



Defined Contribution Plans Advisory Committee (DCPAC) Meeting

1111 E. Main St., Richmond
Pavilion Building
Thursday, 3/14/2024
1:00 - 3:00 PM ET

1. Welcome and Introductions

2. Meeting Minutes

- Adoption of the Minutes from the November 30, 2023 Meeting
2023.11.30 DCPAC Minutes - Page 2

3. Administration

- Administrative Reports & Communications
2023Q4 Administrative Summary - Page 6

- a. DC Plans and Hybrid Plan Update
- b. ORPHE Update
- c. Overview of Pending Plan Changes
- d. DC Plans Recordkeeper Transition Update

4. Investments

3-14-24 DCPAC Investments slide deck - Page 29

- a. Performance Reports
- b. Projects

5. Other Business

- Legislative Update

a. State

i. Escheatment provisions impacting all DC plans

- RBA for related plan document updates
RBA DC Plans escheatment - Page 39

ii. Other VRS-related legislation

DCPAC Legislative Update March 2024 - Page 55

b. Federal - SECURE 2.0

6. Discussion of New Ideas

7. 2024 Meetings

a. Remaining 2024 Meetings

- i. May 23, 2024 at 1:00 p.m.
- ii. September 12, 2024 at 1:00 p.m. (Annual investment review)
- iii. December 5, 2024 at 1:00 p.m.

b. ORPHE Annual Employer Update (not a meeting of the DCPAC) - TBD

Minutes

The Defined Contribution Plans Advisory Committee (DCPAC) of the VRS Board of Trustees convened on November 30, 2023, with the following members present:

Hon. J. Brandon Bell, II, Chair
Ravindra Deo
C. Matt Harris
Shannon Irvin
Rick Larson
Brenda Madden
Arun Muralidhar
David Winter

Members of the Board of Trustees:

John M. Bennett*

VRS Staff:

Trish Bishop, Steve Cerreto*, Jeanne Chenault*, Michael Cooper, Pam Elam, Antonio Fisher, Josh Fox*, Kelley Harlow*, Kelly Hiers, KC Howell, Robert Irving, Brian Lackey*, Ryan LaRochelle*, Joyce Monroe*, Teresa Nyugen*, Laura Pugliese, Kristy Scott*, Michael Scott, Jennifer Schreck, Jacob Schwartz*, Ashley Spradley*, Emily Trent*, Bridgette Watkins, Rachel Webb, Leslie Weldon, Cindy Wilkinson and Tanya Williams*.

Guests:

Jamie Bitz, JLARC; Andrew Ness*, Sageview; Michael Koch*, Cap Group; Erin Shell*, APA

**Attended remotely*

The meeting convened at 1:00 p.m.

Opening Remarks

Brandon Bell, Chair of the DCPAC, welcomed committee members, board members, VRS staff, representatives from other stakeholder groups and members of the public.

Approval of Minutes

Upon a motion by Mr. Winter and a second by Mr. Deo, the minutes of the September 7, 2023, meeting were unanimously approved by the Committee.

Administrative Reports and Communications Update

Kelly Hiers, DC Plans Administrator, provided an update on the VRS Defined Contribution Plans for the third quarter, ending September 30, 2023.

DC Plans and Hybrid Plan Update

Ms. Hiers provided an update on total assets and accounts in the VRS Defined Contribution Plans through September 30, 2023. She also presented an overview of the number of unique participants in the unbundled DC Plans.

Ms. Hiers also provided an overview of the MissionSquare annual service review, which occurred on September 13, 2023. All but one of the performance standards were met. The performance standard that was not met was about employer engagement. Ms. Hiers also provided an overview of the TIAA annual service review which occurred on October 27, 2023. All but one performance standard were met. The performance standard that was not met was about field consulting campus visits.

Ms. Hiers noted there were eight total Commonwealth of Virginia 457 plan adoptions in 2022 with some employers also adding the Commonwealth of Virginia Cash Match Plan and the Hybrid Retirement Plan as well.

Ms. Hiers noted that at the Pensions & Investments 12th annual Excellence & Innovation Awards, VRS received an honorable mention. The award was for the 2022 Hybrid Retirement Plan auto-escalation campaign, which had an opt-out rate of less than 1%.

Ms. Hiers provided an update on the federal SECURE 2.0 legislation efforts. Staff has approved the optional Section 109, which is a higher catch-up contribution limit to apply at ages 60-63, and Section 306, which eliminates the “first day of the month” requirement for governmental 457(b) plans. Application of Section 306 will allow hybrid plan members to elect changes to their voluntary contributions to the plan on a monthly basis, as opposed to the current quarterly basis. Other optional provisions are still under discussion. Approved provisions will be implemented with the recordkeeper transition in 2025.

Ms. Hiers provided an update on total assets and accounts in the COV 457 and Virginia Cash Match plans through September 30, 2023. Ms. Hiers also provided a review of total assets and accounts in the Hybrid Retirement Plan for the third quarter of 2023. She further updated the Committee on the Hybrid 457 voluntary participation and contribution election rates for the third quarter of 2023. An update on the Hybrid 457 voluntary participation and contribution election rates was also provided.

Ms. Hiers presented an update on the 2023 auto-escalation status. Over 83,000 accounts have remained at the auto-escalated voluntary contribution amount. Almost 6,000 accounts have increased their voluntary contribution with over 4,000 accounts maximizing their contribution at 4%. Just over 3,000 accounts have decreased their voluntary contribution.

ORPHE Update

Ms. Hiers shared an overview by provider of total ORPHE assets, participants and average balances for the third quarter of 2023. She also gave an update on ORPHE provider selections for the third quarter of 2023.

ORPHE Annual Employer Report

Mr. Rick Larson, the DCPAC member representing higher education, presented his report on the ORPHE Annual Employer Update, hosted by VRS Defined Contribution Plans on Tuesday, September 19, 2023.

Mr. Bell thanked Mr. Larson for his presentation.

DC Plans Recordkeeper Project Update

Ms. Hiers provided an update on the DC Plans Recordkeeper transition. The implementation kickoff occurred on July 26, 2023. The employer transition website is expected to launch in December 2023, and the participant transition website is expected to launch Fall 2024. The final conversion is estimated to be January 2, 2025.

Mr. Bell thanked Ms. Hiers for her presentation.

Annual Administrative Expense Report

Pam Elam, Business Performance Analyst, provided an overview of the administrative expense report and annual cost update for FY 2023, as required by the DCPAC Charter. The report provided both direct and indirect costs associated with administering VRS' Defined Contribution Plans. Total administrative costs related to participants and expenditures for FY 2023 were provided, along with a cost trend analysis over the five-year period from FY 2019 to FY 2023.

Mr. Bell thanked Ms. Elam for her presentation.

DC Plans Investments Update

Laura Pugliese, Portfolio Manager, Defined Contribution Plans, provided an overview of the October 31, 2023 performance reports. Ms. Pugliese noted the major sources of differences between fund and benchmark index performance. Ms. Pugliese highlighted areas from the unbundled investment options and the bundled TIAA passively managed investment options for the longer dated return series where performance was at least 10 basis points above or below the benchmarks. Actively managed and capital preservation fund performances were highlighted as appropriate.

CEM Defined Contribution Plans Survey

Ms. Pugliese presented to the Committee the 2022 CEM Defined Contribution Plans Survey results that included the unbundled DC Plans supplemental 457 Deferred Compensation Plan and the bundled TIAA ORPHE. The survey was comprised of 99 corporate and 23 public DC plans representing \$1.2 trillion in assets. VRS participated in CEM's complimentary DC cost and performance report survey and subscribes to CEM's Dashboard.

Staff included the free CEM DC Survey Reports in the meeting materials appendix for the Committee to review.

Other Business

Code of Ethics and Conduct

Michael Cooper, Chief Operating Officer, 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, which is an annual requirement of VRS advisory committee members.

Discussion of New Ideas

There was no new business to come before the Committee.

Upcoming Defined Contribution Plans Advisory Committee Meetings

Mr. Bell confirmed the DCPAC meeting dates for 2024 following the polling of the Committee.

The next meeting of the DCPAC will take place on March 14th, 2024, with remaining meetings on May 23rd, September 12th and December 5th. All meetings will be held at 1:00 p.m.

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

Adjournment

There being no further business, Mr. Bell adjourned the meeting at 2:12 p.m. upon a motion by Mr. Deo, with a second by Ms. Madden, and a unanimous vote of the Committee.

Chair

Date

VRS Defined Contribution Plans - 4th Quarter 2023

(October 1, 2023-December 31, 2023)

Administrative Summary

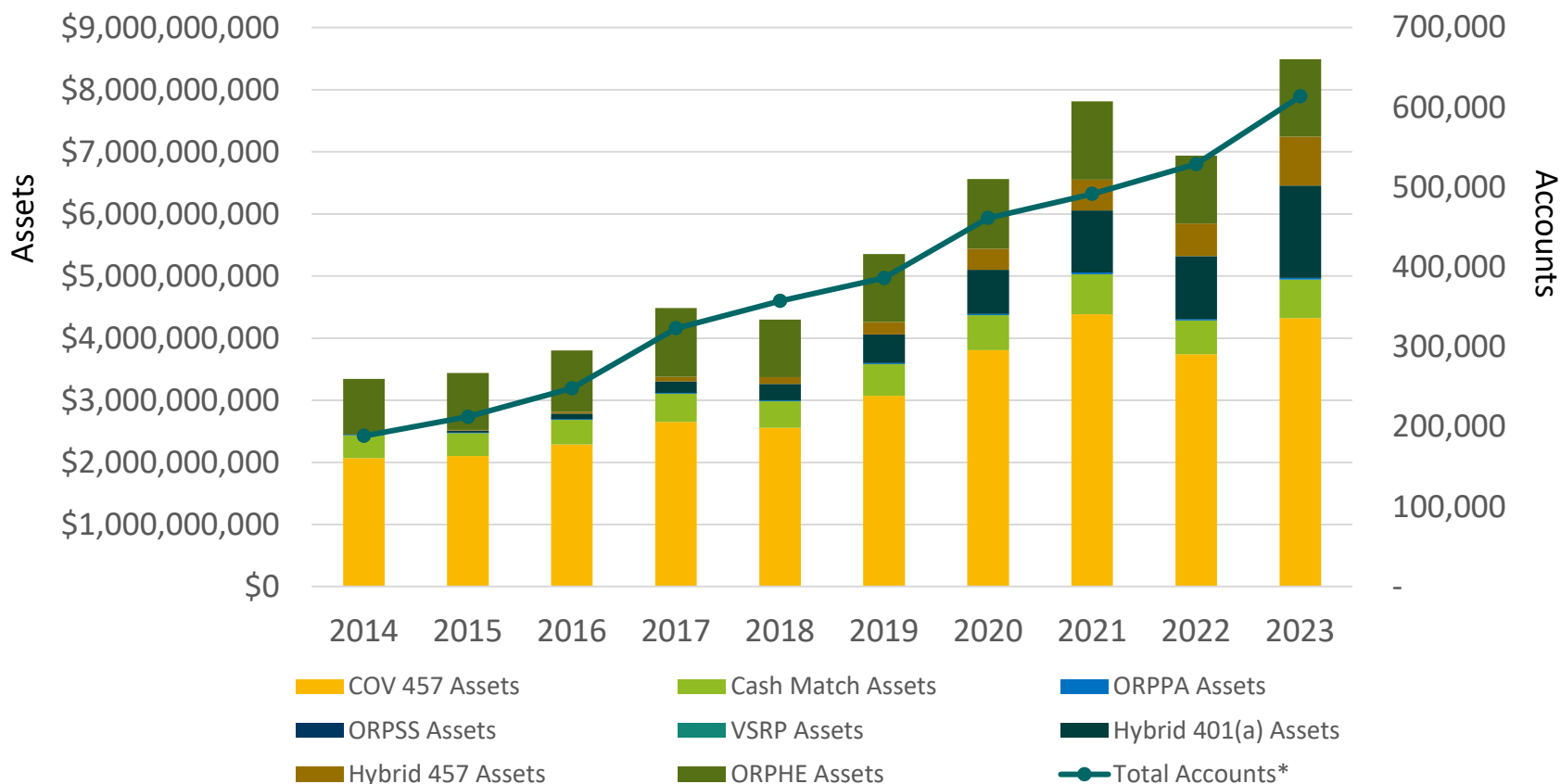


Topic	Slide Number(s)
General Updates, Pending Plan Document Updates	3-7
Asset Allocation Overview	8-9
COV 457 & Cash Match Plans	10
Hybrid Retirement Plan	11-16
ORPHE	17-18
Upcoming Events	19
DC Plans Unbundled Record Keeper Transition Update	20-22

Total Assets and Accounts Over Time



Totals as of 12/31/2023	Assets	Accounts	Assets ↑ 11% Accounts ↑ 1% Since September 30, 2023
	\$8,488,215,028	613,869	



Note: All data reflects totals as of calendar year end and includes ORPHE selected providers and MissionSquare participant, beneficiary, forfeiture & reserve accounts. Data is as of 12/31/2023.

*Does not indicate unique participants.

Pending Plan Document Updates

Effective January 2025



Plan(s)	Modification Requested	Notes
COV 457 Plan	Provide additional age-based catch-up provision available at ages 60 to 63 in accordance with Sec. 109 of SECURE 2.0.	To allow COV 457 Plan participants to maximizing savings opportunities available to them through the plan.
Hybrid 457 Plan	Increase the frequency in which hybrid plan members can change their voluntary contribution election from quarterly to monthly, similar to the COV 457 Plan.	To allow Hybrid Retirement Plan members to start and increase their voluntary contributions to the plan on a more frequent basis.
COV 457 Plan	Allow for in-plan Roth conversions.	<p>To facilitate corrective actions in the plan related to the Roth age-based catch-up provision under SECURE 2.0, we will need to allow for conversions of pre-tax contributions to Roth contributions.</p> <p>As part of this, it would be beneficial to participants to allow for participant-directed conversions, as well.</p>

Pending Plan Document Updates

Effective January 2025

Plan(s)	Modification Requested	Notes
Hybrid 457 Plan COV 457 Plan	<p>Addition of Unforeseen Emergency Withdrawal (UEW) provisions to the Hybrid 457 Plan in lieu of optional in-service distribution provisions in SECURE 2.0.</p> <p>Severe financial hardship resulting from:</p> <ul style="list-style-type: none"> • Illness or accident; • Loss of property due to casualty; • Imminent foreclosure of or eviction from the participant's primary residence; • Need to pay for medical expenses; or • Need to pay for funeral expenses. <p>Allow for self-certification in certain circumstances.</p> <ul style="list-style-type: none"> • Up to \$2,500 no more frequently than once every two years. • Anything in addition to this would require documentation. 	<p>To provide active hybrid plan members with access to their 457 contributions before separation of employment in specific scenarios, VRS will add an emergency withdrawal option to the Hybrid 457 Plan (similar to what is provided in the COV 457 Plan).</p> <p>Additionally, the UEW option in both plans would allow for self-certification in certain circumstances.</p>

Pending Plan Document Updates

Effective January 2025



Plan(s)	Modification Requested	Notes
COV 457 Plan	<p>Elimination of the <i>de minimis</i> withdrawal option in the COV 457 Plan.</p> <p>This option allows a participant to withdraw their full balance in the COV 457 Plan while still employed if <u>all</u> of the following conditions apply:</p> <ul style="list-style-type: none"> • The plan balance is under \$5,000. • There have been no contributions to the plan over the previous 24 months. • There has not been a <i>de minimis</i> distribution taken from the plan previously. 	<p>This is not a commonly used provision. Since 2020, there were only three distributions of this type processed.</p> <p>This indefinite time frame of the last requirement makes this option difficult to administer for a plan that has been in place for over 40 years across multiple record keepers.</p>

