising on topics such as TFM, ESG, Factor Investing and Asset Allocation. PGGM is the 2nd largest Dutch fund.
- Deep and extensive relationships with CIOs and major press outlets (*CIO Magazine*, *P&I*).

Sep 2001- Dec 2007

FX Concepts, Inc., New York, NY
Managing Director. Member of Product Development Committee

- Responsible for helping grow assets under management from \$3.5 bn to over \$12 bn and client acquisition from Abu Dhabi, Bermuda, Canada, Japan, Singapore, and Switzerland. Also, responsible for signing the first ever insurance client.
- Developed the first ever “Options Overlay on an Overlay,” and raised assets for program.

Feb 1999-Sep 2001

J.P. Morgan Fleming Asset Management, Inc., New York, NY
Managing Director, Head of Currency Research and Client Portfolio Manager

- Promoted to Managing Director within two years of joining the firm.
- JP Morgan was the largest provider of currency products to institutional funds (\$20bn). Responsible for improving product and marketing to consultants and prospects globally.
- Helped JP Morgan win a \$10 billion OCIO mandate from the Teamsters.
- Advised the Head of U.S. on the development of a strategic advisory/OCIO business.

Jun 1992-Jan 1999

The World Bank, Washington, DC
Head of Research & Member of Investment Committee, Investments Department

- Responsible for quantitative research for internally managed fixed income portfolios (\$40 billion) and externally managed multi-asset class pension portfolios (\$10 billion). Staff developed innovative trading models, risk management tools and asset allocation models.
- One of the youngest managers at the Bank. Managed 100% staff turnover to improve team.
- Provided financial advice and training to member countries on financial sector development, pension system reform, asset-liability management, and portfolio and risk management. Clients included central banks and state pension systems in these countries.
- Previously managed the non-US equity portfolio (\$3 billion) and developed and implemented an innovative risk-controlled currency overlay program (\$3 billion).
- Started career issuing bonds and transacting structured swaps for the World Bank.

EDUCATION

M.I.T. Sloan School of Management, Cambridge, MA
Doctorate in Managerial Economics, May 1992

Wabash College, Crawfordsville, IN
Bachelor of Arts in Economics, May 1988. *Summa Cum Laude*, Phi Beta Kappa.

ADDITIONAL INFORMATION

- Adjunct Professor, *George Washington University* – students managed \$1mn portfolio.
- Co-authored a book with Nobel Laureate Prof. Franco Modigliani and have co-developed a unique bond innovation for DC plans with Nobel Laureate Prof. Robert Merton.
- Author of *A SMART Approach to Portfolio Management* (2011) and *Innovations in Pension Fund Management* (2001)– books to help investors identify key risks and develop strategies to measure, monitor and manage these risks. *Innovations* has been translated into Chinese (over 3000 copies sold) and Japanese (by the head of the Sony Global Pension Management).
- Authored award-winning articles in *Financial Analysts Journal*, *Journal of Investment Management* (with Prof. Robert Merton), *Journal of Investment Consulting*, *Society of Actuaries Journal* and *Journal of Performance Measurement*.
- Keynote and speaker at investment conferences globally on topics ranging from investments in DB and DC plans, pension reform, asset allocation and innovation.
- Enjoy travel, tennis, golf, music, and reading.

2022 Legislation*



2022 VRS-Related Bills

VRS-Requested Bills

Bill Number	Patron	Description
HB 473	Bulova	Separates the employer contribution for employers participating in the Hybrid Retirement Plan into defined benefit and defined contribution components. The bill has a delayed implementation date of July 1, 2024, to coincide with new contribution rates. Budget amendments: HB 30, Item 261 #1h (NGF- DOA implementation), Item 498 #1h (NGF- VRS implementation) HB 473 passed House 2/4. SB 70 passed Senate 2/4.
SB 70	Newman	

2022 VRS-Related Bills



Divestment Bills

Bill Number	Patron	Description
HB 645	Kory	<p>Requires the Virginia Retirement System and local retirement systems to divest from fossil fuel companies by January 1, 2027.</p> <p>Budget amendment: SB 30, Item 500 #2s (GF placeholder-VRS implementation)</p> <p>HB 645 was PBI'd in subcommittee on 1/27.</p> <p>SB 213 was passed by for the day in SFAC on 2/9.</p>
SB 213	McPike	

Code Commission Bill

Bill Number	Patron	Description
HB 338	Simon	<p>Sets out a section in Title 51.1 (Pensions, Benefits, and Retirement) that is currently carried by reference only. The bill also repeals three obsolete sections in Title 58.1 (Taxation). This bill is a recommendation of the Virginia Code Commission.</p> <p>Passed the House 2/1.</p>

2022 VRS-Related Bills

Hazardous Duty Benefits Bills- § 51.1-138

Bill Number	Patron	Description
SB 507	Lewis	<p>Requires localities to use the 1.85 percent multiplier for determining the annual retirement allowance for local eligible employees receiving benefits similar to those provided to State Police officers. Currently, localities may elect to provide a 1.7 percent multiplier in lieu of the 1.85 percent multiplier.</p> <p>Substitute applies only to deputy sheriffs for service earned on or after July 1, 2023.</p> <p>Reported from SFAC on 2/9.</p>

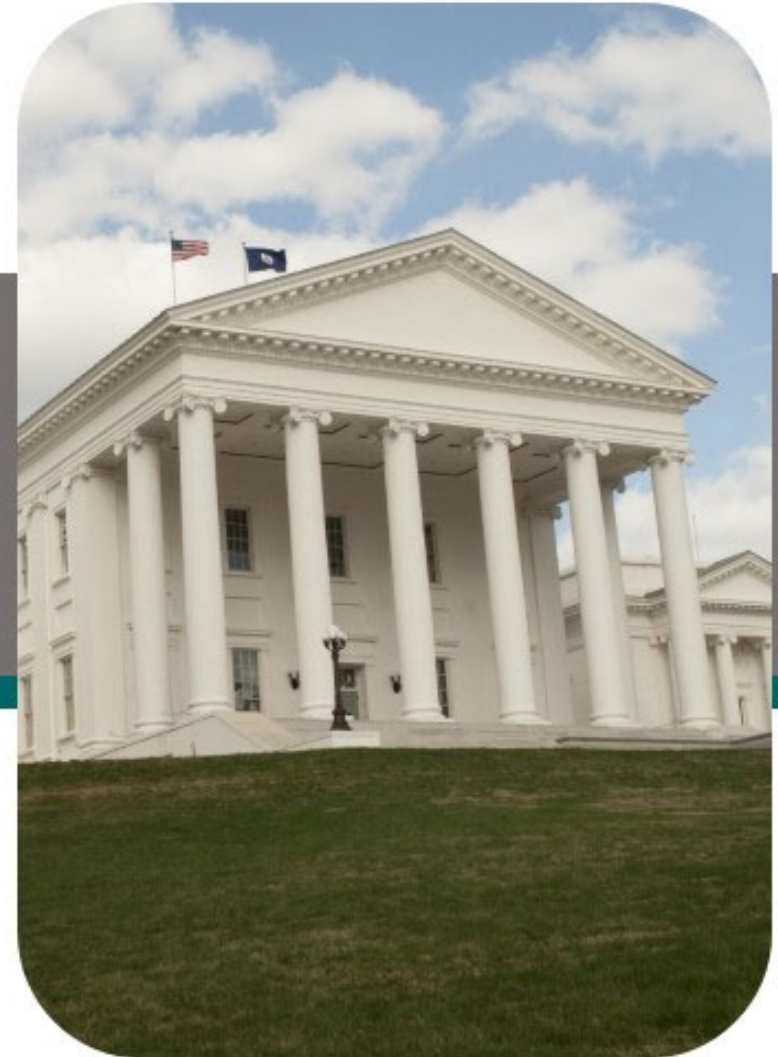
2022 VRS-Related Bills



Other Bills

Bill Number	Patron	Description
SB 349	Surovell	Provides that if the court enters an order to distribute any Virginia Retirement System managed defined contribution plan, the Virginia Retirement System shall, if ordered by the court, calculate gains and losses from the valuation date through the date of distribution of the benefits. Passed Senate 2/3.
SB 468	DeSteph	Provides that, for any medical review of a claim made pursuant to the provisions of the Line of Duty Act, the Virginia Retirement System shall require that such review be conducted by a doctor, nurse, or psychologist who is licensed in Virginia or a contiguous state. The bill has a delayed effective date of July 1, 2023. Passed Senate 2/4

Other Bills



2022 Other Bills

Charter School Bills

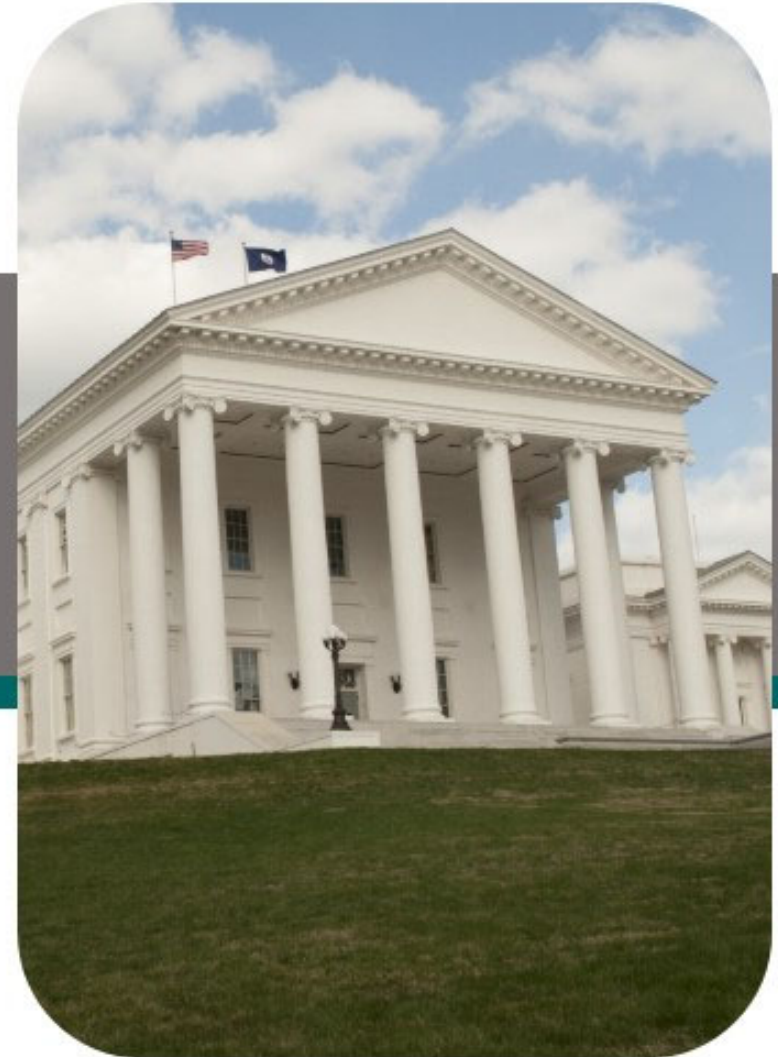
Bill Number	Patron	Description
HB 344	Davis	Permits the Board of Education to receive, review, and rule upon applications for public charter schools and enter into agreements for the establishment of public charter schools. Under current law, the power to grant or deny a public charter school application and enter into an agreement for the establishment of a public charter school rests solely with local school boards. The bill also provides that the decision to grant or deny a public charter school application or to revoke or fail to renew a public charter school agreement is final and is not subject to appeal. HB 344 substitute expected. House Education agenda 2/9. Senate bills on Senate Education and Health: Public Education agenda 2/3.
SB 608	Suetterlein	
SB 638	Chase	

2022 Other Bills

Charter School Bills

Bill Number	Patron	Description
<p>HB 356</p> <p>SB 125</p>	<p>Tata</p> <p>Obenshain</p>	<p>Authorizes the Board of Education (the Board) to establish regional charter school divisions consisting of at least two but not more than three existing school divisions in regions in which each underlying school division has (i) an enrollment of more than 3,000 students and (ii) one or more schools that have accreditation denied status for two out of the past three years. The bill requires such regional charter school divisions to be supervised by a school board that consists of eight members appointed by the Board and one member appointed by the localities of each of the underlying divisions. The bill authorizes the school board, after a review by the Board, to review and approve public charter school applications in the regional charter school divisions and to contract with the applicant. The bill requires that the state share of Standards of Quality per pupil funding of the underlying school district in which the student resides be transferred to such school.</p> <p>HB 356 reported and referred to House Appropriations. SB 125 not reported from Senate Education and Health 2/3.</p>

Carried Over to 2023



2022 VRS-Related Bills



JRS Bills

Bill Number	Patron	Description
SB 382	McDougle	<p>Increases, for the purposes of determining benefits provided under the Judicial Retirement System, the retirement multiplier from 1 percent to 1.7 percent. The increase would apply only to judges appointed on or after July 1, 2022, who are participants in the hybrid retirement program, and who are at least age 55 at the time of appointment.</p> <p>Budget amendment: SB 30, Item 483 #4s (GF- placeholder)</p> <p>Carried over to SFAC General Gov't subcommittee, OES, & VRS review.</p>

2022 VRS-Related Bills

Hazardous Duty Benefits Bills- VaLORS

Bill Number	Patron	Description
SB 752	Stuart	<p>Adds sworn members of the enforcement division of the Department of Motor Vehicles and conservation officers of the Department of Conservation and Recreation to the membership of the Virginia Law Officers' Retirement System (VaLORS).</p> <p>Budget amendment: SB 30, Item 483 #6s (GF- placeholder)</p> <p>Carried over with letter to JLARC & VRS.</p>

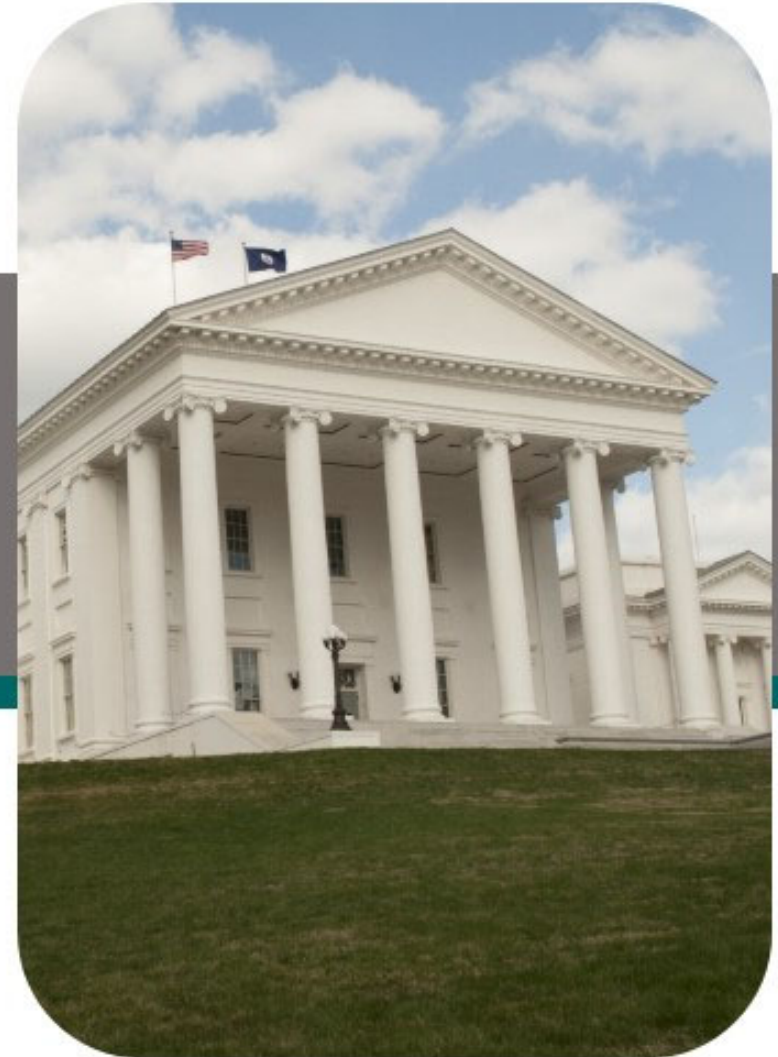
2022 VRS-Related Bills



Hazardous Duty Benefits Bills- § 51.1-138

Bill Number	Patron	Description
HB 854	Reid	<p>Adds 911 dispatchers to the list of local employees eligible to receive enhanced retirement benefits for hazardous duty service. Under current law, localities may provide such benefits to first responders, including firefighters and emergency medical technicians, and certain other hazardous duty positions.</p> <p>Similar to HB 131; See also HB 56, HB 162.</p> <p>HB 854/HB 131 substitute eliminates “first responder,” adds dispatcher, and makes the bill effective for service earned on or after July 1, 2023.</p> <p>SB 585 substitute also adds VSP dispatchers to VaLORS.</p> <p>SB was carried over to 2023 with a letter to JLARC or referred to joint subcommittee.</p> <p>Budget amendments: HB 29, Item 494 #1h and SB 30, Item 500 #1s (NGF- VRS implementation)</p> <p>HB 854 incorporated into HB 131 and was laid on table with letter to JLARC.</p>
SB 585	Reeves	

Budget



Item #	Description
477	Language authorizing 5% increase for state employees on June 10, 2022. Contingent on funding in the 2022 Appropriation Act for the 2023-2024 biennium.