2024 DCPAC Meetings

March 14 - *RBA on escheatment provisions, Overview of proposed changes.*

May 23 – *RBA for additional changes presented.*

Voya Transition Date

January 1, 2025 – *Changes effective.*

2024 Board Meetings

February 8

April 18 - *RBA on escheatment provision.*

June 20 – *RBA for additional changes.*

July 11

September 19

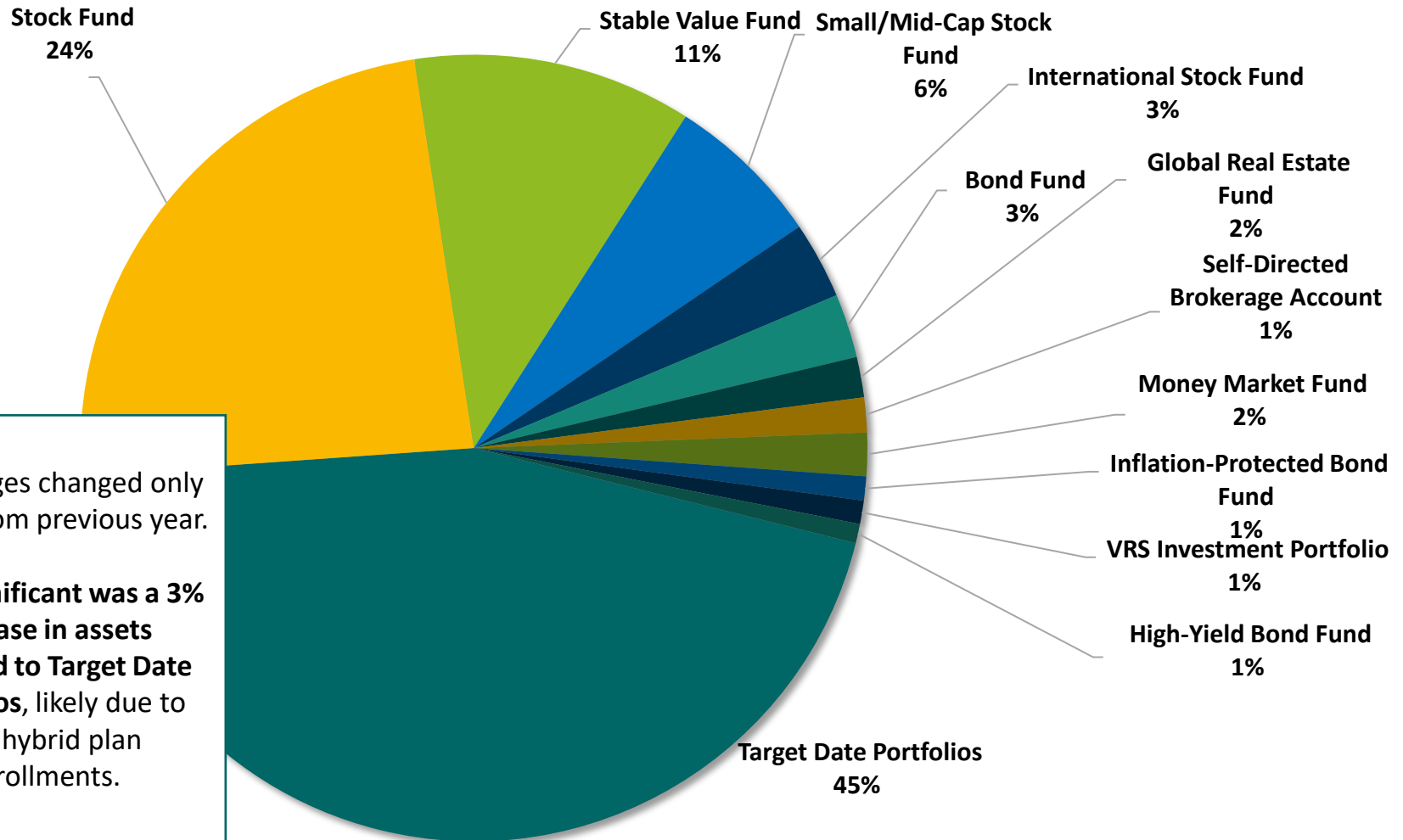
October 17

November 14

December 12

Asset Allocation Overview

Plan Assets by Fund – All Plans



Percentages changed only slightly from previous year.

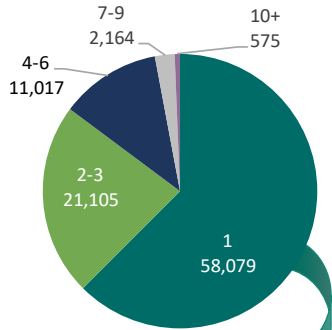
Most significant was a 3% increase in assets allocated to Target Date Portfolios, likely due to new hybrid plan enrollments.

Asset Allocation Overview

Participant Fund Holdings

COV 457 Plan/Virginia Cash Match Plan

of Funds Held by Participants



82.7% of this population is invested in a single TDP

Top 10 Fund Holdings

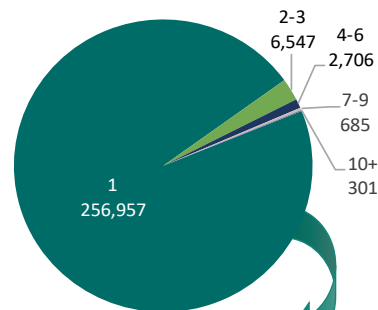
1. Stock	\$1,602,519,426
2. Target Date Portfolios	\$1,473,042,697
3. Stable Value	\$606,762,609
4. Small/Mid-Cap Stock	\$410,243,924
5. International Stock	\$198,457,103
6. Bond	\$147,343,387
7. Money Market	\$115,449,462
8. Schwab PCRA	\$100,968,303
9. Global Real Estate	\$86,177,500
10. VRS Investment Portfolio	\$60,747,606

Hybrid Retirement Plan DC Only

Top 10 Fund Holdings

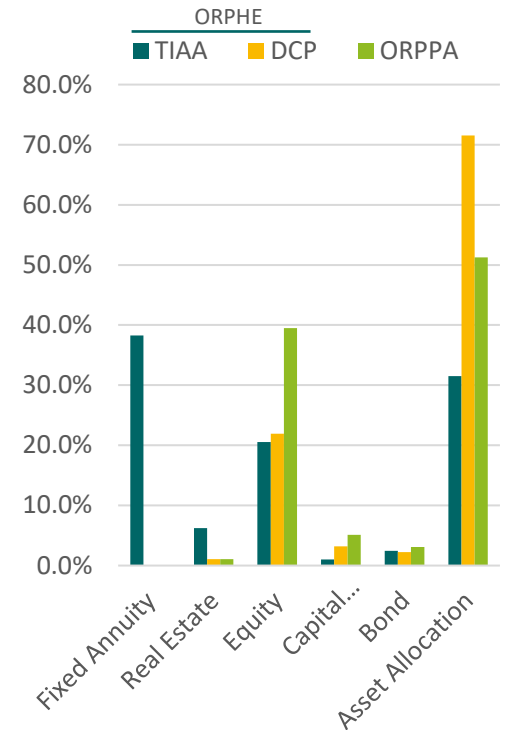
1. Target Date Portfolios	\$2,106,299,925
2. Stock	\$83,453,507
3. Small/Mid-Cap Stock	\$22,724,603
4. Money Market	\$13,035,869
5. International Stock	\$11,355,309
6. Stable Value	\$10,459,460
7. Global Real Estate	\$5,060,410
8. High-Yield Bond	\$4,972,880
9. Schwab PCRA	\$4,079,615
10. Bond	\$4,077,968

of Funds Held by Participants



99.5% of this population is invested in a single TDP

ORPHE and ORPPA



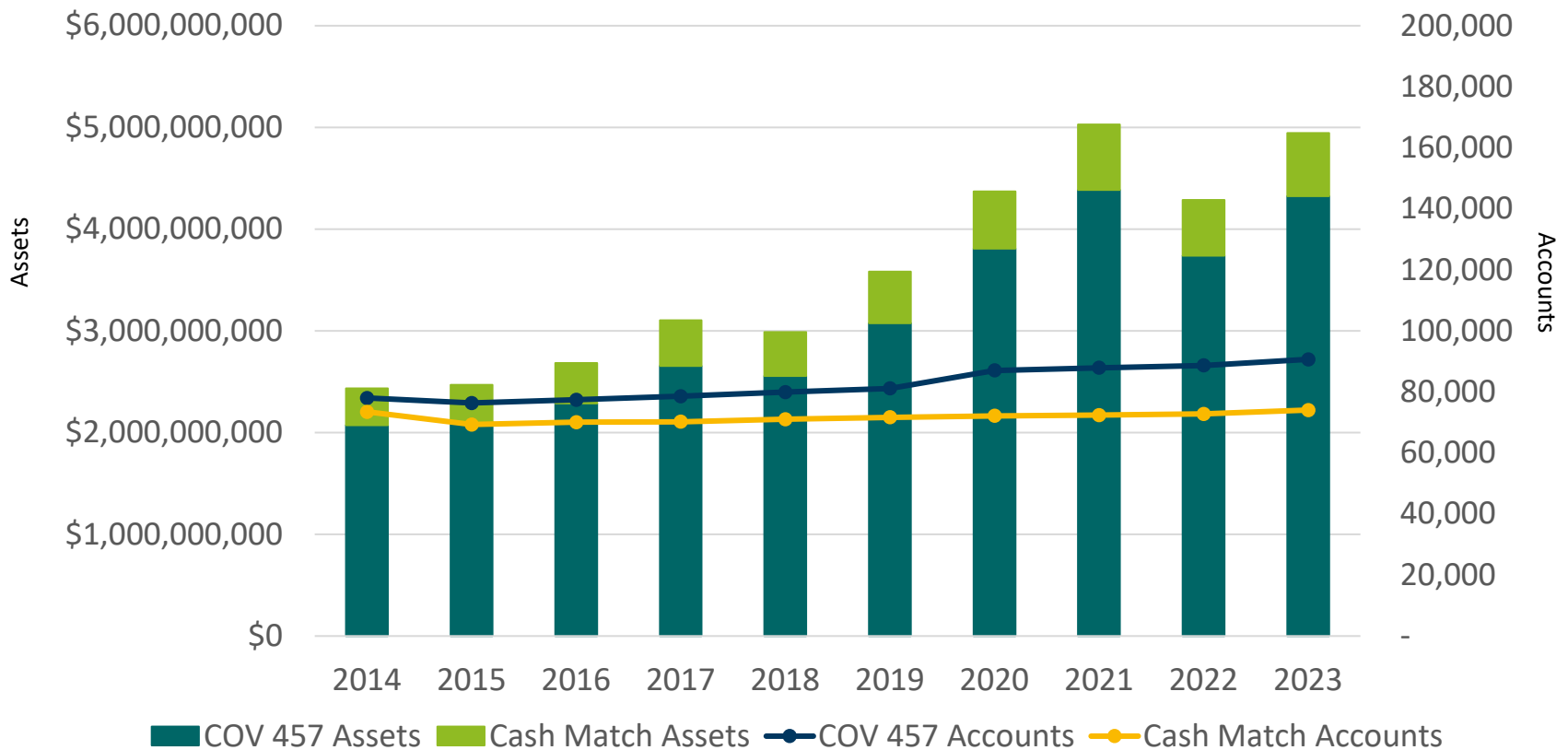
Fixed annuity includes the TIAA Traditional annuity option, which is only available on the ORPHE TIAA platform.

COV 457/Cash Match Plan

Assets and Accounts



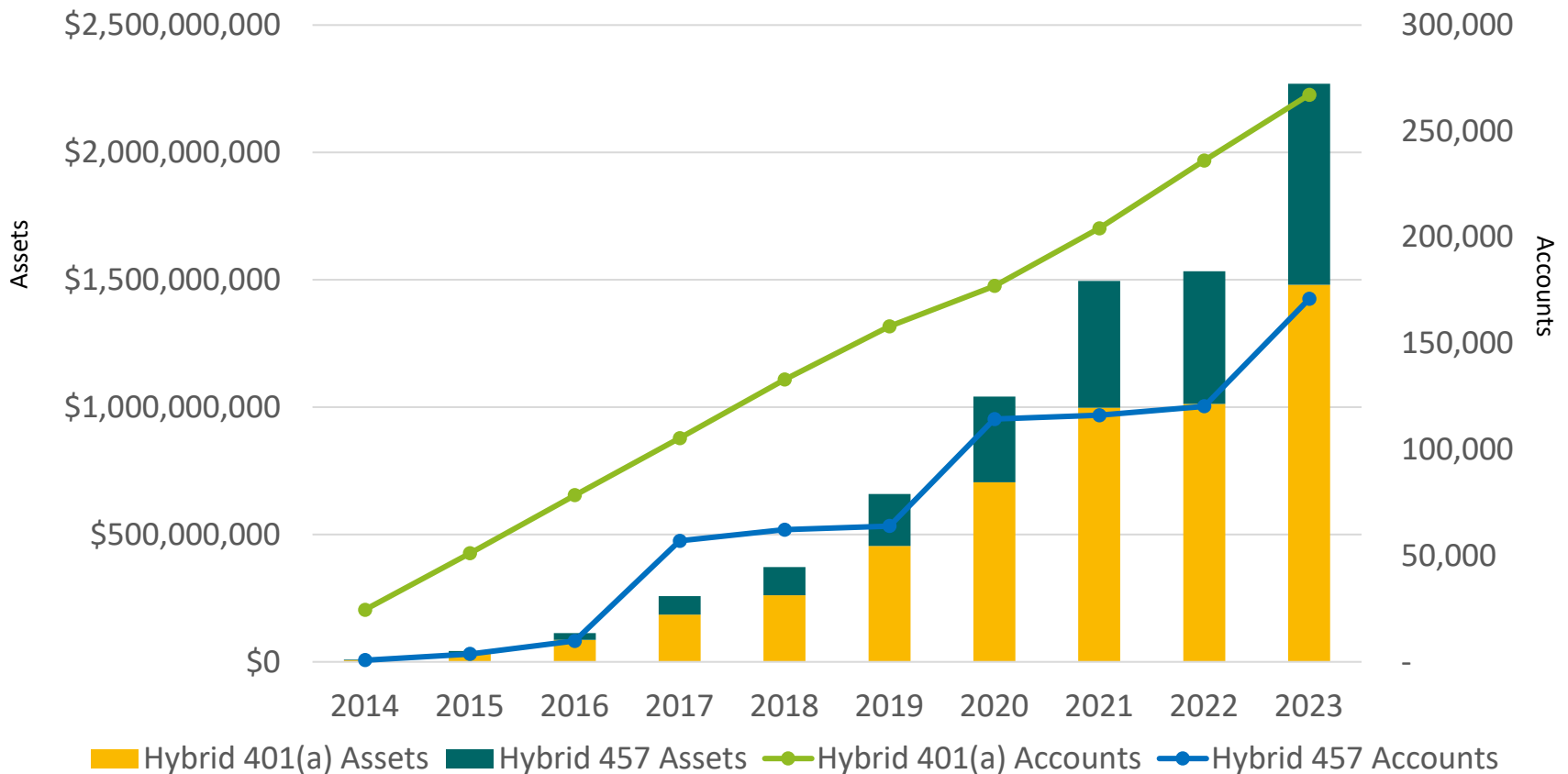
Totals as of 12/31/2023	Assets	Accounts	Assets ↑ 9% since September 30, 2023
COV 457	\$4,324,726,377	90,634	
Cash Match	\$619,838,705	74,036	



Hybrid Retirement Plan Assets and Accounts (DC only)