Across the Board Salary Actions

Item #	Description
483	Funding for the 5% state employee, adjunct faculty, and certain other employee salary increases from HB 29.
483	5% increase for state employees on June 10, 2023. Not contingent on revenues.
	5% increase each year for Teachers/SOQ Positions
	5% increase for state-supported local employees

Targeted Salary Actions

Item #	Description
72	Raise entry-level salary of sworn sheriff deputies and regional jail officers. Provide compression salary increase of \$100 for each full year of service for sworn personnel with 3+ years of continuous state service up to 30 years.
328	Salary increases for behavioral health direct care staff.
402	Increase minimum salaries and address salary compression issues for correctional officers.
431	Funding for Dept. of State Police compensation plan to address compression, recruitment, and retention of sworn employees.
	VMI Pay Equity Actions
	Department of Veterans Services Staff
	VDACS Veterinary Staff
	DGS Division of Consolidated Laboratory Staff
	DGS State Mail Services Staff
	Magistrates
	Legal Aid Attorneys through State Bar

VRS Rates and Funding

Item #	Description
269	<p>\$923,998,000 on or before June 30, 2023 to reduce the unfunded liabilities of the State Plan, the Teacher Plan, SPORS, VaLORS, JRS, State HIC, Teacher HIC, GLI plan, and HIC for constitutional officers, local social services employees, and registrars. Contingent on not needing a revenue re-forecast.</p> <p>This is a voluntary deposit and in the event of an economic downturn, the deposit could be reduced or eliminated if needed for liquidity relief.</p>
<p>b. \$270,000,000 to the state employee plan.</p> <p>c. \$545,000,000 to the public school teacher plan.</p> <p>d. \$13,500,000 to the State Police Officers' Retirement System.</p> <p>e. \$24,500,000 to the Virginia Law Officers' Retirement System.</p> <p>f. \$7,700,000 to the Judicial Retirement System.</p> <p>g. \$10,500,000 to the HIC plan for state employees.</p> <p>h. \$14,800,000 to the HIC plan for public school teachers.</p> <p>i. \$37,500,000 to the GLI plan.</p> <p>j. \$340,000 to the HIC plan for Constitutional Officers and their employees.</p> <p>k. \$150,000 to the HIC plan for local social services employees.</p> <p>l. Any remaining balance, estimated at \$8,000, to HIC plan for Registrars and their employees.</p>	

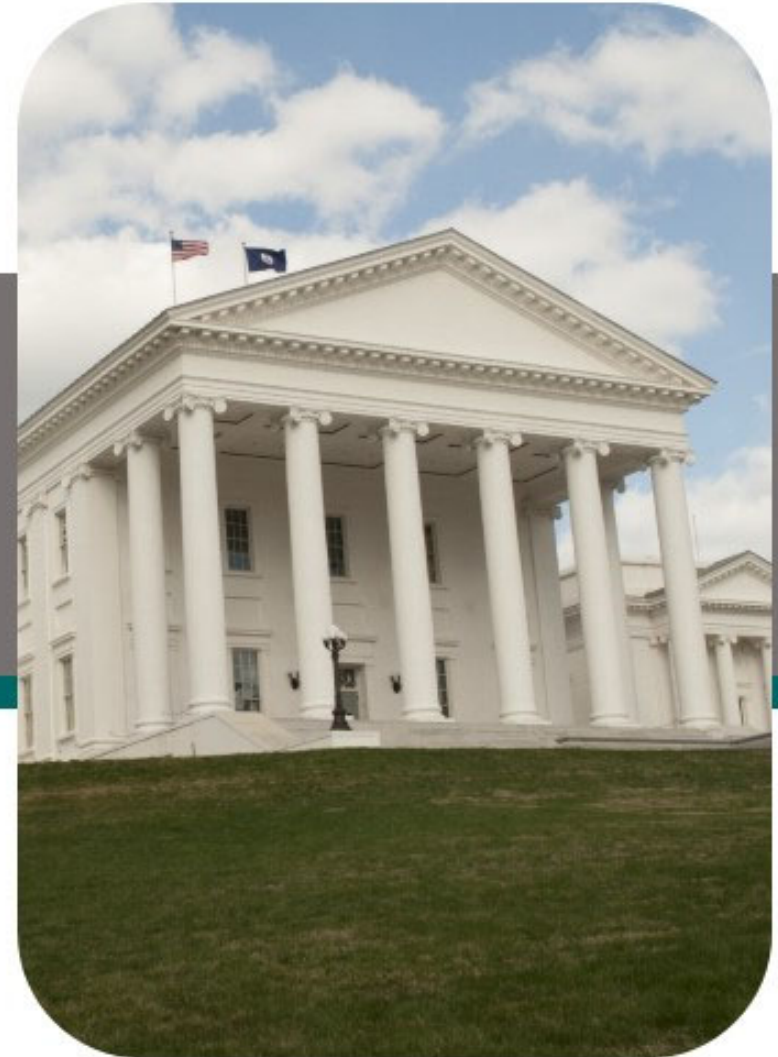
VRS Rates and Funding

Item #	Description
483	Fund the required Board-certified contribution rates for JRS, SPORS, VaLORS and OPEBs. Fund the prior biennium's higher contribution rates for State (14.46% vs. 14.13%) and Teachers (16.62% vs. 14.76%), as well as for any OPEB plan rates that decreased.
483	Fund LODA premiums at \$681.84 per covered employee.

Member Amendments without Corresponding Bills

Item #	Description
137 #14h; Davis	Direct Aid to reduce break in service for retirees in hard to staff positions from 12 months to 6 months (language only)
483 #3h; Edmunds	GF appropriation for difference in contribution rates to move Dept. of Wildlife Resources (DWR) Conservation Police Officers from VaLORS to SPORS

Failed Legislation



2022 VRS-Related Bills

JRS Bills

Bill Number	Patron	Description
SB 83	Stanley	<p>Increases the mandatory judicial retirement age from 73 to 75. Allows judges who would be subject to mandatory retirement during the 2022 General Assembly session to revoke their notice of retirement.</p> <p>The bill contains an emergency clause.</p> <p>Budget amendment: SB 30, Item 483 #1s (GF savings)</p> <p>Bill not reported from Sen. Judiciary</p>

2022 VRS-Related Bills

Return to Work Bills

Bill Number	Patron	Description
SB 18	Cosgrove	<p>Provides that a retired law-enforcement officer employed by a local school division as a school security officer on January 1, 2020, who had a bona fide break in service of at least one month between retirement and employment as a school security officer, is not required to have the 12-month break in service that would otherwise be required by law to continue receiving his service retirement allowance while employed full time as a school security officer.</p> <p>Budget amendment: SB 29, Item 494 #1s (NGF- VRS implementation) PBId in SFAC 2/1.</p>

2022 VRS-Related Bills

Hazardous Duty Benefits Bills- § 51.1-138

Bill Number	Patron	Description
HB 131	Cherry	<p>Adds 911 dispatchers to the list of local employees eligible to receive enhanced retirement benefits for hazardous duty service. Under current law, localities may provide such benefits to first responders, including firefighters and emergency medical technicians, and certain other hazardous duty positions. The bill provides that such benefits would be available only to dispatchers hired starting on or after January 1, 2022.</p> <p>Similar to HB 854/SB 585; See also HB 56, HB 162.</p> <p>Budget amendment: HB 29, Item 494 #2h (NGF- VRS implementation)</p> <p>Subcommittee laid on table with letter to JLARC</p>
HB 854	Reid	<p>Adds 911 dispatchers to the list of local employees eligible to receive enhanced retirement benefits for hazardous duty service. Under current law, localities may provide such benefits to first responders, including firefighters and emergency medical technicians, and certain other hazardous duty positions.</p> <p>Similar to HB 131; See also HB 56, HB 162.</p> <p>Budget amendments: HB 29, Item 494 #1h (NGF- VRS implementation)</p> <p>HB 854 incorporated into HB 131.</p>

2022 VRS-Related Bills



Hazardous Duty Benefits Bills

Bill Number	Patron	Description
HB 593	Van Valkenburg	<p>Provides that when a member of the State Police Officers' Retirement System or the Virginia Law Officers' Retirement System or a local employee who is eligible for similar benefits dies before retirement by suicide or in the line of duty, the retirement allowance payable to his beneficiary shall include any hazardous duty supplement for which the member or local law-enforcement officer was eligible.</p> <p>Budget amendments: HB 29, Item 494 #3h, (NGF- VRS implementation) & HB 30, Item 483 #12h (GF- placeholder)</p> <p>Stricken in subcommittee 2/3.</p>
HB 834	Wilt	<p>Provides that service in the Fire and Rescue Department of the Virginia Air National Guard shall be treated as service in a hazardous position for purposes of the hazardous duty supplement or increased retirement multiplier in the State Police Officers' Retirement System, in the Virginia Law Officers' Retirement System, or as a local employee eligible for similar benefits. The bill applies to creditable service earned before July 1, 2022, but only allows additional benefits to be paid prospectively.</p> <p>Budget amendment: HB 30, Item 483 #11h (GF- placeholder)</p> <p>Laid on table with letter to JLARC 2/3.</p>

2022 VRS-Related Bills



Hazardous Duty Benefits Bills- § 51.1-138

Bill Number	Patron	Description
HB 56	Wiley	<p>Requires each political subdivision participating in the Virginia Retirement System and each county or city participating in the Virginia Retirement System to provide retirement benefits comparable to the benefits provided to state police officers to juvenile detention specialists.</p> <p>See also HB 131, HB 162, HB 854, SB 585.</p> <p>Laid on table in subcommittee 1/27.</p>
HB 162	Runion	<p>Adds animal control officers to the list of local employees eligible to receive enhanced retirement benefits for hazardous duty service. Under current law, localities may provide such benefits to first responders, including firefighters and emergency medical technicians, and certain other hazardous duty positions.</p> <p>See also HB 56, HB 131, HB 854, SB 585.</p> <p>Budget amendment: HB 29, Item 494 #3h (NGF- VRS implementation)</p> <p>Laid on table in subcommittee with letter to the Compensation Board.</p>

2022 VRS-Related Bills



Other Bills

Bill Number	Patron	Description
HB 1119	Campbell	Provides that a law-enforcement officer shall not lose his benefits in any retirement system administered by the Board of Trustees of the Virginia Retirement System upon being convicted of a felony, unless such felony was (i) the result of gross negligence or intentional misconduct by such officer or (ii) resulted in any pecuniary benefit for such officer. Struck in HAC subcommittee 2/3.

2022 VRS-Related Bills



Return to Work Bills

Bill Number	Patron	Description
SB 17	Hackworth	<p>Allows a retired law-enforcement officer to continue to receive his service retirement allowance during a subsequent period of full-time employment by a state or local law-enforcement agency after a 12-month break in service following retirement.</p> <p>Budget amendment: SB 29, Item 494 #2s (NGF- VRS implementation)</p> <p>Substitute not expected to impact Title 51.1.</p>

VRS by the Numbers

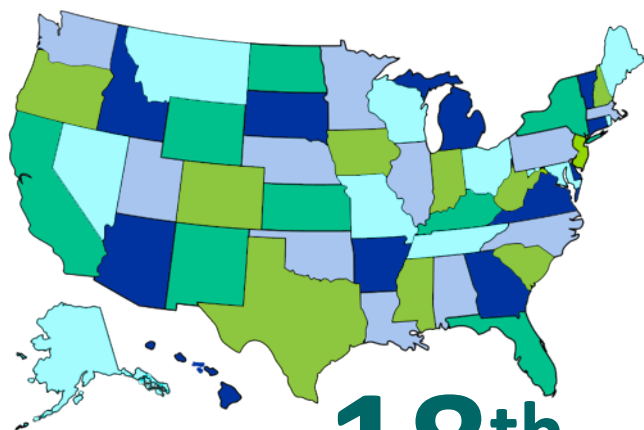
February 10, 2022

Michael Cooper, Chief Operating Officer



 **751,471**
active and retired members

As of June 30, 2021

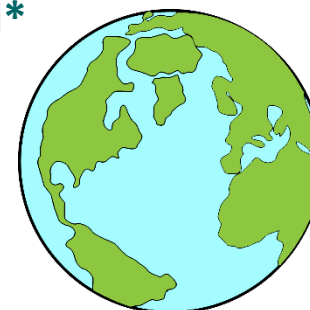


18th largest

public or private pension system
in the United States*

41st largest

public or private pension system
in the world*



* As ranked by *Pensions & Investments* in 2021

Member and Employer Overview



VRS Total Membership as of June 30, 2021



	Plan 1	Plan 2	Hybrid	Total
Teachers	63,188	29,682	56,923	149,793
Political Subdivision Employees	38,007	31,072	39,534	108,613
State Employees	29,073	13,805	30,808	73,686
State Police Officers' Retirement System (SPORS)	1,018	929	0	1,947
Virginia Law Officers' Retirement System (VaLORS)	2,466	5,357	0	7,823
Judicial Retirement System (JRS)	175	47	231	453
Total Active Members	133,927	80,892	127,496	342,315