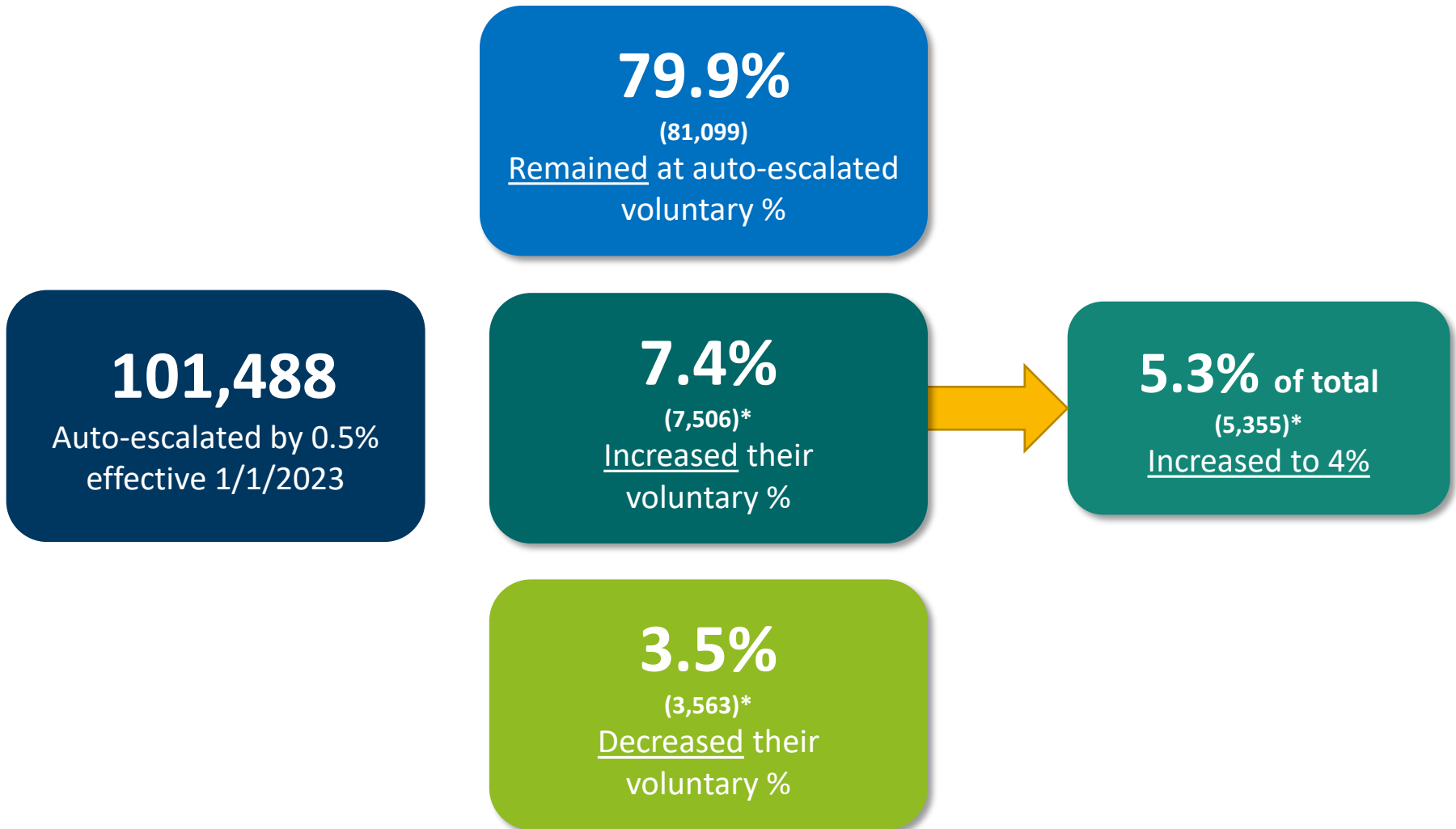


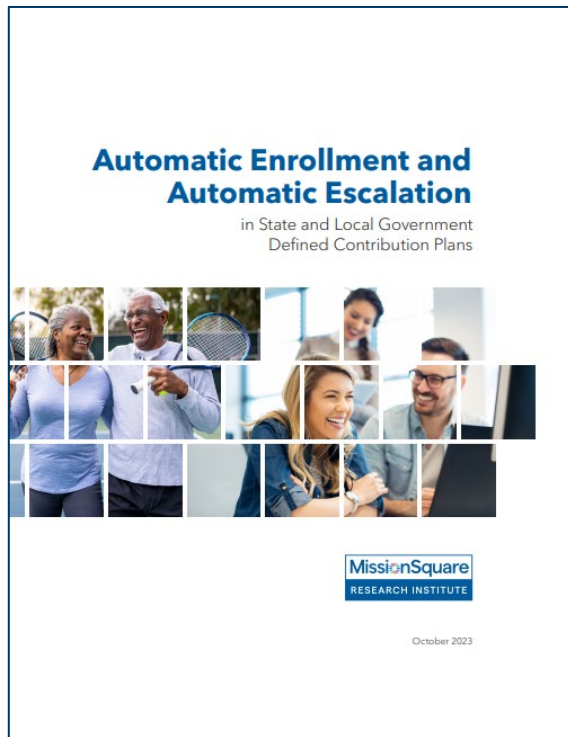
Totals as of 12/31/2023	Assets	Accounts	Assets ↑ 17% Accounts ↑ 2% since September 30, 2023
Hybrid 401(a)	\$1,480,399,618	267,113	
Hybrid 457	\$788,950,502	170,992	



Note: All data reflects totals as of calendar year end and includes MissionSquare participant, beneficiary & forfeiture accounts.

2023 Auto-Escalation Status





Highlighting the success of automatic features in governmental defined contribution plans.

Featuring Virginia Retirement System and several other peer plans.

- Automatic Enrollment in the COV 457 Plan.
- Automatic Escalation in the Hybrid 457 Plan.

Lessons learned* across multiple case studies.

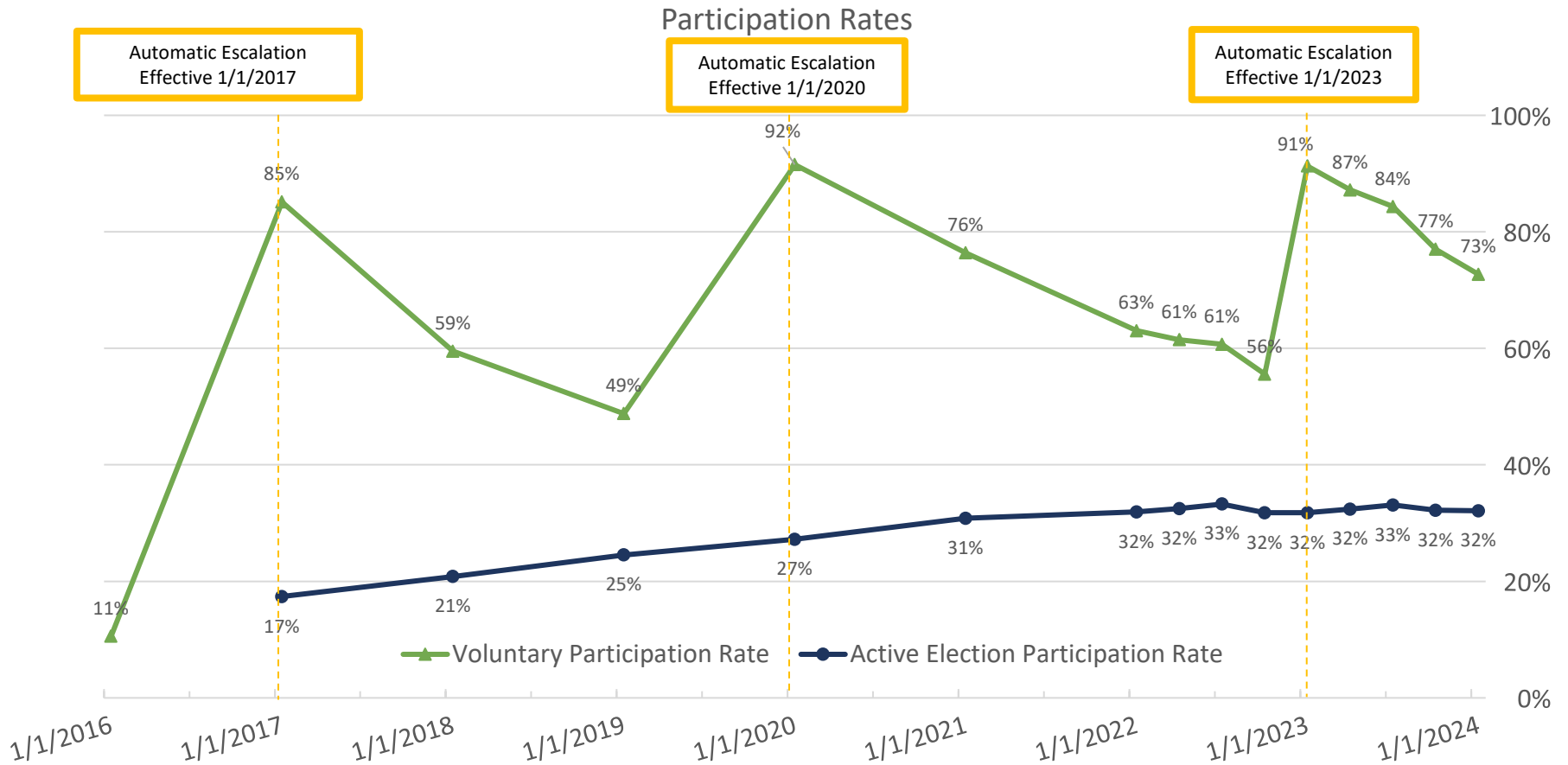
- Automatic features **improve** retirement savings.
- Understanding the various elements of the plan sponsor **environment** is critical.
- Using **data** to monitor the impact of plan features.
- Combining **matching contributions** with automatic features is impactful.
- **Education** is a critical component of automatic features.

*[Automatic Enrollment and Automatic Escalation in State and Local Government Defined Contribution Plans \(missionsq.org\)](https://missionsq.org)

Hybrid 457 Plan

Voluntary Participation Rate*

As of 01/01/2024, 73% of Hybrid Retirement Plan members (128,852 out of 177,176) have a voluntary contribution percentage with MissionSquare Retirement. 32% made an Active Election**.



*All data except for current year is as of 1/1 and represents elections made during Q4 of the prior year.

**Includes members who had a self-selected voluntary election on file prior to the automatic escalation that occurred on 12/15/2022.

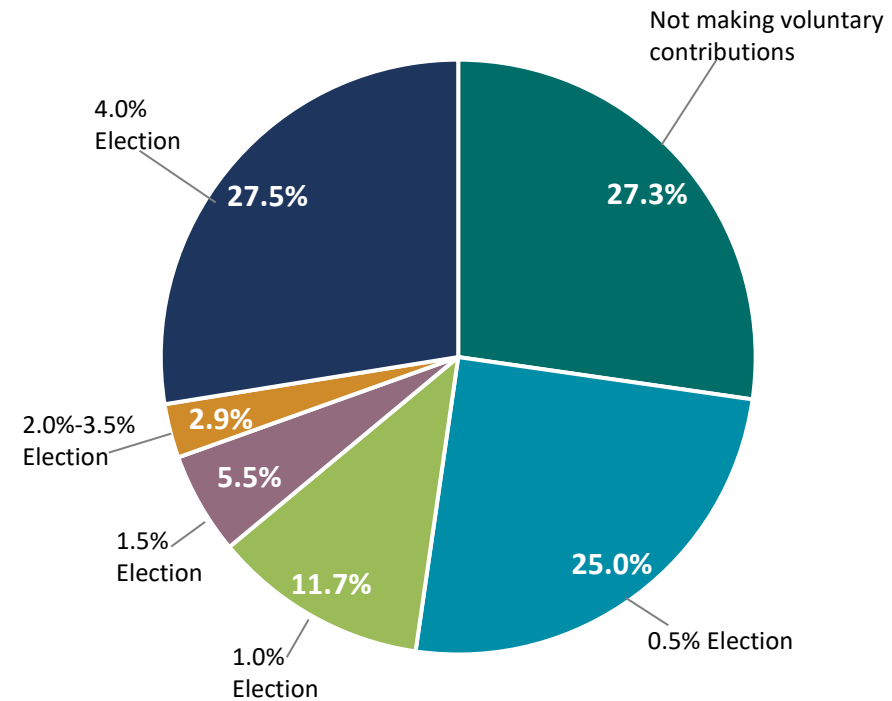
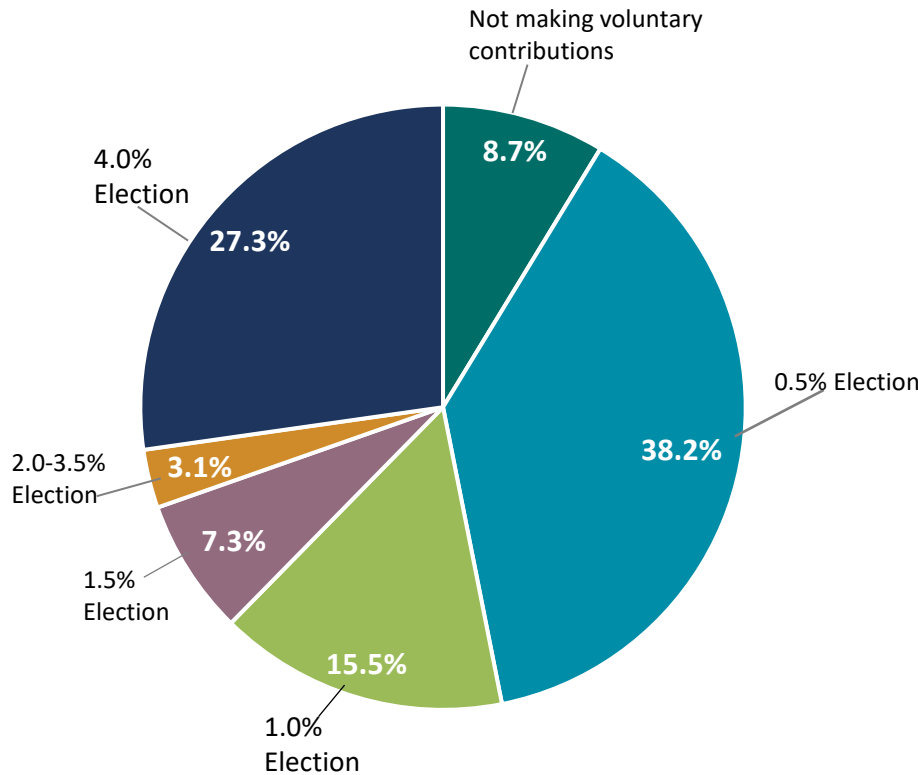
Hybrid Retirement Plan Voluntary Contribution Elections

Voluntary contribution percentages for active hybrid plan members

Effective January 1, 2023



Effective January 1, 2024



Voluntary Contribution Percentages

0.0% 0.5% 1.0% 1.5% 2.0-3.5% 4.0%

Communications Highlights

Hybrid Retirement Plan



VRS Quarterly Contribution Campaign



Not making voluntary contributions

Don't Miss Out on the Match
Quarterly Deadline Soon!


Hello VRS Hybrid Member,

We noticed you're not making voluntary contributions to your Hybrid 457 Deferred Compensation Plan account. That means you're missing out on the employer match!

Your employer will contribute up to 2.5% of your paycheck amount when you contribute the maximum 4%.

December 15 is the next quarterly deadline for making voluntary contribution changes, which must be received by 4 p.m. ET. Log into Account Access to take full advantage of the match!

[Take Action Now](#)



Calculate the Impact on Your Paycheck
[Learn How](#)

Questions? Contact your [DC Plans Specialist](#) for assistance with your contribution strategy.

DCP
Virginia Retirement System

Virginia Retirement System, P.O. Box 2500, Richmond, VA 23218-2500, VRS-DC-PLAN1, website: [vrs.virginia.gov/dcp](#)
RT: 63816-1223

Not maximizing voluntary contribution

Don't Miss Out on the Match
Quarterly Deadline Approaching!


Hello VRS Hybrid Member,

We noticed you're not maximizing voluntary contributions to your Hybrid 457 Deferred Compensation Plan account. That means you're missing out on the full employer matching contributions offered through your plan!

Did you know hybrid members may contribute up to 4% of their paycheck amount to receive up to 2.5% in matching employer contributions?

December 15 is the next quarterly deadline for making voluntary contribution changes, which must be received by 4 p.m. ET. Log into Account Access to take full advantage of the match!

[Take Action Now](#)



Get the Full Match
[Learn How](#)

Questions? Contact your [DC Plans Specialist](#) for assistance with your contribution strategy.

DCP
Virginia Retirement System

Virginia Retirement System, P.O. Box 2500, Richmond, VA 23218-2500, VRS-DC-PLAN1, website: [vrs.virginia.gov/dcp](#)

Maximizing voluntary contributions and eligible for the COV 457 Plan


Maximize Your Retirement Saving!

Hello VRS Hybrid Member,

Congratulations! You're taking an active role in saving for retirement, contributing to your Hybrid 457 Deferred Compensation Plan account and taking advantage of employer matching contributions. Contributing 4% to receive your 2.5% in employer matching contributions is a great start, and can help you pay less in taxes now, too.

Did you know you can save even more for retirement in a supplemental plan? If your employer offers the Commonwealth of Virginia 457 Plan, you can log in now to save additional money toward your future!

[Take Action Now](#)



SmartStep Your Way to a Better Retirement
[Learn How](#)

Questions? Contact your [DC Plans Specialist](#) for assistance with your contribution strategy.

DCP
Virginia Retirement System

Virginia Retirement System, P.O. Box 2500, Richmond, VA 23218-2500, VRS-DC-PLAN1, website: [vrs.virginia.gov/dcp](#)
RT: 63816-1223

- Targeted emails based on current Hybrid Retirement Plan voluntary contribution rates.
- Open rates and click rates consistently surpassed industry standards for all versions.

Over 3,400 increases occurred in 2023 following the email campaign.



Administrative Summary

ORPHE

ORPHE Totals*			
	9/30/2023	12/31/2023	% Change
Assets	\$1,162,042,327	\$1,244,985,416	6.7%
Participants	10,604	10,588	-0.2%
Average Balance	\$109,585	\$117,585	7.3%



DCP	
	12/31/2023
Assets	\$165,773,672
Participants	2,311
Average Balance	\$71,732

29% of new hires through Q4 2023 elected DCP as their provider.