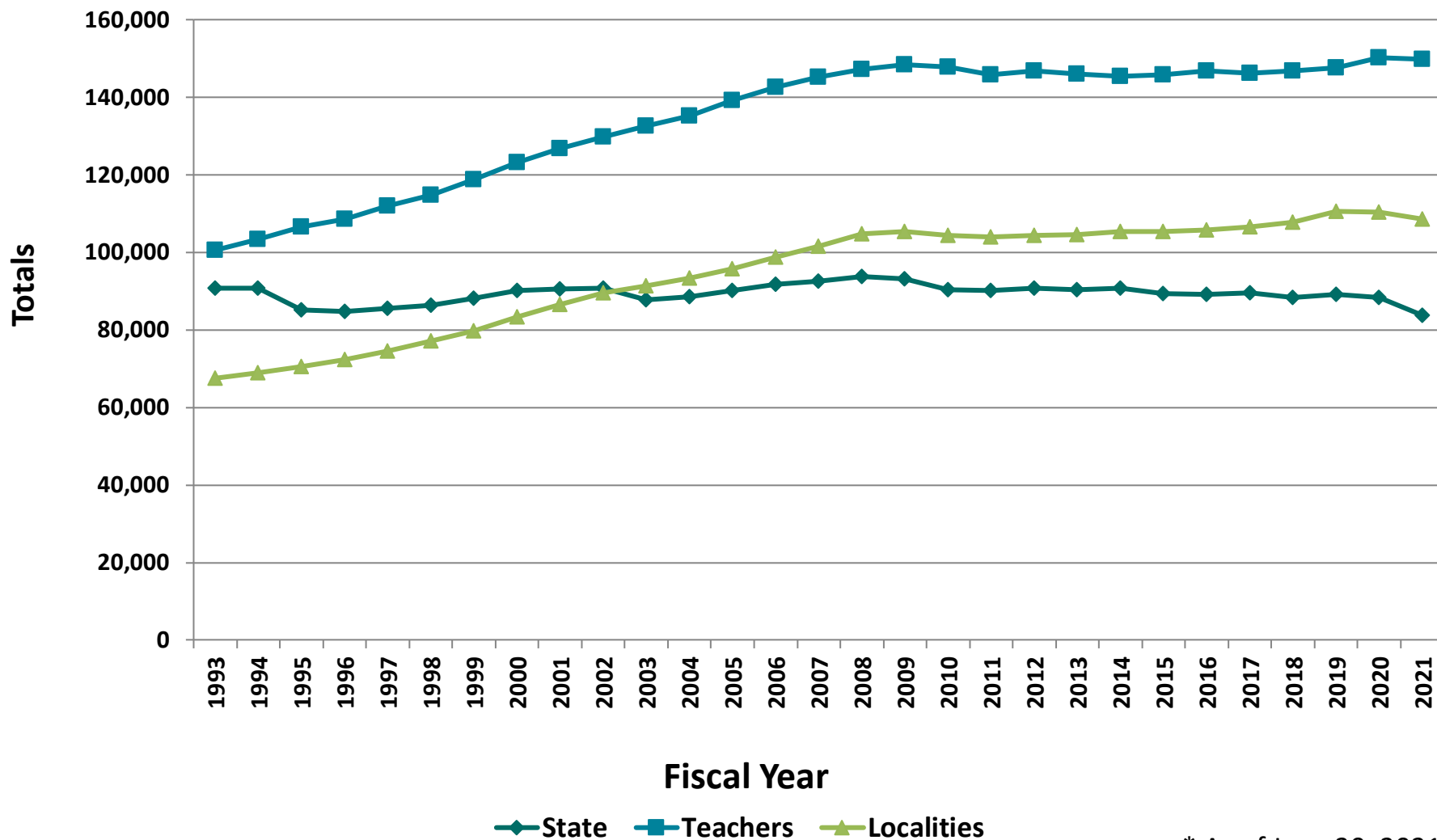
Total Active Members
342,315

**Retirees/
Beneficiaries**
224,973

Inactive/Deferred Members
184,183

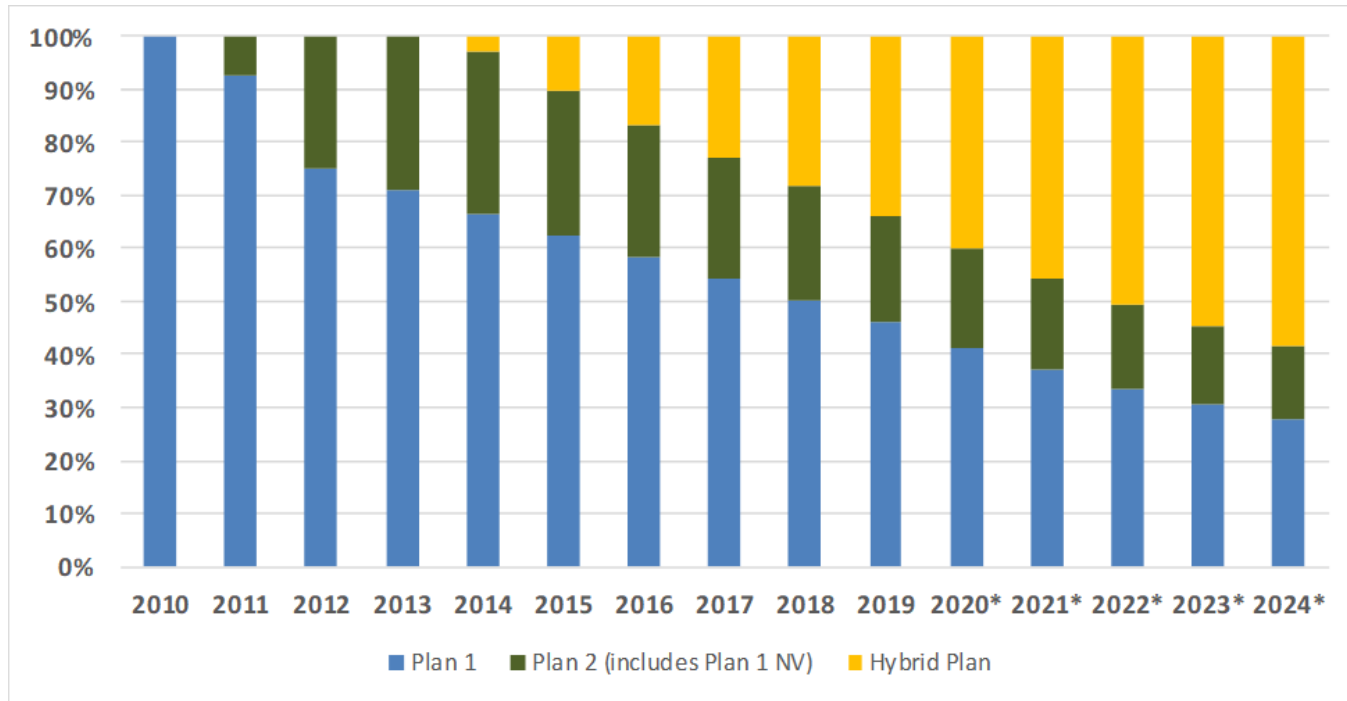
VRS Total Population
751,471

Active Members



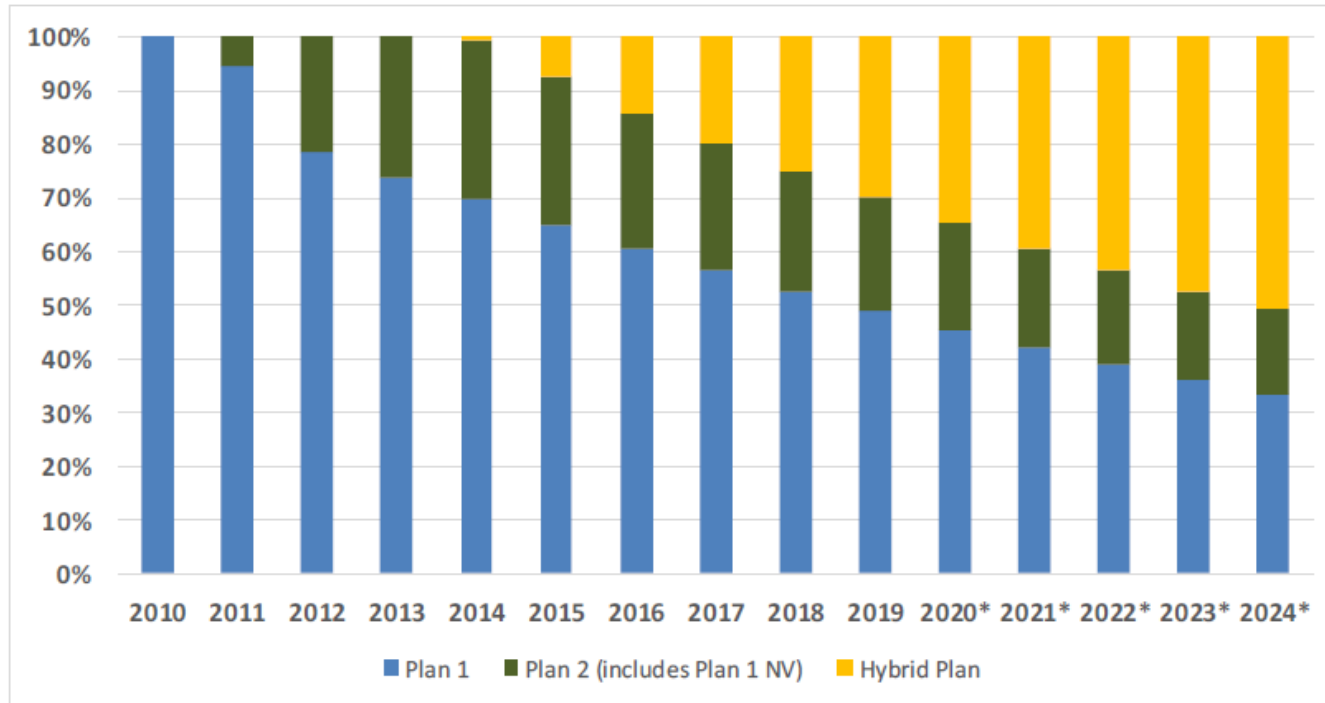
* As of June 30, 2021

State Employee Active Member Breakdown



* Fiscal years 2019-2023 show projected membership breakdown based on historical turnover experience.

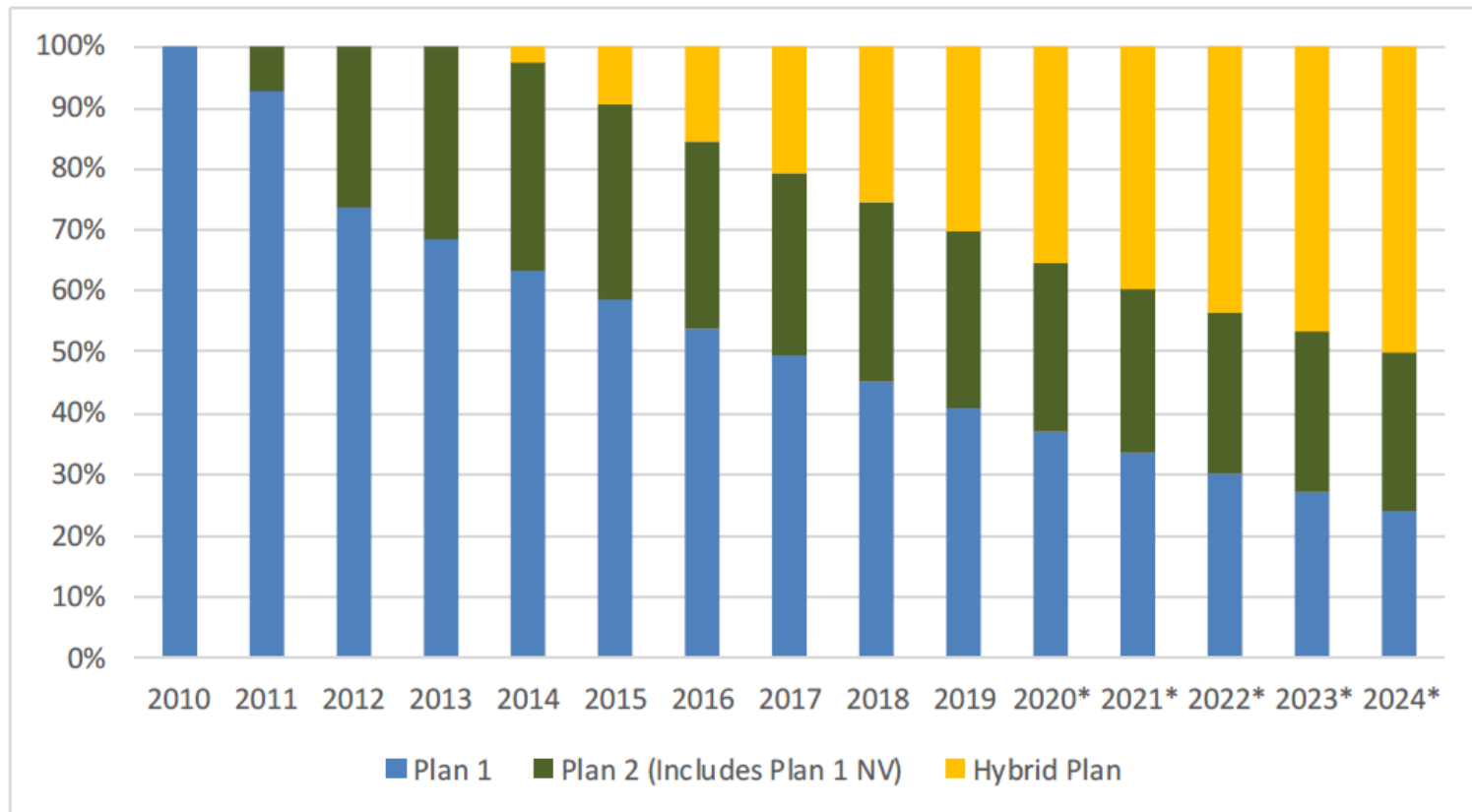
Teacher Active Member Breakdown



* Fiscal years 2020-2024 show projected membership breakdown based on historical turnover experience.