TIAA**	
	12/31/2023
Assets	\$1,079,211,744
Participants	8,277
Average Balance	\$130,387

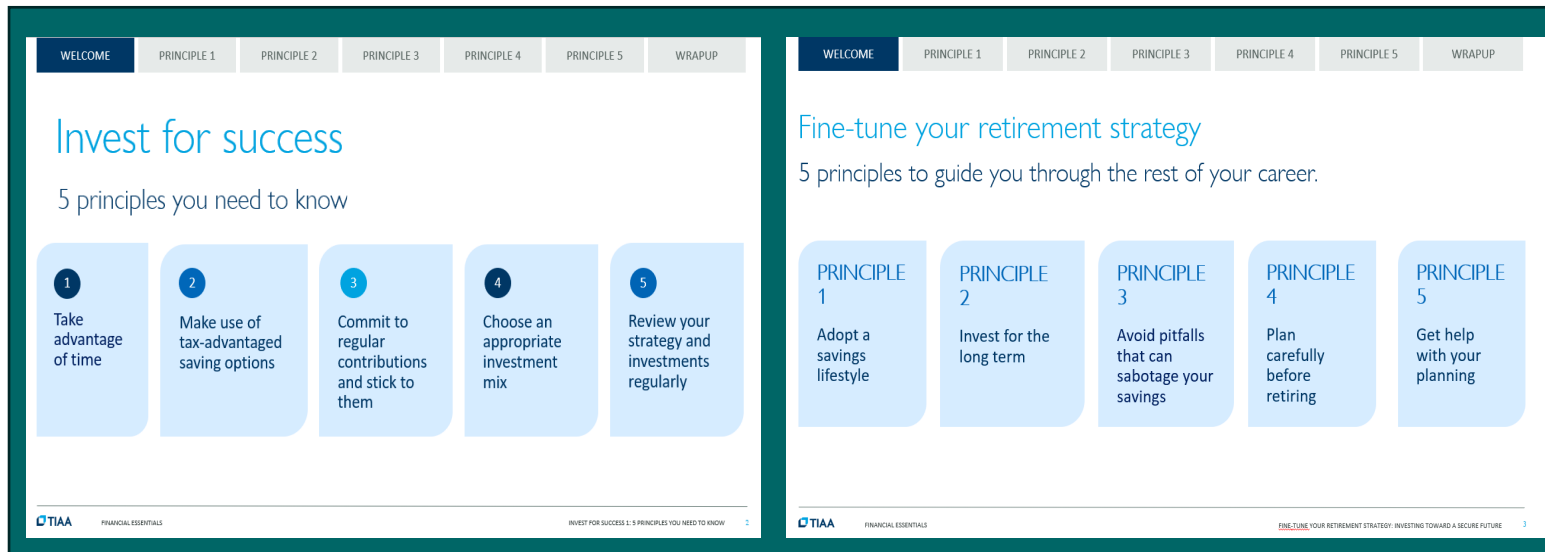
71% of new hires through Q4 2023 elected TIAA as their provider.

*Excludes deselected providers.

**Includes assets in GRA/RA and RC contracts.

TIAA Spring Campaign

- Email, postcard mailer.
- Custom co-branded URL tiaa.org/VRswebinars, which allows us to highlight myVRS Financial Wellness in addition to TIAA resources.
- Focused webinar content based on participant's age.



The image displays two screenshots of TIAA webinar content. Both screenshots feature a navigation bar at the top with tabs for 'WELCOME', 'PRINCIPLE 1', 'PRINCIPLE 2', 'PRINCIPLE 3', 'PRINCIPLE 4', 'PRINCIPLE 5', and 'WRAPUP'. The left screenshot is titled 'Invest for success' and lists 5 principles. The right screenshot is titled 'Fine-tune your retirement strategy' and lists 5 principles.

Invest for success
5 principles you need to know

- 1 Take advantage of time
- 2 Make use of tax-advantaged saving options
- 3 Commit to regular contributions and stick to them
- 4 Choose an appropriate investment mix
- 5 Review your strategy and investments regularly

Fine-tune your retirement strategy
5 principles to guide you through the rest of your career.

- 1 Adopt a savings lifestyle
- 2 Invest for the long term
- 3 Avoid pitfalls that can sabotage your savings
- 4 Plan carefully before retiring
- 5 Get help with your planning

TIAA FINANCIAL ESSENTIALS INVEST FOR SUCCESS: 5 PRINCIPLES YOU NEED TO KNOW 2

TIAA FINANCIAL ESSENTIALS FINE-TUNE YOUR RETIREMENT STRATEGY: INVESTING TOWARD A SECURE FUTURE 3



Ongoing

- Voya Requirements

Spring 2024

- TIAA ORPHE Campaign

Summer 2024

- Escheatment provisions effective
- Hybrid Rate Separation
- SDBA Roth segregation (Schwab)
- Voya employer outreach begins

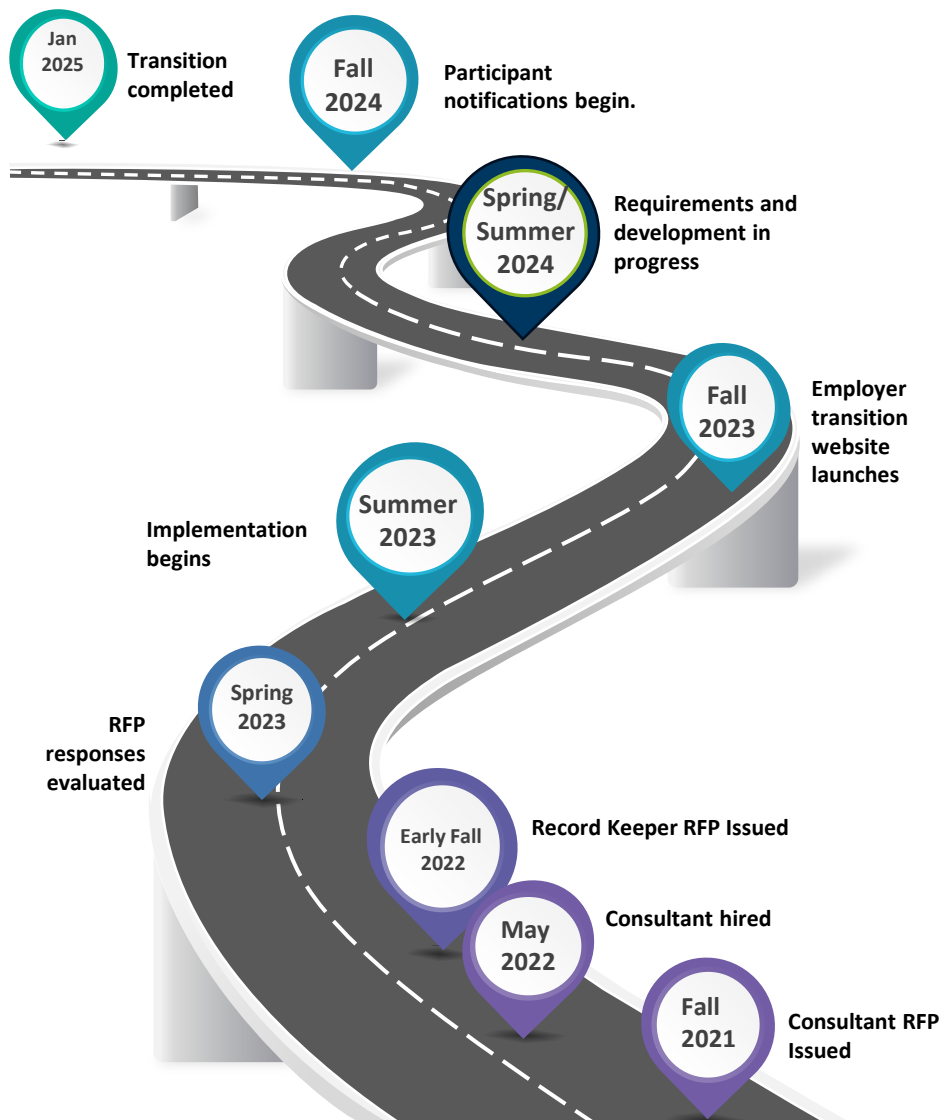
Participant Reminders and Notifications

- Newsletter
 - Keeping your beneficiary information current
 - Review your Investment Strategy
 - Hybrid Learning Channel



- Statements
 - 2024 contribution limits
 - Education and counseling reminders

Unbundled Record Keeper Contract











Project Status

- Overall status is **GREEN**.
- Although a few areas are slightly delayed including custom reporting.

Milestones

- **Contract** – In progress
- **Employer transition website** – Launched December 2023
- **Finalized conversion timeline** – January 2, 2025
- **Finalize project plan** – In progress
- **Initial requirements completed** – In progress

Overall Project Status

Swim lane	Overall Status	Highlights
Administration		<ul style="list-style-type: none"> •Contract in progress •ADRO process in review (pending decision) •Pending plan document updates
Investments		<ul style="list-style-type: none"> •Finalizing VRSIP requirements •Tracking grid created •Managed accounts/advice in review (pending decision)
Communications		<ul style="list-style-type: none"> •Content mapping of existing websites in progress •Dedicated Communications Consultant hired
Call Center		<ul style="list-style-type: none"> •Swim lane kicked off in February
Local Office		<ul style="list-style-type: none"> •Finalized plans to locate local field staff in VRS space, as opposed to a separate location
Interfaces		<ul style="list-style-type: none"> •Requirements review completed for all interface files •Employer outreach plan in development
Operational Readiness		<ul style="list-style-type: none"> •Sample forms under review at VRS •Custom report requirements delayed to 3/15/24 •Standard reports under review at VRS
Plan Set-Up/Conversion		<ul style="list-style-type: none"> •Initial plan set-up documents reviewed •Initial test data file received from MissionSquare •Detailed project plan delayed

Thank you!

DC Plans Investments

March 14, 2024





January 31, 2024 Performance



Defined Contribution Plans Advisory Committee Report
Unbundled Plans Investment Performance

Below are the totals for the period ending January 31, 2024. Returns greater than one year are annualized.

Investment Options	1 Month	3 Months	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs / Since Inception ¹	Fund Expense Ratio ²	Inception Date	Market Value	% of Market Value ²⁵	% of Participants Selecting an Option ²⁶
	%	%	%	%	%	%	%	%		\$	%	%
Do-It-For-Me: Target Date Portfolios^{3,4}												
Retirement Portfolio	-0.15	10.53	-0.15	5.88	0.55	4.77	4.45	0.06	8/1/05	376,443,090	5.1	4.2
Custom Benchmark	-0.12	10.73	-0.12	6.03	0.61	4.77	4.43					
Target Date 2025 Portfolio	-0.18	11.01	-0.18	6.32	1.20	5.49	5.36	0.06	7/5/06	368,381,777	5.0	5.5
Custom Benchmark	-0.13	11.20	-0.13	6.48	1.24	5.48	5.32					
Target Date 2030 Portfolio	-0.19	12.08	-0.19	7.81	2.32	6.54	6.15	0.06	8/1/05	434,682,141	5.8	7.6
Custom Benchmark	-0.11	12.38	-0.11	8.05	2.39	6.54	6.09					
Target Date 2035 Portfolio	-0.18	12.95	-0.18	9.22	3.37	7.53	6.87	0.06	7/5/06	470,345,122 ²²	6.3	9.0
Custom Benchmark	-0.05	13.31	-0.05	9.51	3.43	7.52	6.80					
Target Date 2040 Portfolio	-0.16	13.80	-0.16	10.62	4.34	8.42	7.52	0.06	8/1/05	419,530,976	5.6	9.2
Custom Benchmark	0.00	14.21	0.00	10.94	4.38	8.41	7.43					
Target Date 2045 Portfolio	-0.14	14.56	-0.14	11.92	5.18	9.19	8.04	0.06	7/5/06	417,281,746	5.6	10.5
Custom Benchmark	0.05	15.01	0.05	12.27	5.21	9.16	7.93					
Target Date 2050 Portfolio	-0.10	14.91	-0.10	12.81	5.67	9.62	8.31	0.06	9/30/07	426,017,495	5.7	12.0
Custom Benchmark	0.11	15.38	0.11	13.17	5.68	9.58	8.20					
Target Date 2055 Portfolio	-0.08	14.90	-0.08	13.09	5.78	9.71	8.38	0.06	5/19/10	502,599,459	6.8	15.5
Custom Benchmark	0.15	15.40	0.15	13.47	5.81	9.69	8.28					
Target Date 2060 Portfolio	-0.08	14.92	-0.08	13.10	5.78	9.71	8.06	0.06	11/17/14	281,942,321	3.8	13.5
Custom Benchmark	0.15	15.42	0.15	13.48	5.81	9.69	7.95					
Target Date 2065 Portfolio	-0.08	14.94	-0.08	13.13	5.78	n/a	9.17	0.06	9/23/19	49,849,053	0.7	6.1
Custom Benchmark	0.15	15.43	0.15	13.48	5.81	n/a	9.23					
Help-Me-Do-It: Individual Options												
Money Market Fund ^{5,6}	0.47	1.41	0.47	5.47	2.61	2.13	1.47	0.08	11/1/99	134,520,596	1.8	1.7
FTSE 3 Month Treasury Bill Index	0.47	1.40	0.47	5.36	2.40	1.97	1.30					
Yield as of 01/31/24: 5.54% ⁷												
Stable Value Fund ^{8,9}	0.26	0.78	0.26	2.96	2.01	2.14	1.94	0.24	2/1/95	624,112,861	8.4	5.5
Custom Benchmark ¹⁰	0.37	1.15	0.37	4.71	2.96	2.31	2.05					
Yield as of 01/31/24: 3.17% ¹¹												
Bond Fund ¹²	-0.19	8.23	-0.19	2.14	-3.14	0.88	1.69	0.03	11/1/99	155,001,209	2.1	2.6
Bloomberg U.S. Aggregate Bond Index	-0.27	8.23	-0.27	2.10	-3.17	0.83	1.63					
Inflation-Protected Bond Fund ¹³	0.35	5.68	0.35	2.29	-1.01	2.98	2.32	0.03	7/30/02	52,447,754	0.7	1.2
Bloomberg U.S. TIPS Index	0.18	5.66	0.18	2.21	-1.05	2.91	2.24					
High-Yield Bond Fund ¹⁴	-0.24	7.02	-0.24	6.81	2.26	4.36	4.64	0.39	5/31/04	52,585,504	0.7	1.5
ICE BofA U.S. High-Yield BB-B Constrained Index	0.08	8.25	0.08	8.73	1.73	4.30	4.47					
Stock Fund ¹⁵	1.68	16.01	1.68	20.82	11.00	14.32	12.65	0.01	11/1/99	1,761,920,708	23.7	8.4
S&P 500 Index	1.68	16.01	1.68	20.82	10.99	14.30	12.62					
Small/Mid-Cap Stock Fund ¹⁶	-2.61	17.56	-2.61	4.12	2.59	8.75	8.42	0.02	11/1/99	435,142,014	5.9	4.6
Russell 2500 Index	-2.62	17.53	-2.62	3.96	2.50	8.69	8.32					
International Stock Fund ¹⁷	-1.72	12.11	-1.72	4.77	1.01	5.43	4.35	0.06	11/1/99	211,228,146	2.8	3.8
MSCI ACWI ex-U.S. IMI Index ¹⁸	-1.09	13.52	-1.09	5.90	1.11	5.39	4.17					
Global Real Estate Fund ¹⁹	-4.25	15.87	-4.25	-2.86	0.88	0.68	4.03	0.08	10/1/02	89,720,838	1.2	2.4
FTSE EPRA/NAREIT Developed Index	-4.02	16.23	-4.02	-3.41	0.08	-0.11	3.18					
VRSIP ²⁰	2.69	4.91	10.23	10.23	7.40	9.53	7.74	0.63	7/1/08	63,110,596 ²³	0.9	0.4
VRS Custom Benchmark ²¹	2.11	5.21	13.40	13.40	4.56	7.79	6.69					
Do-It-Myself: Self-Directed Brokerage Account												
Schwab PCRA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	110,829,781	1.5	0.2
Total										\$7,437,693,187 ²⁴		

VRSIP and benchmark returns are reported with a one month lag. [Return information shown is as of December 31, 2023.] [Market value as of December 31, 2023 was \$64,669,697.]

Below benchmark return by 10 bps or more for index funds. Reasonable expectations due to typical sources of tracking for index funds including fair value pricing.

Excess over benchmark return by 10 bps or more for index funds and capital preservation funds. Reasonable expectations due to impact of typical sources of tracking for index funds including fair value pricing.

Results within reasonable expectations due to rising interest rate environment and nature of book value accounting.

Underperformance for an actively managed fund.

Excess performance for an actively managed fund.