Note: The turnover experienced in the Teacher Plan has been less than the turnover experienced by the State Plan. Thus, the Teacher Plan is migrating to the Hybrid Plan slower than the State Plan.

Political Subdivision Active Member Breakdown

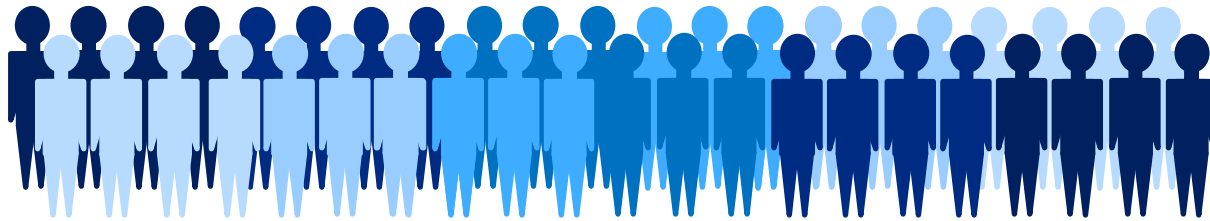


*Projected assuming number of actives remains constant

* Fiscal years 2020-2024 show projected membership breakdown based on historical turnover experience.

Hybrid Retirement Plan

Hybrid Retirement Plan Member Profile as of January 1, 2022



141,141

Active Hybrid Retirement Plan members



Largest Member Group

Teachers

66,947 members
(47%)