- 1 If the fund was not in existence for 10 years, fund and corresponding benchmark returns shown represent performance from the since inception date.
- 2 Fund investment advisers may voluntarily agree to waive expenses. Expense waivers may be terminated at any time.
- 3 Effective February 2023, the Target Date Portfolios invest in units of BlackRock's LifePath Index Funds N. The LifePath Index Funds N invest in the master LifePath Index Funds F. The inception dates shown reflect that of the master LifePath Index Funds F. Prior to February 2023, the Target Date Portfolios invested in BlackRock's LifePath Index Funds O which also invested in the master LifePath Index Funds F. All performance returns are linked.
- 4 Benchmarks are calculated using blended returns of third-party indices that proportionately reflect the respective weightings of the Portfolios' asset classes. Weightings are adjusted quarterly to reflect the Portfolios' asset allocation shifts over time. Indices currently used to calculate the custom benchmarks are: Russell 1000 Index, Russell 2000 Index, MSCI ACWI ex-U.S. IMI Net Dividend Return Index, Bloomberg U.S. Long Credit Bond Index, Bloomberg U.S. Intermediate Credit Bond Index, Bloomberg U.S. Long Government Bond Index, Bloomberg U.S. Intermediate Government Bond Index, Bloomberg U.S. Securitized: MBS, ABS, and CMBS Index, Bloomberg U.S. TIPS Index, FTSE EPRA/NAREIT Developed Index and the Bloomberg Commodity Index Total Return.
- 5 The Money Market Fund invests in units of BlackRock's Short-Term Investment Fund W. The inception date shown reflects the VRS Defined Contribution Plan's investment strategy inception date. Returns of the Fund from July 2012 through July 2016 represent performance of other BlackRock funds. Performance returns are linked.
- 6 An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment it is possible to lose money by investing in the Fund.
- 7 The current yield more closely reflects the earnings of the Fund than the total net return information. There is no guarantee that the Fund will earn the current yield in the future.
- 8 The inception date shown reflects the VRS Defined Contribution Plans investment strategy inception date.
- 9 Direct transfers from the Stable Value Fund to the Money Market Fund (considered a "competing fund") are not permitted. Before transferring to the Money Market Fund, participants must first transfer to a "non-competing" fund for 90 days. Optional Retirement Plan for Higher Education (ORPHE) participants who want to make a direct exchange to another ORPHE provider, must first exchange to a "non-competing" fund on the MissionSquare Retirement investment platform for 90 days.
- 10 Effective August 2016, the benchmark represents a hypothetical return generated by the monthly yields of actively traded U.S. Treasuries based on [50% 2- year maturity + 50% 3- year maturity] plus an annualized spread of 0.25% and is representative of the Fund's expected return profile, given how the Fund is managed and book value accounting treatment. Prior to August 2016 the custom benchmark was based on the monthly yield of actively traded U.S. Treasuries with a 3-year maturity plus an annualized spread of 0.50%. The benchmark returns are linked.
- 11 The current yield more closely reflects the earnings of the Fund than the total net return information. There is no guarantee that the Fund will earn the current yield in the future.
- 12 The Bond Fund invests in units of BlackRock's U.S. Debt Index Fund M. The U.S. Debt Index Fund M invests in the master Fund F. The inception date shown reflects the VRS Defined Contribution Plans strategy inception date.
- 13 The Inflation-Protected Bond Fund invests in units of BlackRock's U.S. Treasury-Inflation Protected Securities Fund M. The U.S. Treasury Inflation-Protected Securities Fund M invests in the master Fund F. The inception date shown reflects the inception date of the master Fund F.
- 14 The High-Yield Bond Fund invests in units of JPMorgan's Corporate High-Yield Fund-Investment Class. The inception date shown reflects the date the current investment team at JPMorgan commenced management responsibility of the Fund.
- 15 The Stock Fund invests in units of BlackRock's Equity Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plans investment strategy inception date.
- 16 The Small/Mid-Cap Stock Fund invests in units of BlackRock's Russell 2500 Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for investment management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plans investment strategy date.
- 17 The International Stock Fund invests in units of BlackRock's MSCI ACWI ex-U.S. IMI Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for investment management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plan's investment strategy inception date. Returns from July 2012 through July 2016 represent performance of another BlackRock Fund. Performance returns are linked.
- 18 Effective August 2016, the performance benchmark is the MSCI ACWI ex-U.S. IMI Index. It was the MSCI World ex-U.S. Index from July 2012 through July 2016. The benchmark returns are linked.
- 19 The Global Real Estate Fund invests in units of BlackRock's Developed Real Estate Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for investment management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plans investment strategy inception date.
- 20 The inception date shown reflects the date the VRS Investment Portfolio (VRSIP) was unitized.
- 21 The VRS Custom Benchmark is a blend of the asset class benchmarks at policy weights.
- 22 Includes Pending Account VRSIP amount of \$1,141,236.
- 23 Includes Preliminary Investment Portfolio Account - PIP amount of \$0.
- 24 Includes \$7,575,817 held in the administrative Special Accounts.
- 25 May not equal 100% due to rounding.
- 26 The data reflects the percentage of participants who selected a particular investment option as of December 31, 2023. There were 605,592 participant accounts as of December 31, 2023 across all unbundled DC plans.

All fund performance returns shown reflect all fund management fees and expenses, but do not reflect the Plan administrative fee charged by MissionSquare Retirement which would further reduce the returns shown.

All calculations assume reinvestment of dividends and capital gains. All returns are calculated in U.S. dollars. Performance returns are provided by BlackRock, Galliard Capital Management, JPMorgan, Bank of New York Mellon, and MissionSquare Retirement. Benchmark returns are provided by BlackRock, Russell/Mellon Analytical Services, Galliard, and MissionSquare Retirement. Although data is gathered from sources believed to be reliable, we cannot guarantee completeness or accuracy.

Plan Administrative Fee: An annual record keeping and communication services fee of \$30.50 is deducted from participant accounts on a monthly basis (approximately \$2.54 per month). Only one annual fee of \$30.50 is deducted from participant accounts for those participants participating in more than one Commonwealth of Virginia defined contribution plan.

Defined Contribution Plans Advisory Committee Report

TIAA RC Contract Investment Performance

Below are the totals for the period ending January 31, 2024. Returns greater than one year are annualized.

Investment Options	1 Month	3 Months	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs / Since Inception ¹	Fund Expense Ratio ²	Inception Date	Market Value	% of Market Value ¹⁹	% of Participants Selecting an Option ²⁰
	%	%	%	%	%	%	%	%		\$	%	%
Target Date Portfolios^{3,4}												
BlackRock LifePath Index Retirement Fund N	-0.15	10.53	-0.15	5.88	0.57	4.78	4.47	0.06	8/1/05	23,090,715	5.7	7.1
Custom Benchmark	-0.12	10.73	-0.12	6.03	0.61	4.77	4.43					
BlackRock LifePath Index 2025 Fund N	-0.18	11.01	-0.18	6.32	1.21	5.50	5.38	0.06	7/5/06	20,574,592	5.1	6.5
Custom Benchmark	-0.13	11.20	-0.13	6.48	1.24	5.48	5.32					
BlackRock LifePath Index 2030 Fund N	-0.19	12.08	-0.19	7.81	2.33	6.55	6.17	0.06	8/1/05	33,625,530	8.3	8.5
Custom Benchmark	-0.11	12.38	-0.11	8.05	2.39	6.54	6.09					
BlackRock LifePath Index 2035 Fund N	-0.18	12.95	-0.18	9.22	3.38	7.54	6.89	0.06	7/5/06	28,522,656	7.0	9.0
Custom Benchmark	-0.05	13.31	-0.05	9.51	3.43	7.52	6.80					
BlackRock LifePath Index 2040 Fund N	-0.16	13.80	-0.16	10.62	4.35	8.44	7.54	0.06	8/1/05	31,910,322	7.9	9.9
Custom Benchmark	0.00	14.21	0.00	10.94	4.38	8.41	7.43					
BlackRock LifePath Index 2045 Fund N	-0.14	14.56	-0.14	11.92	5.19	9.21	8.05	0.06	7/5/06	27,761,993	6.9	10.4
Custom Benchmark	0.05	15.01	0.05	12.27	5.21	9.16	7.93					
BlackRock LifePath Index 2050 Fund N	-0.10	14.91	-0.10	12.81	5.68	9.63	8.32	0.06	9/30/07	17,729,479	4.4	8.4
Custom Benchmark	0.11	15.38	0.11	13.17	5.68	9.58	8.20					
BlackRock LifePath Index 2055 Fund N	-0.08	14.90	-0.08	13.09	5.80	9.73	8.40	0.06	5/19/10	9,419,782	2.3	6.7
Custom Benchmark	0.15	15.40	0.15	13.47	5.81	9.69	8.28					
BlackRock LifePath Index 2060 Fund N	-0.08	14.92	-0.08	13.10	5.80	9.72	8.07	0.06	11/17/14	2,631,465	0.7	3.6
Custom Benchmark	0.15	15.42	0.15	13.48	5.81	9.69	7.95					
BlackRock LifePath Index 2065 Fund N	-0.08	14.94	-0.08	13.13	5.79	n/a	9.19	0.06	9/23/19	5,305,001	1.3	2.2
Custom Benchmark	0.15	15.43	0.15	13.48	5.81	n/a	9.23					
Individual Options												
BlackRock Short-Term Investment Fund W ⁵	0.47	1.41	0.47	5.47	2.61	2.13	1.51	0.08	7/1/03	6,165,696	1.5	7.3
FTSE 3 Month Treasury Bill Index	0.47	1.40	0.47	5.36	2.40	1.97	1.30					
Yield as of 01/31/24: 5.54% ⁶												
BlackRock U.S. Debt Index Fund M ⁷	-0.19	8.23	-0.19	2.14	-3.14	0.88	1.69	0.03	6/6/96	10,315,255	2.5	17.2
Bloomberg U.S. Aggregate Bond Index	-0.27	8.23	-0.27	2.10	-3.17	0.83	1.63					
BlackRock U.S. TIPS Fund M ⁸	0.35	5.68	0.35	2.29	-1.01	2.98	2.32	0.03	7/30/02	5,372,245	1.3	11.8
Bloomberg U.S. TIPS Index	0.18	5.66	0.18	2.21	-1.05	2.91	2.24					
BlackRock Equity Index Fund J ⁹	1.68	16.01	1.68	20.82	10.99	14.32	12.65	0.02	3/5/97	50,543,020	12.5	24.0
S&P 500 Index	1.68	16.01	1.68	20.82	10.99	14.30	12.62					
BlackRock Russell 2500 Index Fund J ¹⁰	-2.61	17.56	-2.61	4.12	2.59	8.76	8.43	0.02	9/30/08	8,965,662	2.2	4.8
Russell 2500 Index	-2.62	17.53	-2.62	3.96	2.50	8.69	8.32					
BlackRock MSCI ACWI ex-U.S. IMI Index Fund M ¹¹	-1.72	12.10	-1.72	4.73	0.97	5.38	4.42	0.11	2/28/11	16,959,351	4.2	16.9
MSCI ACWI ex-U.S. IMI Index	-1.09	13.52	-1.09	5.90	1.11	5.39	4.30					
BlackRock MSCI ACWI IMI Index Non-Lendable Fund M ¹²	0.01	14.73	0.01	13.25	5.73	10.00	8.51	0.05	4/12/13	55,106,929	13.6	30.2
MSCI ACWI IMI Index	0.23	15.23	0.23	13.50	5.60	9.81	8.20					
TIAA Real Estate Account ¹³	-1.49	-5.28	-1.49	-14.26	2.56	2.39	4.62	0.87	10/2/95	10,965,300	2.7	25.6
Custom Composite Benchmark ¹⁴	n/a	n/a	n/a	n/a	n/a	n/a	n/a					
TIAA Traditional Annuity RC ^{15,16,17,18}	0.41	1.22	0.41	4.84	4.20	4.12	4.19	--- ²¹	8/1/05	34,759,579	8.6	27.6
Self-Directed Brokerage Account												
TIAA - Self-Directed Account	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,743,022	1.4	0.9
Total										\$405,467,594		

Footnotes >

Below benchmark return by 10 bps or more for index funds. Reasonable expectations due to typical sources of tracking for index funds including fair value pricing.

Excess over benchmark return by 10 bps or more for index funds and capital preservation funds. Reasonable expectations due to impact of typical sources of tracking for index funds including fair value pricing.

- 1 If the fund was not in existence for 10 years, fund and corresponding benchmark returns shown represent performance from the since inception date.
- 2 Fund investment advisers may voluntarily agree to waive expenses. Expense waivers may be terminated at any time.
- 3 The BlackRock LifePath Index Funds N invest in the master LifePath Index Funds F. The inception dates shown reflect the inception date of the master LifePath Funds F. The inception dates for most LifePath Funds N were 8/15/17. The 2065 Fund's N inception date was 11/15/19. Returns prior to Funds' N inception dates are those of Funds F with deductions taken for Funds N investment management fees.
- 4 Benchmarks are calculated using blended returns of third-party indices that proportionately reflect the respective weightings of the Portfolios' asset classes. Weightings are adjusted quarterly to reflect the Portfolios' asset allocation shifts over time. Indices currently used to calculate the custom benchmarks are: Russell 1000 Index, Russell 2000 Index, MSCI ACWI Ex-U.S. IMI Net Dividend Return Index, Bloomberg U.S. Long Credit Bond Index, Bloomberg U.S. Intermediate Credit Bond Index, Bloomberg U.S. Long Government Bond Index, Bloomberg U.S. Intermediate Government Bond Index, Bloomberg U.S. Securitized: MBS, ABS, and CMBS Index, Bloomberg U.S. TIPS Index, FTSE EPRA/NAREIT Developed Index and the Bloomberg Commodity Index Total Return.
- 5 An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment it is possible to lose money by investing in the Fund.
- 6 The current yield more closely reflects the earnings of the Fund than the total net return information.
- 7 The BlackRock U.S. Debt Fund M invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund M was 7/20/12. Returns prior to Fund M's inception date are those of Fund F with deductions taken for Fund M's investment management fees.
- 8 The BlackRock U.S. Treasury Inflation-Protected Securities Fund M invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund M was 7/20/12. Returns prior to Fund M's inception date are those of Fund F with deductions taken for Fund M' investment management fees.
- 9 The BlackRock Equity Index Fund J invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund J was 3/20/17. Returns prior to Fund J's inception date are those of Fund F with deductions taken for Fund J's investment management fees.
- 10 The BlackRock Russell 2500 Fund J invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund J was 10/15/21. Returns prior to Fund J's inception date are those of Fund F with deductions taken for Fund J's investment management fees.
- 11 The BlackRock MSCI ACWI ex-U.S. IMI Index Fund M invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund M was 12/31/12. Returns prior to Fund M's inception date are those of Fund F with deductions taken for Fund M's investment management fees.
- 12 The BlackRock MSCI ACWI IMI Index Non-Lendable Fund M invests in the master Fund F. Inception dates for the master Fund F and Fund M are both 4/12/13.
- 13 Transfers out of the TIAA Real Estate Account (REA) are limited to one per quarter. Currently, these transfers do not require a minimum transaction amount; however, in the future TIAA reserves the right, in its sole discretion, to impose minimum transaction levels, which levels will generally be at least \$1,000 (except for systematic transfers, which must be at least \$100) or your entire accumulation, if less. Participants may not make a lump-sum transfer into the REA if their aggregated balances across all contracts is greater than \$150,000. Systematic transfers and recurring contributions are not subject to this limitation.
- 14 Effective January 2014, the Custom Composite Index is 70% NCREIF Open End Diversified Core Equity (ODCE) Net Index, 20% Bloomberg 3-Month Treasury Bill Index, and 10% Dow Jones U.S. Select REIT Index. Prior periods include other representative indices. TIAA's investment management team does not manage its real estate portfolio to a specific published index benchmark. The Custom Composite Index represents a reasonable proxy of how TIAA allocates assets among real property, short-term investments, and REITs over time. The Virginia Retirement System anticipates that Fund returns may vary greatly from those of the Custom Composite Index. Benchmark returns are not available for months that do not end on a calendar quarter due to the fact that NCREIF ODCE Index returns are only published each calendar quarter.
- 15 Upon separation from service or retirement participants can convert their TIAA Traditional accumulation dollars amount to a lifetime income option or withdraw funds through a fixed period annuity ranging from five to 30 years or a Transfer Payout Annuity, which enables participants to move funds out of the TIAA Traditional Annuity in 7 annual installments for the Retirement Choice (RC) contract. Each installment includes a portion of principal and interest, based on the rate in effect when transfer or withdrawal funds are made. However, there are two exceptions to the payout installment. First, if the TIAA Traditional account balance is less than \$5,000, participants can transfer the total amount at any time following termination of employment, but only once during the life of the contract. Second, TIAA Traditional can be withdrawn or transferred to another company up to the full balance within 120 days following termination of employment, subject to 2.5% surrender charge. After the 120-day period, participants can withdraw funds only through a fixed period annuity ranging from five to 30 years or the Transfer Payout Annuity.
- 16 The TIAA Traditional Annuity RC contract has minimum guaranteed rate during the accumulation phase of 1% to 3% . The current minimum rate for the RC contract is 1%. Further, the TIAA Traditional Annuity RC contract applies to premiums deposited during the applicable calendar year and is guaranteed for 10 years, at which point the minimum rate for these premiums will be reset.
- 17 TIAA's annual credited rate on new money for the RC contract for the month of January was 6.25%.
- 18 The TIAA Traditional Annuity is not an investment for purposes of federal securities laws; it is a guaranteed insurance contract. Therefore, unlike a variable annuity or mutual fund, the TIAA Traditional Annuity does not include an identifiable expense ratio. Each premium allocated to the TIAA Traditional Annuity buys a definite amount of lifetime income for participants based on the rate schedule in effect at the time the premium is paid. In addition, the TIAA Traditional Annuity provides a guarantee of principle, a guaranteed minimum rate of interest and the potential for additional amounts of interest when declared by TIAA's Board of Trustees. Additional amounts, when declared, remain in effect for the "declaration year" that begins each March for the accumulating annuities and January for lifetime payout annuities. Additional amounts are not guaranteed for future years.
- 19 May not equal 100% due to rounding
- 20 The data reflects the percentage of participants who selected a particular investment option as of December 31, 2023. There were 5,391 (RC contract) participants as of December 31, 2023.
- 21 Effective July 2022, TIAA no longer provides an estimated expense ratio for its TIAA Traditional Annuity product.

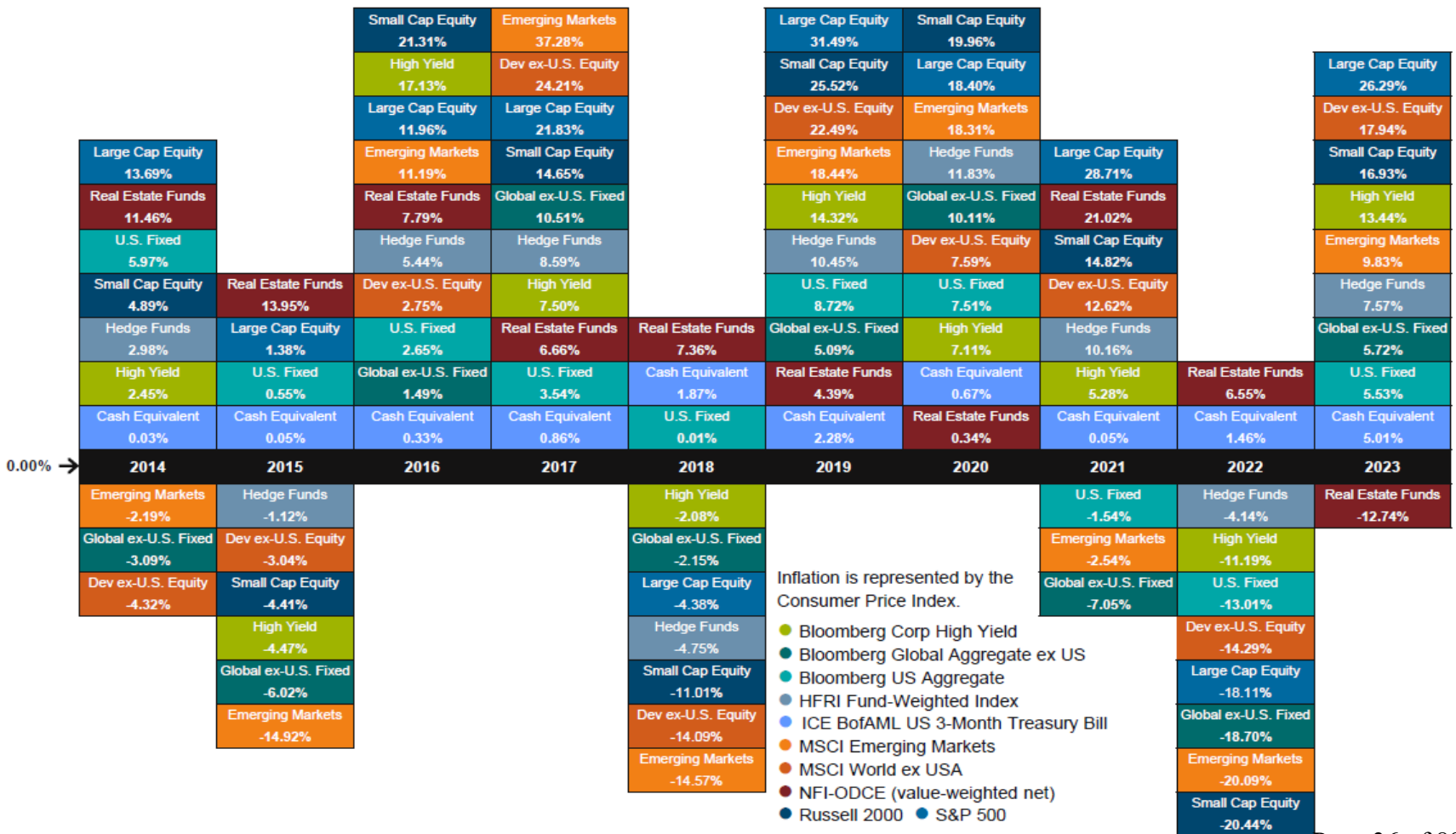
Performance returns shown reflect all fund management fees and other investment related expenses, but do not reflect the TIAA annual administrative fee of \$28 (deducted at \$7.00 per quarter) which would further reduce the returns shown. Performance returns do not reflect redemption fees and/or surrender charges, if applicable.

All calculations assume reinvestment of dividends and capital gains. All returns are calculated in U.S. dollars. Fund and benchmark returns are provided by TIAA and BlackRock. Although data is gathered from sources to be reliable, the Virginia Retirement System cannot guarantee completeness or accuracy.

Callan Institute Periodic Tables

Callan Periodic Table of Investment Returns (Relative to Zero)

Annual returns for key indices ranked in order of performance (2014–2023)

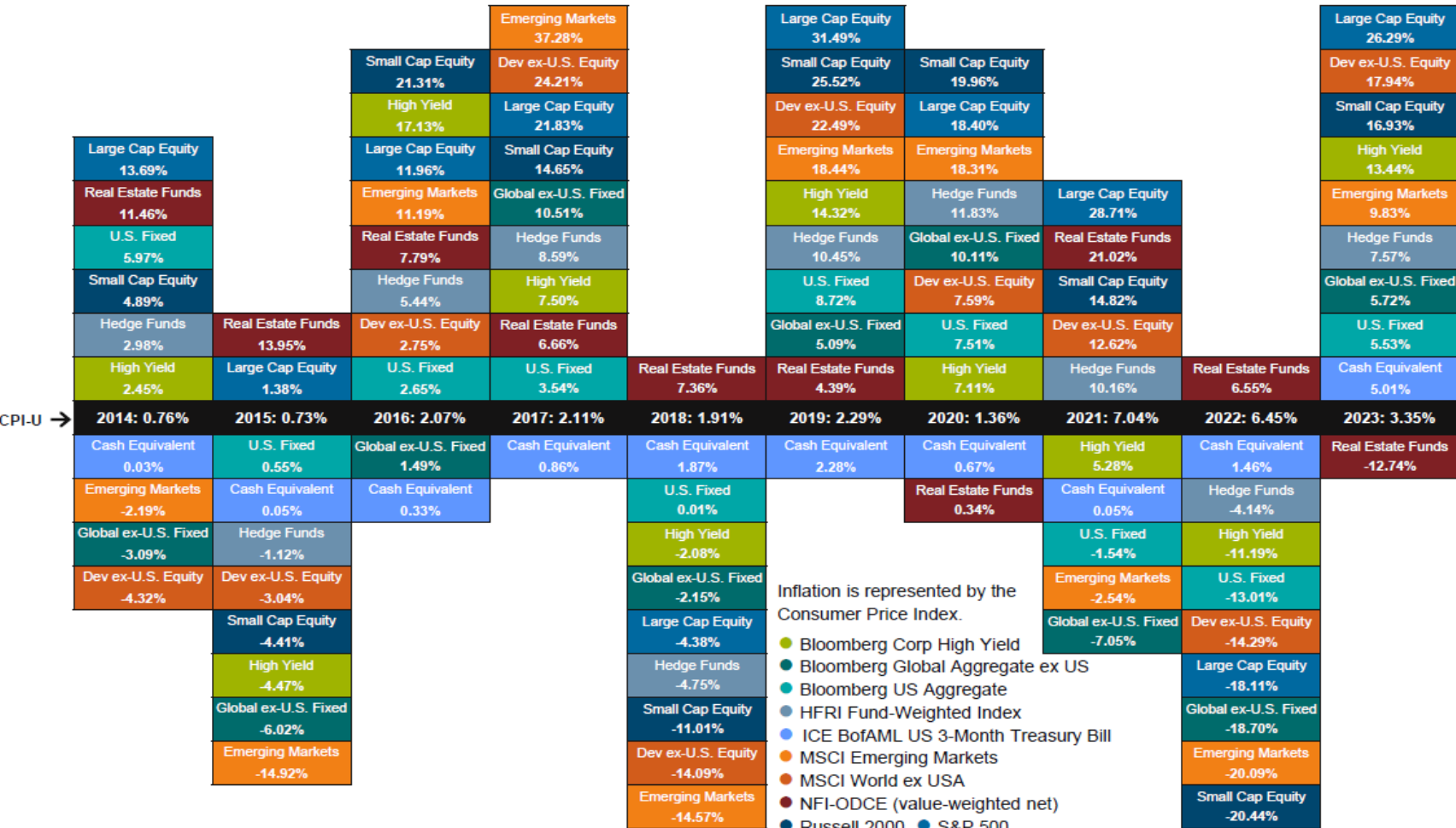


Callan Institute Periodic Tables



Callan Periodic Table of Investment Returns (Relative to Inflation)

Annual returns for key indices ranked in order of performance (2014–2023)



Review DC Investments Governing Documents

DC Investment Belief Statements

DC Investment Policy Statements

Retirement Income Solutions

Investment Advice & Managed Accounts



Approve amended and restated Plan Documents: Virginia 457 and Cash Match, Hybrid 457 and Cash Match, ORPHE, ORPPA, and ORPSS.

Requested Action

The Virginia Retirement System Board of Trustees approves the amended and restated (i) Commonwealth of Virginia 457 Deferred Compensation Plan, (ii) Virginia Cash Match Plan, (iii) Virginia Hybrid 457 Deferred Compensation Plan, (iv) Virginia Hybrid 401(a) Cash Match Plan, (v) Optional Retirement Plan of the Commonwealth of Virginia for Employees of Institutions of Higher Education, (vi) Optional Retirement Plan of the Commonwealth of Virginia for Political Appointees, and (vii) Optional Retirement Plan of the Commonwealth of Virginia for Public School Superintendents, effective July 1, 2024.

Description/Background

Currently, under Va. Code § 55.1-2544, funds or other property held or payable by the Virginia Retirement System (VRS) are not subject to the provisions of the Virginia Disposition of Unclaimed Property Act (Va. Code § 55.1-2500 et seq.). Under current plan documents, stale distribution checks from a VRS defined contribution plan, deferred compensation plan, or cash match plan that remain uncashed shall be forfeited to the respective plan after (i) 180 days if the check is for an amount less than \$10.00 and (ii) five years if the check is for an amount less than \$250.00. Uncashed checks for an amount of \$250.00 or more are not forfeited to the plan. If a participant is subsequently located, their benefit will be restored and a replacement check will be issued.

The Virginia General Assembly recently enacted legislation (HB 70 and SB 458) to amend Va. Code § 55.1-2544 to provide that any funds or other property held in a VRS defined contribution plan, deferred compensation plan, or cash match plan remaining unclaimed for more than five years shall be presumed abandoned. Such funds or other property may escheat to the State Treasury and be remitted to the State Treasurer in accordance with the provisions of the Act. The State Treasurer shall hold such funds or other property until it is claimed by a rightful claimant. Funds or other property held in a VRS defined benefit plan is not presumed abandoned regardless of how much time has passed and VRS retains such funds or other property.

The proposed amendments revise how stale distribution checks are treated in order to conform with HB 70 and SB 458. The proposed amendments amend the Plan Documents for the following plans:

- Commonwealth of Virginia 457 Deferred Compensation Plan;
- Virginia Cash Match Plan;
- Virginia Hybrid 457 Deferred Compensation Plan;
- Virginia Hybrid 401(a) Cash Match Plan;
- Optional Retirement Plan of the Commonwealth of Virginia for Employees of Institutions of Higher Education;
- Optional Retirement Plan of the Commonwealth of Virginia for Political Appointees; and
- Optional Retirement Plan of the Commonwealth of Virginia for Public School Superintendents.

Authority for Requested Action

Va. Code § 51.1-124.22(8) authorizes the Board to make determinations necessary to carry out the provisions of Title 51.1 of the *Code of Virginia*, and Va. Code § 51.1-124.22(10) requires the Board to adopt rules and policies that bring the Retirement System into compliance with any applicable law or regulation of the Commonwealth of Virginia or the United States.

The above action is approved.

A. Scott Andrews, Chairman
VRS Board of Trustees

Date

**SECOND AMENDMENT TO THE
COMMONWEALTH OF VIRGINIA 457 DEFERRED COMPENSATION PLAN**

(As Amended and Restated Effective January 1, 2021)

The Board of Trustees of the Virginia Retirement System (“Board”) has the authority to amend the Commonwealth of Virginia 457 Deferred Compensation Plan (“Plan”) in accordance with Section 51.1-600 *et seq.* of the Code of Virginia and Section 16.01 of the Plan. In accordance with such authority, the Board hereby amends the Plan, effective as of the dates stated herein, to reflect certain required amendments contained HB 70 and SB 458, which passed during the 2024 Session of the General Assembly and become effective July 1, 2024.

1. As soon as administratively practicable on or after July 1, 2024, Section 17.07, addressing Missing or Lost Participants, is hereby amended to be and read as follows:

Section 17.07. Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include: (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Participating Employer's records or the records of another plan maintained by the Participating Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them. In the event that the Administrator is unable to locate a Participant or Beneficiary entitled to benefits under the Plan after reasonable attempts, the Trustee shall continue to hold the benefits due to such person under the Plan except as otherwise provided in Section 17.08.

2. As soon as administratively practicable on or after July 1, 2024, Section 17.08, addressing Stale Distribution Checks, is hereby amended to be and read as follows:

Section 17.08. Stale Distribution Checks. A distribution check ~~for an amount less than \$10.00 shall be forfeited if it remains uncashed 180 days following its issuance. A distribution check for an amount less than \$250.00 shall be forfeited if it that~~ remains uncashed five years following its issuance shall be remitted to the State Treasurer in accordance with the provisions of the Virginia Disposition of Unclaimed Property Act (Va. Code § 55.1-2500 et seq.). ~~If a Participant is subsequently located, his or her benefit will be restored and a replacement check will be issued, but no earnings will be paid for the time that the check was outstanding. All forfeitures under this Section 17.08 shall be held in a separate account under the Plan and shall~~

~~be used to reduce Plan expenses or to restore benefits to Participants who have been located under this Section.~~

3. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed this amendment to the Plan this _____ day of _____, 2024.

BOARD OF TRUSTEES OF THE VIRGINIA RETIREMENT SYSTEM

By: _____

Printed Name: _____

Title: _____

Date: _____

**FIRST AMENDMENT TO THE
VIRGINIA CASH MATCH PLAN**

(As Amended and Restated Effective January 1, 2021)

The Board of Trustees of the Virginia Retirement System (“Board”) has the authority to amend the Virginia Cash Match Plan (“Plan”) in accordance with Section 51.1-600 *et seq.* of the Code of Virginia and Section 16.01 of the Plan. In accordance with such authority, the Board hereby amends the Plan, effective as of the dates stated herein, to reflect certain required amendments contained HB 70 and SB 458, which passed during the 2024 Session of the General Assembly and become effective July 1, 2024.

1. As soon as administratively practicable on or after July 1, 2024, Section 17.07, addressing Missing or Lost Participants, is hereby amended to be and read as follows:

Section 17.07. Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include: (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Participating Employer's records or the records of another plan maintained by the Participating Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them. In the event that the Administrator is unable to locate a Participant or Beneficiary entitled to benefits under the Plan after reasonable attempts, the Trustee shall continue to hold the benefits due to such person under the Plan except as otherwise provided in Section 17.08.

2. As soon as administratively practicable on or after July 1, 2024, Section 17.08, addressing Stale Distribution Checks, is hereby amended to be and read as follows:

Section 17.08. Stale Distribution Checks. A distribution check ~~for an amount less than \$10.00 shall be forfeited if it remains uncashed 180 days following its issuance. A distribution check for an amount less than \$250.00 shall be forfeited if it that~~ remains uncashed five years following its issuance shall be remitted to the State Treasurer in accordance with the provisions of the Virginia Disposition of Unclaimed Property Act (Va. Code § 55.1-2500 et seq.). ~~If a Participant is subsequently located, his or her benefit will be restored and a replacement check will be issued, but no earnings will be paid for the time that the check was outstanding. All forfeitures under this Section 17.08 shall be held in a separate account under the Plan, and shall~~

~~be used to reduce Plan expenses or to restore benefits to Participants who have been located under this Section.~~

3. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed this amendment to the Plan this _____ day of _____, 2024.