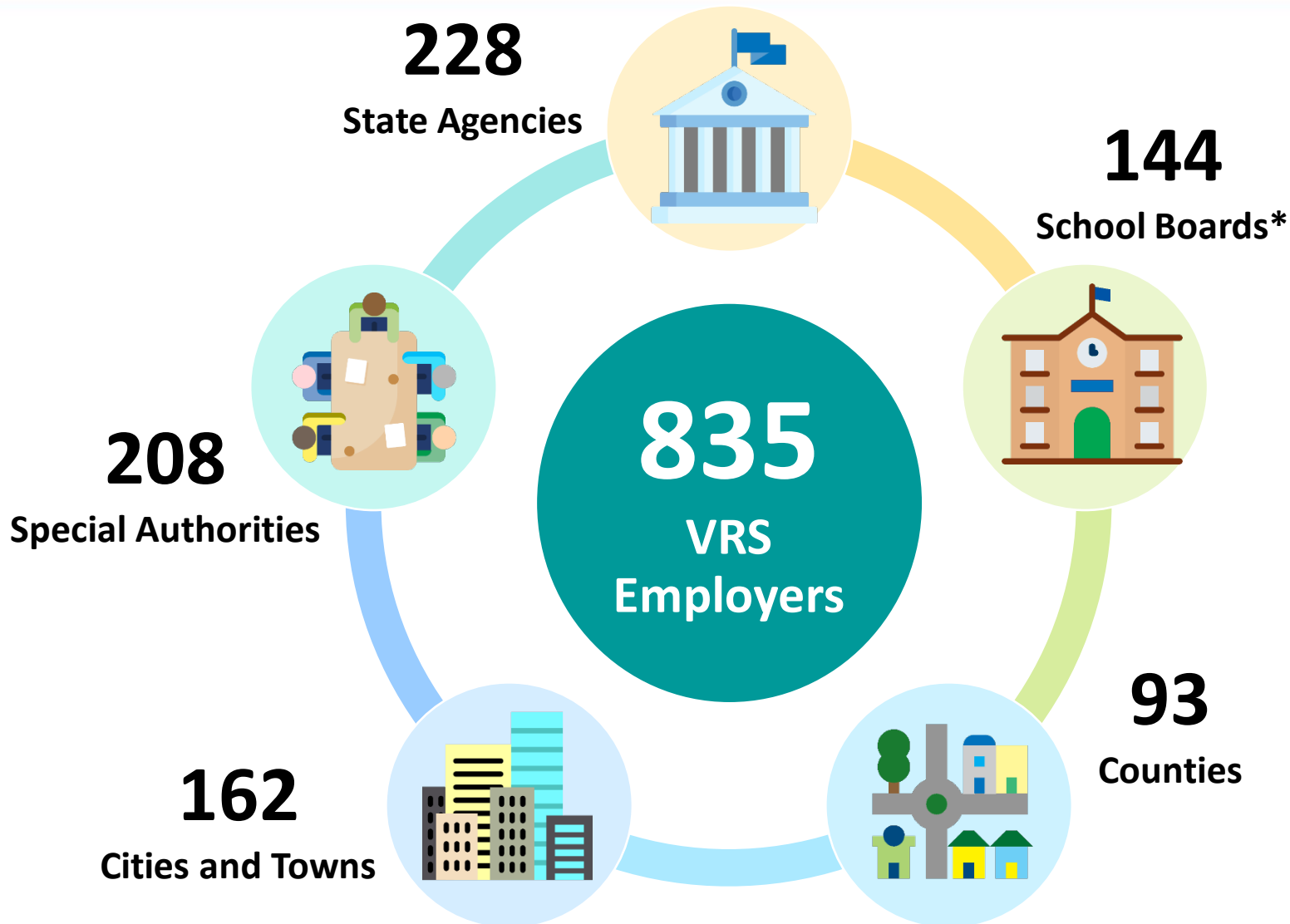


Median Salary
\$47,040

Median Age
37 years old

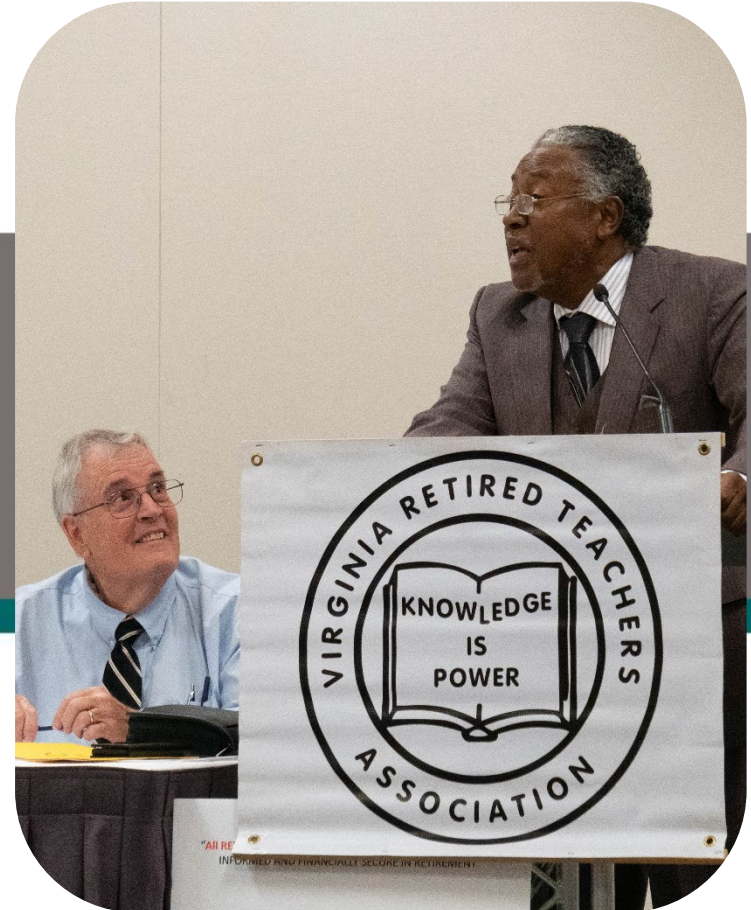
Average Years in the Plan
2.70

VRS Employers

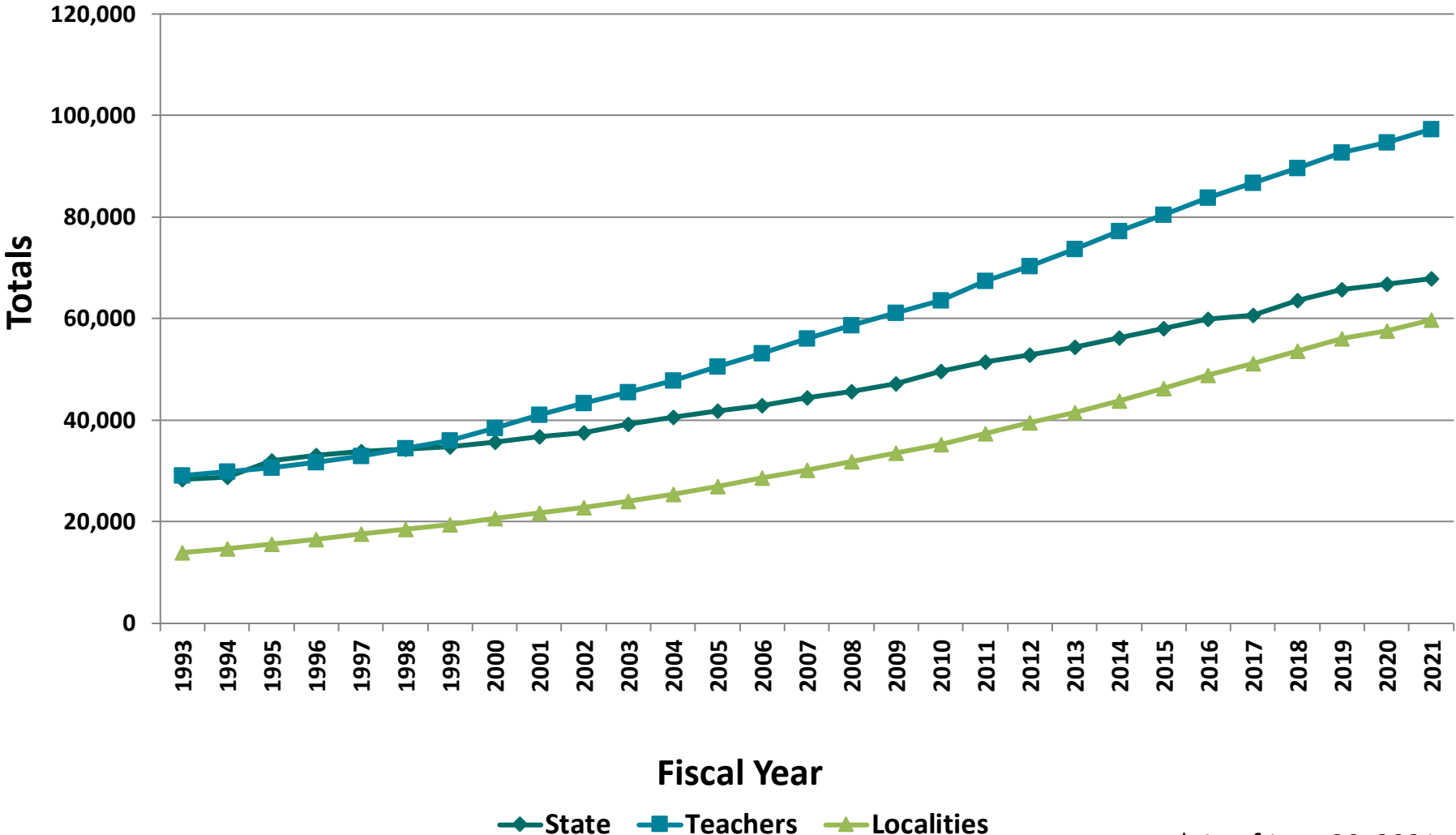


* Of the 144 school boards, 133 also provide coverage for non-teacher employees and are treated as political subdivisions.

Retiree Overview



Retirees

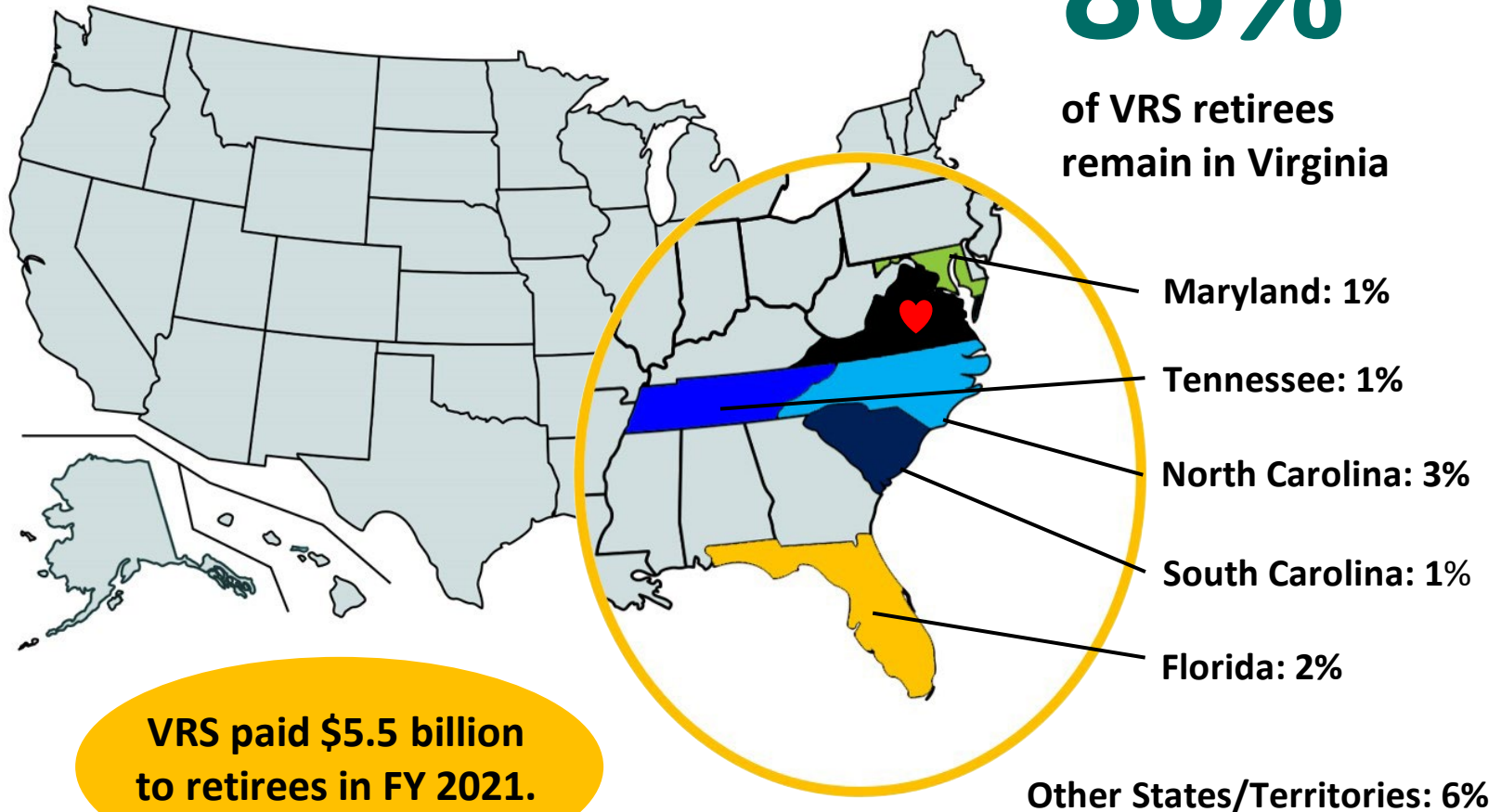


* As of June 30, 2021

Where VRS Retirees Live

86%

of VRS retirees remain in Virginia



VRS paid \$5.5 billion to retirees in FY 2021.