BOARD OF TRUSTEES OF THE VIRGINIA RETIREMENT SYSTEM

By: _____

Printed Name: _____

Title: _____

Date: _____

**FIRST AMENDMENT TO THE
VIRGINIA HYBRID 457 DEFERRED COMPENSATION PLAN**

(As Amended and Restated Effective January 1, 2021)

The Board of Trustees of the Virginia Retirement System (“Board”) has the authority to amend the Virginia Hybrid 457 Deferred Compensation Plan (“Plan”) in accordance with Section 51.1-600 *et seq.* of the Code of Virginia and Section 16.01 of the Plan. In accordance with such authority, the Board hereby amends the Plan, effective as of the dates stated herein, to reflect certain required amendments contained HB 70 and SB 458, which passed during the 2024 Session of the General Assembly and become effective July 1, 2024.

1. As soon as administratively practicable on or after July 1, 2024, Section 17.07, addressing Missing or Lost Participants, is hereby amended to be and read as follows:

Section 17.07. Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include: (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Participating Employer's records or the records of another plan maintained by the Participating Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them. In the event that the Administrator is unable to locate a Participant or Beneficiary entitled to benefits under the Plan after reasonable attempts, the Trustee shall continue to hold the benefits due to such person under the Plan except as otherwise provided in Section 17.08.

2. As soon as administratively practicable on or after July 1, 2024, Section 17.08, addressing Stale Distribution Checks, is hereby amended to be and read as follows:

Section 17.08. Stale Distribution Checks. A distribution check ~~for an amount less than \$10.00 shall be forfeited if it remains uncashed 180 days following its issuance. A distribution check for an amount less than \$250.00 shall be forfeited if it that~~ remains uncashed five years following its issuance shall be remitted to the State Treasurer in accordance with the provisions of the Virginia Disposition of Unclaimed Property Act (Va. Code § 55.1-2500 et seq.). ~~If a Participant is subsequently located, his or her benefit will be restored and a replacement check will be issued, but no earnings will be paid for the time that the check was outstanding. All forfeitures under this Section 17.08 shall be held in a separate account under the Plan, and shall~~

~~be used to reduce Plan expenses or to restore benefits to Participants who have been located under this Section.~~

3. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed this amendment to the Plan this _____ day of _____, 2024.

**BOARD OF TRUSTEES OF THE
VIRGINIA RETIREMENT SYSTEM**

By: _____

Printed Name: _____

Title: _____

Date: _____

**FIRST AMENDMENT TO THE
VIRGINIA HYBRID 401(a) CASH MATCH PLAN**

(As Amended and Restated Effective January 1, 2021)

The Board of Trustees of the Virginia Retirement System (“Board”) has the authority to amend the Virginia Hybrid 401(a) Cash Match Plan (“Plan”) in accordance with Section 51.1-600 *et seq.* of the Code of Virginia and Section 16.01 of the Plan. In accordance with such authority, the Board hereby amends the Plan, effective as of the dates stated herein, to reflect certain required amendments contained HB 70 and SB 458, which passed during the 2024 Session of the General Assembly and become effective July 1, 2024.

1. As soon as administratively practicable on or after July 1, 2024, Section 17.07, addressing Missing or Lost Participants, is hereby amended to be and read as follows:

Section 17.07. Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include: (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Participating Employer's records or the records of another plan maintained by the Participating Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them. In the event that the Administrator is unable to locate a Participant or Beneficiary entitled to benefits under the Plan after reasonable attempts, the Trustee shall continue to hold the benefits due to such person under the Plan except as otherwise provided in Section 17.08.

2. As soon as administratively practicable on or after July 1, 2024, Section 17.08, addressing Stale Distribution Checks, is hereby amended to be and read as follows:

Section 17.08. Stale Distribution Checks. A distribution check ~~for an amount less than \$10.00 shall be forfeited if it remains uncashed 180 days following its issuance. A distribution check for an amount less than \$250.00 shall be forfeited if it that~~ remains uncashed five years following its issuance shall be remitted to the State Treasurer in accordance with the provisions of the Virginia Disposition of Unclaimed Property Act (Va. Code § 55.1-2500 et seq.). ~~If a Participant is subsequently located, his or her benefit will be restored and a replacement check will be issued, but no earnings will be paid for the time that the check was outstanding. All forfeitures under this Section 17.08 shall be held in a separate account under the Plan and shall~~

~~be used to reduce Plan expenses or to restore benefits to Participants who have been located under this Section.~~

3. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed this amendment to the Plan this _____ day of _____, 2024.

**BOARD OF TRUSTEES OF THE
VIRGINIA RETIREMENT SYSTEM**

By: _____

Printed Name: _____

Title: _____

Date: _____

**FIRST AMENDMENT TO THE
OPTIONAL RETIREMENT PLAN OF THE COMMONWEALTH OF VIRGINIA FOR
EMPLOYEES OF INSTITUTIONS OF HIGHER EDUCATION**

(As Amended and Restated Effective January 1, 2021)

The Board of Trustees of the Virginia Retirement System (“Board”) has the authority to amend the Option Retirement Plan of the Commonwealth of Virginia for Employees of Institutions of Higher Education (“Plan”) in accordance with Section 51.1-600 *et seq.* of the Code of Virginia and Section 16.01 of the Plan. In accordance with such authority, the Board hereby amends the Plan, effective as of the dates stated herein, to reflect certain required amendments contained HB 70 and SB 458, which passed during the 2024 Session of the General Assembly and become effective July 1, 2024.

1. As soon as administratively practicable on or after July 1, 2024, Section 17.07, addressing Missing or Lost Participants, is hereby amended to be and read as follows:

Section 17.07. Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include: (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Participating Institution's records or the records of another plan maintained by the Participating Institution has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them. In the event that the Administrator is unable to locate a Participant or Beneficiary entitled to benefits under the Plan after reasonable attempts, the Trustee shall continue to hold the benefits due to such person under the Plan except as otherwise provided in Section 17.08.

2. As soon as administratively practicable on or after July 1, 2024, the Plan is hereby amended by adding a Section 17.08, addressing Stale Distribution Checks, to be and read as follows:

Section 17.08. Stale Distribution Checks. A distribution check that remains uncashed five years following its issuance shall be remitted to the State Treasurer in accordance with the provisions of the Virginia Disposition of Unclaimed Property Act (Va. Code § 55.1-2500 et seq.).

3. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed this amendment to the Plan this _____ day of _____, 2024.

**BOARD OF TRUSTEES OF THE
VIRGINIA RETIREMENT SYSTEM**

By: _____

Printed Name: _____

Title: _____

Date: _____

**FIRST AMENDMENT TO THE
OPTIONAL RETIREMENT PLAN OF THE COMMONWEALTH OF VIRGINIA FOR
POLITICAL APPOINTEES**

(As Amended and Restated Effective January 1, 2021)

The Board of Trustees of the Virginia Retirement System (“Board”) has the authority to amend the Optional Retirement Plan of the Commonwealth of Virginia for Political Appointees (“Plan”) in accordance with Section 51.1-600 *et seq.* of the Code of Virginia and Section 15.01 of the Plan. In accordance with such authority, the Board hereby amends the Plan, effective as of the dates stated herein, to reflect certain required amendments contained HB 70 and SB 458, which passed during the 2024 Session of the General Assembly and become effective July 1, 2024.

1. As soon as administratively practicable on or after July 1, 2024, Section 16.07, addressing Missing or Lost Participants, is hereby amended to be and read as follows:

Section 16.07. Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include: (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Participating Employer's records or the records of another plan maintained by the Participating Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them. In the event that the Administrator is unable to locate a Participant or Beneficiary entitled to benefits under the Plan after reasonable attempts, the Trustee shall continue to hold the benefits due to such person under the Plan except as otherwise provided in Section 16.08.

2. As soon as administratively practicable on or after July 1, 2024, Section 16.08, addressing Stale Distribution Checks, is hereby amended to be and read as follows:

Section 16.08. Stale Distribution Checks. A distribution check ~~for an amount less than \$10.00 shall be forfeited if it remains uncashed 180 days following its issuance. A distribution check for an amount less than \$250.00 shall be forfeited if it that~~ remains uncashed five years following its issuance shall be remitted to the State Treasurer in accordance with the provisions of the Virginia Disposition of Unclaimed Property Act (Va. Code § 55.1-2500 et seq.). ~~If a Participant is subsequently located, his or her benefit will be restored and a replacement check will be issued, but no earnings will be paid for the time that the check was outstanding. All~~

~~forfeitures under this Section 16.08 shall be held in a separate account under the Plan and shall be used to reduce Plan expenses or to restore benefits to Participants who have been located under this Section.~~

3. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed this amendment to the Plan this _____ day of _____, 2024.

BOARD OF TRUSTEES OF THE VIRGINIA RETIREMENT SYSTEM

By: _____

Printed Name: _____

Title: _____

Date: _____

**FIRST AMENDMENT TO THE
OPTIONAL RETIREMENT PLAN OF THE COMMONWEALTH OF VIRGINIA FOR
PUBLIC SCHOOL SUPERINTENDENTS**

(As Amended and Restated Effective January 1, 2021)

The Board of Trustees of the Virginia Retirement System (“Board”) has the authority to amend the Optional Retirement Plan of the Commonwealth of Virginia for Public School Superintendents (“Plan”) in accordance with Section 51.1-600 *et seq.* of the Code of Virginia and Section 16.01 of the Plan. In accordance with such authority, the Board hereby amends the Plan, effective as of the dates stated herein, to reflect certain required amendments contained HB 70 and SB 458, which passed during the 2024 Session of the General Assembly and become effective July 1, 2024.

1. As soon as administratively practicable on or after July 1, 2024, Section 17.07, addressing Missing or Lost Participants, is hereby amended to be and read as follows:

Section 17.07. Missing or Lost Participants. In the event that the Administrator does not have current contact information for or is unable to identify a Participant or Beneficiary under the Plan, the Administrator shall make reasonable attempts to determine the address and identity of the Participant or Beneficiary entitled to benefits under the Plan. A reasonable attempt to locate a missing or lost Participant or Beneficiary shall include: (i) providing notice to the Participant at the Participant's last known address via certified mail; (ii) determining whether the Participating Employer's records or the records of another plan maintained by the Participating Employer has a more current address for the Participant; (iii) attempting to contact any named Beneficiary of the Participant; and (iv) searching for the missing Participant via free electronic search tools, such as Internet search engines, public record databases, obituaries, and social media. If such search methods are unsuccessful, based on the facts and circumstances, the Administrator may use other search methods, including using Internet search tools, commercial locator services, credit reporting agencies, information brokers, investigation databases, and analogous services that may involve charges. The Administrator may charge missing Participants and Beneficiaries reasonable expenses for efforts to find them. In the event that the Administrator is unable to locate a Participant or Beneficiary entitled to benefits under the Plan after reasonable attempts, the Trustee shall continue to hold the benefits due to such person under the Plan except as otherwise provided in Section 17.08.

2. As soon as administratively practicable on or after July 1, 2024, Section 17.08, addressing Stale Distribution Checks, is hereby amended to be and read as follows:

Section 17.08. Stale Distribution Checks. A distribution check ~~for an amount less than \$10.00 shall be forfeited if it remains uncashed 180 days following its issuance. A distribution check for an amount less than \$250.00 shall be forfeited if it that~~ remains uncashed five years following its issuance shall be remitted to the State Treasurer in accordance with the provisions of the Virginia Disposition of Unclaimed Property Act (Va. Code § 55.1-2500 et seq.). ~~If a Participant is subsequently located, his or her benefit will be restored and a replacement check~~

~~will be issued, but no earnings will be paid for the time that the check was outstanding. All forfeitures under this Section 17.08 shall be held in a separate account under the Plan and shall be used to reduce Plan expenses or to restore benefits to Participants who have been located under this Section.~~

3. In all other respects, the Plan shall be and remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed this amendment to the Plan this _____ day of _____, 2024.

BOARD OF TRUSTEES OF THE VIRGINIA RETIREMENT SYSTEM

By: _____

Printed Name: _____

Title: _____

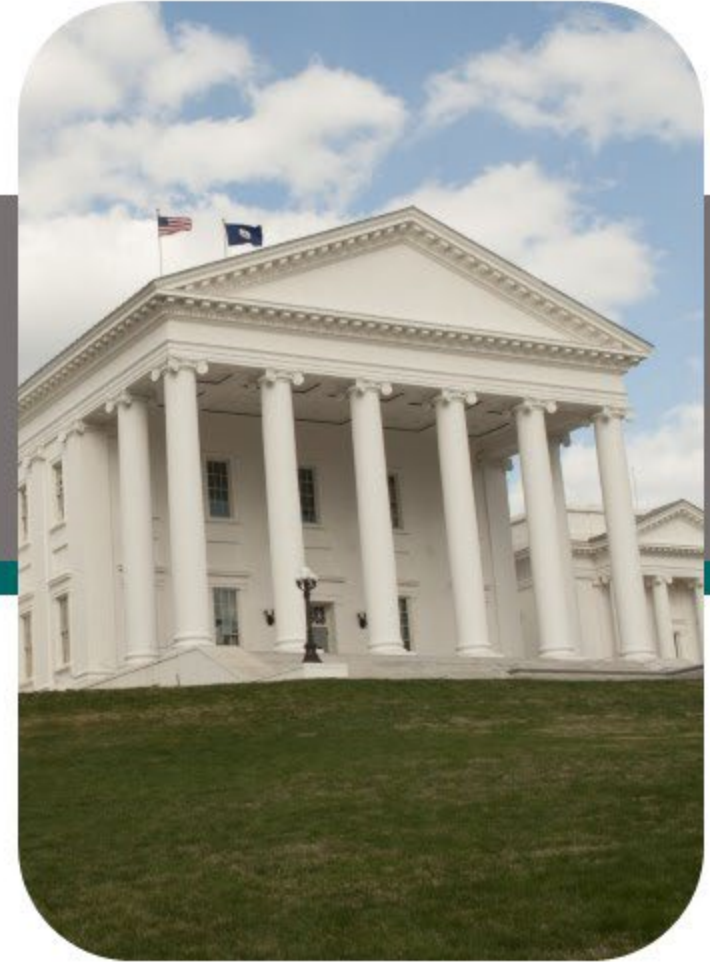
Date: _____

Legislative Update

DCPAC – March 14, 2024



2024 Virginia General Assembly



The General Assembly convened on January 10.

Crossover- when most bills from the originating chamber can only be heard in the opposite chamber- was **February 14**.

The General Assembly adjourned on March 9.

The General Assembly is scheduled to reconvene on April 17 for the “veto session.”