Outreach and Measurement





26,000

members reached with virtual education sessions and benefit presentations

3.2 million

varetire.org

314,000

employers.varetire.org



835,000

Defined Contribution Plans and Hybrid Retirement Plan websites

20,000

orphe.varetire.org

Member and Employer Support



181,844 calls answered
7,312 email responses

500+ employer contacts reached with virtual roundtables and site visits

350+ new benefit administrators assisted





424,803 cumulative registered users

55,082 member and retiree registrations

184,548 retirement plans created

436,600 benefit estimates created

22,776 page views of
through myVRS

52,098 page views through the public website

4,516 registrations

643 course completions



Operational Measures

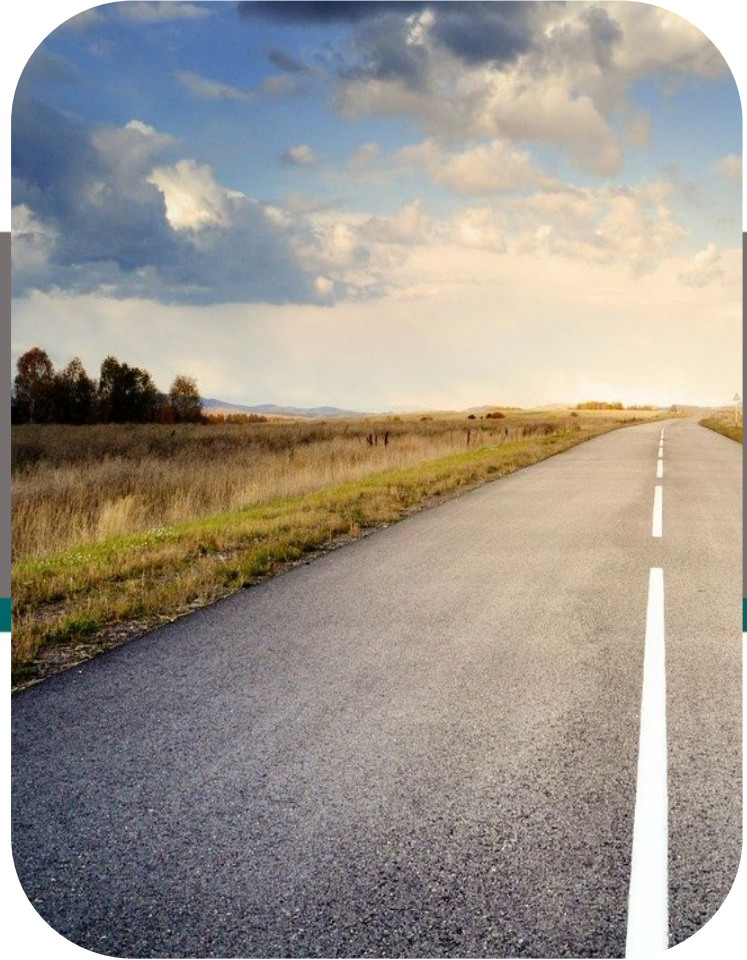


OPERATIONAL MEASURES	TARGET	FY 2021 RESULT
Timeliness of Monthly Financial Account Reconciliations	95.00% or more of monthly financial control reconciliations completed by the last business day of the following month.	100.00%
Timeliness of Response to Messages Received by the Customer Counseling Center	The average response time is less than 1.00 business days.	0.39 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%
Timeliness of Service Retirements Processed	95.00% 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.	99.89%

Operational Measures

OPERATIONAL MEASURES	TARGET	FY 2021 RESULT
Accuracy of Disability Retirements Processed	99.00% of disability retirements processed for which the corresponding benefit payment correctly reflects the member's service record.	99.99%
Timeliness of Employer Contribution Confirmations	97.00% of employer contribution confirmation snapshots are completed by the end of the month in which they are due.	100.00%
Timeliness of Workflow Documentation Imaging	99.50% of documents VRS receives are imaged within one business day of receipt.	100.00%
Planned IT System Availability	Critical business systems are available 99.50% of the time during periods of planned availability.	99.98%
Employee Professional Development	85.00% of eligible full-time VRS administration employees receive at least eight hours of professional development.	99.00%

Looking Ahead



What's on the Horizon for VRS?

**Continuing
promotion of
online retirement**

**New strategic plan
for 2022-26**

**Leveraging new
communications
media and
methodology**

Providing exceptional service to members, retirees and employers

**Continuing focus
on cybersecurity**

**Leveraging
the customer
experience survey
to gather
additional input**

**Strategizing to
move Retiree
News from print
to digital**

Thank you!

Coverage Elected	Details
New VRS Employer with Pre-Tax Purchase of Prior Service	<ul style="list-style-type: none"> - Northern Neck Soil and Water Conservation District (Richmond County) Effective February 1, 2022
Commonwealth of Virginia 457 Deferred Compensation Plan	<ul style="list-style-type: none"> - Greene County Public Schools Effective February 1, 2022
Enhanced Hazardous Duty Benefits for Emergency Medical Technicians	<ul style="list-style-type: none"> - City of Martinsville Effective February 1, 2022



VRS Project Portfolio FISCAL YEAR 2022 January 2022 - Monthly Status

- Status Indicator**
- Proceeding as planned
 - ▲ Off plan, mitigation in place
 - ◆ Off plan, mitigation needed
 - ★ Completed
 - Project timeline
 - N/S Not started

		2021						2022					
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Agency Performance Objectives (APOs)	Status												
Cloud Migration	▲												
ERM Implementation	●												
Records Management Program - Phase 1 Implementation	●												
Cardinal HCM Implementation - The Plan (Track 1), Agency (Track 2) and Retiree (Track 3)	●												
IT Initiatives¹	Status												
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Upgrade Angular JS Framework to Angular	★												
IT Security - Fraud Prevention Initiatives	N/S												
Security Maturity Assessment	★												
Sagitec Framework Upgrade	●												
SharePoint Online	●												
Other Projects²	Status												
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Employee Engagement Initiative Implementation	●												
Implement Performance Management Evaluation Process	●												
Develop FY 22-26 Strategic Plan Operational Initiatives	●												
VSDP and VLDP Long Term Care Plans RFP	●												
Implement Enterprise Electronic Signature Solution	N/S												
Develop and Implement Strategy to switch 'Retiree News' letter from Print to Electronic	●												
LODA Annual Report	★												
Develop Strategy and Begin CCC Customer Experience Survey	●												
Develop Strategy for Handling Undelivered Mail Received by VRS and TPAs	●												
Death Match Services RFP (current services end September 30)	●												
Convert Paper Personnel Files to Electronic	N/S												
Employees Job Descriptions Update - Phase 1 ³	●												
Post Pandemic Return to the Office	●												
Operational/Ongoing Activities	Status												
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
COLA 2021	★												
FYE 2021	★												
Retirement Wave 2021	★												
Teacher Contracts	★												
MBPs	★												
Annual Code of Ethics Training	★												
Annual Security Awareness Training	★												
FOIA Training	N/S												
ACFR	★												
PAFR	★												
GASB 67	★												
GASB 68	●												
GASB 74	★												
GASB 75	●												
Actuarial Valuations	★												
myVRS Annual Updates	★												
1099/W2	●												

Operational/Ongoing Activities	Status	2021						2022						
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Annual Roadmap Review	N/S													
Biennium Budget	●													
FYE 2022	N/S													
Retirement Wave 2022	N/S													
Commonwealth Bond Disclosure	●													
ORPHE Surcharge Billing for FY 2023	N/S													
Data Fixes	●													
ALM Backlog Prioritization	●													
Employer Compliance Review	N/S													
VRS Fund Sensitivity and Stress Testing Report for GA	N/S													
Legislation FY 2022 - Placeholder	●													

¹ Initiatives led directly by Technology Services.

² Other initiatives are led by other business units and supported by Technology Services.

³ Update Employee Job Descriptions Phase 1 scope focuses on updating, reviewing and finalizing job descriptions. The corresponding system changes (RAMS) will be part of phase 2.

Yellow Status Items

Item	Due Date	Comments
Cloud Migration	TBD	VRS adjusted the approach to move VRS candidate systems to either public or private Cloud platforms to reduce costs and improve security and reliability. The project team is in the process of procuring technology and services to accomplish these goals. Design activities will begin in the coming weeks followed by construction and configuration of modern on-premises technology. The project status will remain yellow as staff maintains focus on completing this objective.

Red Status Items

Item	Due Date	Comments
N/A		

Realignments/Adjustments

Item	Due Date	Comments
N/A		

80th Anniversary Campaign





Resolution of Appreciation

PRESENTED TO

Barry C. Faison

*W*HEREAS, Barry C. Faison began his career with the Virginia Retirement System in 1979, ultimately serving as Chief Financial Officer since 2001, overseeing the Finance Department, including Finance, Budget, Performance Reporting, General Accounting, Employer Reporting, and Investment Accounting, championing best practices of financial management and control; and

*W*HEREAS, his careful adherence to statements published by the Governmental Accounting Standards Board led to Mr. Faison being instrumental in the agency receiving a Certificate of Achievement for Excellence in Financial Reporting for 39 consecutive years and an Award for Outstanding Achievement for its Popular Annual Financial Reporting for five consecutive years since inception from the Government Finance Officers Association of the United States and Canada; and

*W*HEREAS, Mr. Faison served as a visionary leader for the agency's Modernization program to enhance employer reporting and create a web-based solution to provide members a holistic view of benefits, ultimately leading to online retirement; and

*W*HEREAS, through knowledge and experience, Mr. Faison serves as "professor" of all things VRS, freely sharing the history of VRS policies and processes and patiently coaching new staff members and serving as a role model and mentor; and

*W*HEREAS, employers across the Commonwealth rely on Mr. Faison for his insight and expertise in financial management and transparent reporting, serving as a "rock star" presenter at association meetings, and who is recognized for his dedication to public service;

*N*OW, THEREFORE, BE IT RESOLVED, that on February 10, 2022, that on February 10, 2022, we, the members of the Board of Trustees of the Virginia Retirement System, hereby acknowledge Mr. Faison's loyal, faithful, and long-standing service to the Virginia Retirement System, its members, retirees, employers, as well as the Commonwealth of Virginia, and convey our gratitude for his legacy of exceptional contributions and stewardship as we congratulate Mr. Faison on his retirement.

O'KELLY E. McWILLIAMS III, CHAIR