Bill Number	Patron	Description
<p>HB 70</p> <p>SB 458</p>	<p>Bulova</p> <p>Marsden</p>	<p>Allows members of the Virginia Retirement System to purchase service credit for prior full-time active duty military service of at least 180 consecutive days in any federally established branch of the armed services (adds Space Force and any other future new branches established).</p> <p>Also provides that any funds or other property held in a Virginia Retirement System defined contribution plan, deferred compensation plan, or cash match plan remaining unclaimed for more than five years shall be presumed abandoned under the Virginia Disposition of Unclaimed Property Act and may escheat to the state treasury.</p> <p>Both bills have passed and will go to the Governor.</p>

2024 VRS-Related Bills

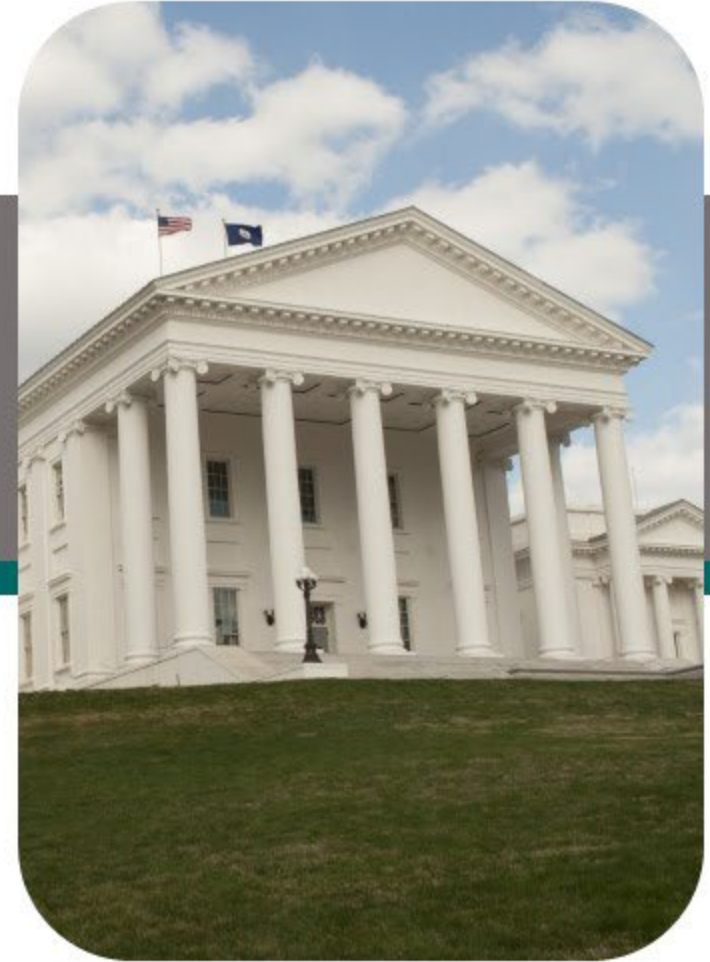
VaLORS

Bill Number	Patron	Description
HB 1312	Orrock	<p>Adds conservation officers of the Department of Conservation and Recreation to the membership of the Virginia Law Officers' Retirement System (VaLORS). The bill has a delayed effective date of 7/1/2025.</p> <p>HB 1312 passed the House 2/2. SFAC added a reenactment clause, the bill passed the Senate as amended 3/6 and was agreed to by the House.</p> <p>Item 469 #1c includes funding for the benefit; Item 484 #1c includes \$70,000 NGF in FY25 for this & HB 1401.</p>
HB 1401	Clark	<p>Adds full-time firefighters employed by the Department of Military Affairs to VaLORS for service earned on or after 7/1/2025.</p> <p>Passed House 2/2. SFAC added a reenactment clause, the bill passed the Senate as amended 3/6. The conference report struck the reenactment clause.</p> <p>Item 484 #1c includes \$70,000 NGF in FY25 for this & HB 1312.</p>

2024 LODA Bills

Bill Number	Patron	Description
<p>HB 321</p> <p>SB 649</p>	<p>McQuinn</p> <p>Salim</p>	<p>The conference report increases from \$25,000 to \$75,000 the death benefit payout under the Virginia Line of Duty Act for a death caused by occupational cancer, respiratory disease, or hypertension or heart disease for those deaths that will occur on or after January 1, 2025.</p> <p>The conference reports for HB 321 and SB 649 were accepted and the bills will go to the Governor. Item 469 #1c includes funding for the benefits as of January 1, 2025, and increased the LODA premium.</p>
<p>HB 1433</p>	<p>Hodges</p>	<p>The conference report provides that for purposes of continued health insurance pursuant to the Line of Duty Act, an eligible dependent includes a child that was born or adopted prior to the employee’s death or disability or within six months of the death or disability. It also includes children adopted pursuant to a pre-adoptive agreement entered prior to or within six months of the death or disability regardless of when the adoption is completed. Under current law, an eligible dependent includes a child born or adopted prior to the time of the employee's death or disability. Health insurance coverage is prospective only for dependents who would be eligible beginning July 1, 2017.</p> <p>The conference report was accepted by both chambers on March 9 and will go to the Governor.</p>

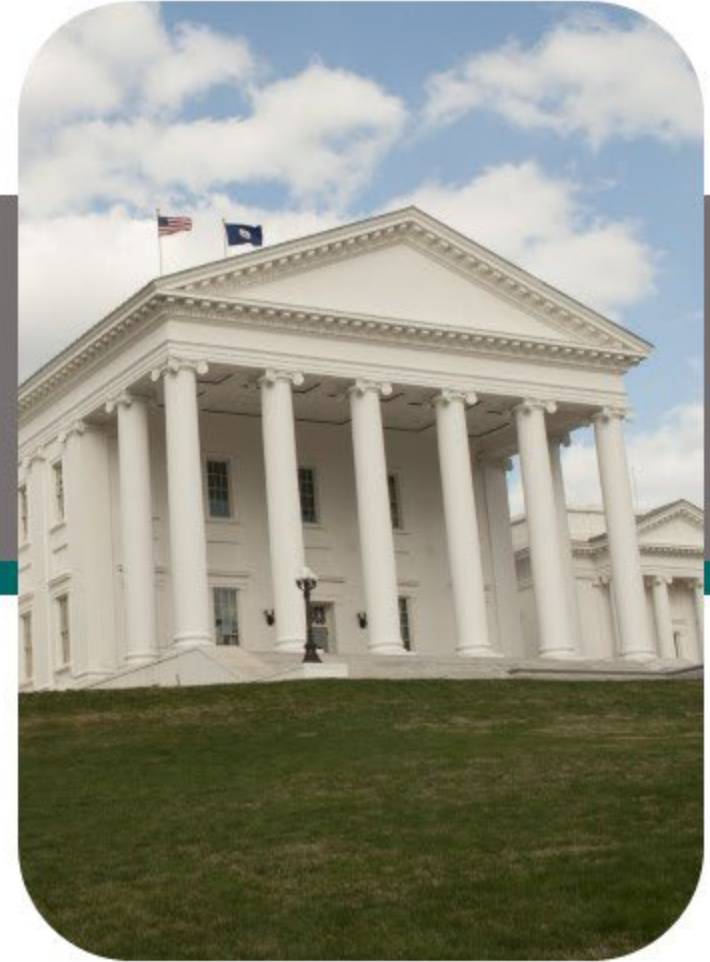
Other Bills



New Fund and Work Group Bills

Bill Number	Patron	Description
HB 133	Convirs-Fowler	<p>The substitute directs the Dept. of Fire Programs to convene a work group to identify & analyze options to help ensure local government employees who respond to emergencies that expose them to toxic materials have appropriate health care and are able to pay any health expenses related to the emergency. Directs the work group to submit a report to the General Assembly no later than 11/1/2024.</p> <p>Although we pointed out that VRS work that is not for the benefit of VRS members does not meet the exclusive benefit rule, the final versions of the bills include VRS in the working group. No funding was included in the conference budget.</p> <p>The bills passed both chambers and will go to the Governor.</p>
SB 650	Rouse	

Budget- Rates and Funding



VRS Rates

Item #	Description
469	Per HB 473 of the 2022 session, employer contribution rates are separated effective 7/1/2024. Item 469 includes the Board-certified DB employer contribution rate only. Estimated DC employer contribution rate (mandatory and voluntary) is now separate, within each Department. Does not change total amount agencies require for VRS contributions.
469	<p>Employer Contribution Rates:</p> <p>VRS 12.52%</p> <p>SPORS 31.32%</p> <p>VaLORS 24.60% (Board-certified rate is 22.81%)</p> <p>JRS 30.67% (Board-certified rate is 30.66%)</p> <p>Teachers 14.21%</p>

OPEB Rates and LODA premiums

Item #	Description
469	OPEB Rates: State HIC 1.12% Teacher HIC 1.21% State GLI 1.18% Teacher GLI 0.54% VSDP 0.50% Constitutional Officers HIC 0.36% General Registrar HIC 0.32% Local social services boards HIC 0.37%
469	LODA premium \$1015/covered employee

JRS Work Group

Item #	Description
484 #2c	VRS is required to convene a work group to review the benefit structure of the Judicial Retirement System and its impact on judicial appointments. Report is due December 1, 2024.

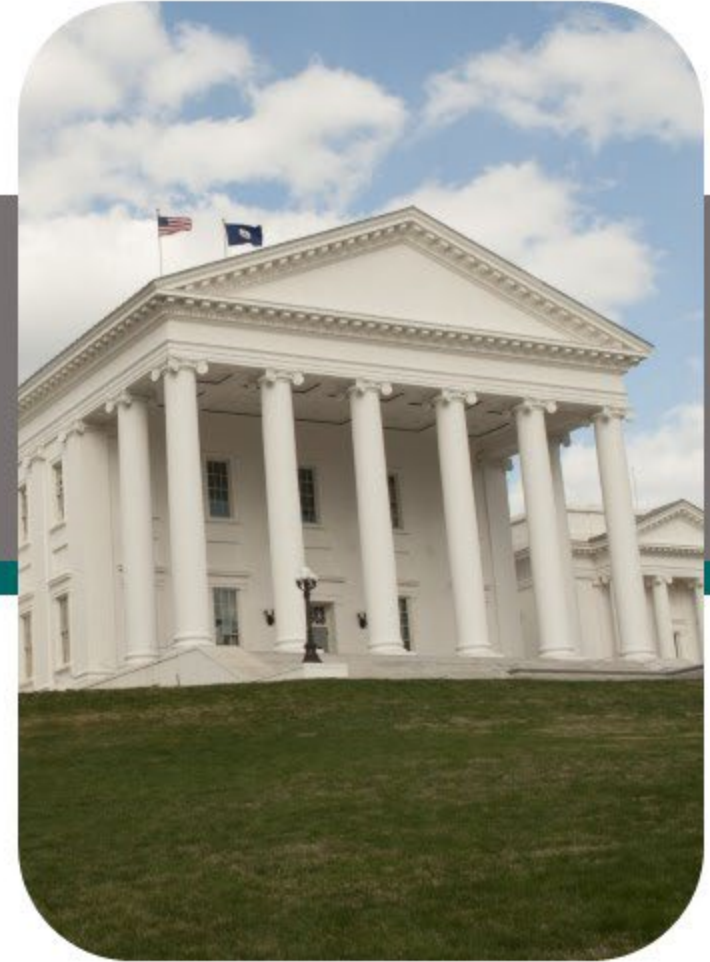
Paid Family and Medical Leave Work Group

Item #	Description
471 #1c	Requires the Virginia Employment Commission to update the 2021 Paid Family and Medical Leave study.

VRS Infusion- Teacher Plan

Item #	Description
Introduced Budget	Provides \$115 million GF and \$235 million from the Literary Fund in FY25 for a lump sum payment to address unfunded liabilities in the Teacher Plan. Estimated to improve the funded status by approximately 0.6%.
HB 30, Item 125 #17c	Removes the one-time payment entirely and restores the Literary Fund money for school construction.
HB 30, Item 125 #8h	Provides \$117,500,000 in Literary Fund support for school employee retirement contributions, saving an equal GF amount.
SB 30, Item 125 #7s	Provides \$150,000,000 GF for VRS contributions.
SB 30, Item 125 #19s	Redirects Literary Fund support to school construction.

Budget- Salary Actions



Item	Description
Governor's Introduced Budget, Item 484	<p>Targeted salary increases</p> <p>Section AA.1 through BB.7 includes salary actions for state employees:</p> <ul style="list-style-type: none"> • 1% salary increase in FY2026 for state employees, adjunct faculty, and graduate teaching assistants • 2% salary increase in FY2026 for SOQ-funded positions • 1% bonus for FT state employees & state-supported local employees on 12/1/2025 & 12/1/2026 • State share of 1% bonus for SOQ-funded positions
HB 30	<p>Various salary amendments for several positions:</p> <ul style="list-style-type: none"> • 3% salary increase each year for state and state-supported local employees (6/10/2024 & 12/1/2025) (eliminates bonus) • 3% salary increase each year for teachers to implement HB 187 (7/1/2024 & 7/1/2025) • HB 1 funding for minimum wage increase
SB 30	<p>Various salary amendments for several positions:</p> <ul style="list-style-type: none"> • 2.5% salary increase each year for state & state-supported local employees, adjunct faculty and graduate teaching assistants (9/10/2024 & 12/1/2025) (eliminates bonus) • 3% salary increase for teachers (10/1/2024 & 7/1/2025) • SB 1 funding for minimum wage increase

Secure 2.0



Comprehensive Retirement Legislation

SECURE 2.0 passed December 29, 2022 with bipartisan support.

- Impacts many aspects of plan administration.
- Effective dates vary by provisions, ranging from immediate to 2027.
- Many provisions are optional, while some are mandatory.
- Primary impact is to defined contribution plans, but some impact to defined benefit plans.
- The following slides do not cover all SECURE 2.0 provisions, only those impacting the VRS DC plans.
- Employers should consult their benefits counsel to review all provisions that may apply to plans they administer.



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Mandatory Provisions*

BILL SECTION	CURRENT LAW	NEW LAW	EFFECTIVE DATE	IMPLEMENTATION STATUS
Sec. 107 - Increase in age for required beginning date for mandatory distributions	As established by the 2019 SECURE Act, required minimum distributions (“RMDs”) generally must begin by age 72. Prior to January 1, 2020, the age at which RMDs were required to begin was 70½.	Increases the RMD age to: (i) 73 for a person who attains age 72 after December 31, 2022 and age 73 before January 1, 2033, and (ii) 75 for an individual who attains age 74 after December 31, 2032. <ul style="list-style-type: none"> Bottom line - Changes the RMD age from 72 to 73 beginning this year. 	2023	In effect.
Section 302 – Reduction in Excise Tax on Late RMDs	Failure to timely distribute RMDs is a qualification failure that must be corrected by the plan. The failure also triggers a significant tax penalty to the affected participant. Under current law, taxpayers are subject to a 50% excise tax on the amount of an RMD that they fail to take by the applicable deadline.	SECURE 2.0 reduces the excise tax for late RMDs to 25%. The excise tax is further reduced to 10% if the failure to take the RMD is corrected by the last day of the second taxable year that begins after the end of the taxable year in which the excise tax is imposed (or the earlier date that the IRS notifies the taxpayer of or assesses the tax).	2023	In effect.
Section 325 – Pre-death RMDs Not Required from Designated Roth Accounts	Under current law, Roth IRAs – but not Roth amounts in 401(k), etc. plans – are exempt from pre-death RMD rules.	Extends the pre-death RMD exemption to Roth amounts in plans.	2024	In effect.
Sec. 603 - Elective deferrals generally limited to regular contribution limit	Catch-up contributions to Section 401(k), 403(b), and governmental 457(b) plans (if age 50 or older) may be made on either a pre-tax or Roth basis.	Catch up contributions to Section 401(a) qualified plans, Section 403(b) plans, and governmental Section 457(b) plans must be made to on a Roth basis, except for eligible participants whose prior year wages do not exceed \$145,000 (indexed for inflation). <ul style="list-style-type: none"> Bottom line - Requires that age-based catch-up contributions are made as Roth for participants that earned \$145,000 or more in the previous year. 	2026 Initial effective date was 2024. A 2-year extension has been provided by the IRS.	On hold pending further discussion and guidance from the IRS.

Optional Provisions*

BILL SECTION	CURRENT LAW	NEW LAW	EFFECTIVE DATE	STATUS
Sec. 103 - <i>Saver's Credit</i>	The existing Saver's Credit employs a tiered percentage system ranging from 10-50% based on Adjusted Gross Income ("AGI") to determine the amount of the credit.	Modifies the existing Saver's Credit to make it refundable and turns it into a direct government matching contribution to the taxpayer's IRA or eligible retirement plan.	2027	On hold pending further discussion and IRS guidance.
Sec. 109 - <i>Higher catch-up contribution limit to apply at age 60, 61, 62 and 63</i>	Currently, individuals age 50 and over are allowed to make catch-up contributions to 401(k), 403(b), governmental 457(b), and SIMPLE plans, and the annual catch-up contribution limits are generally indexed for inflation.	Increases the limit on catchup contributions for individuals age 60-63 to the greater of (i) \$10,000 or (ii) 150% of the regular catch-up amount for 2024, indexed for inflation.	2025	Pending plan document updates effective January 2025.
Sec. 110 - <i>Treatment of student loan payments as elective deferrals for purposes of matching contributions</i>	Currently, a matching contribution cannot be made based on student loan repayments. The IRS has ruled (through a private letter ruling, and more general guidance is pending) that a plan design that provides for a nonelective employer contribution can be based on student loan repayments without violating the contingent benefit rule.	Employer contributions made on behalf of employees for "qualified student loan payments" are treated as matching contributions, so long as certain requirements are satisfied. Applies to 401(k), 403(b), SIMPLE IRAs, and governmental 457(b) plans. Employer may rely on employee certification of payment.	2024	On hold pending further discussion and IRS guidance.

Optional Provisions*

BILL SECTION	CURRENT LAW	NEW LAW	EFFECTIVE DATE	STATUS
Sec. 115 – <i>Withdrawals for certain emergency expenses</i>	Current law imposes a 10% penalty on early withdrawals before normal retirement age from tax-preferred retirement accounts.	Allows one penalty-free withdrawal of up to \$1,000 per year for “unforeseeable or immediate financial needs relating to personal or family emergency expenses.” The withdrawal may be repaid within three years. Only one withdrawal per three-year repayment period is permitted if the first withdrawal has not been repaid.	2024	On hold pending further discussion and IRS guidance.
Sec. 306 - <i>Eliminate the “first day of the month” requirement for governmental Section 457(b) plans</i>	Currently, participants in a 457(b) plan generally may only defer compensation if an agreement providing for the deferral has been entered into before the first day of the month in which the compensation is paid or made available.	Conforms rule for governmental 457(b) plans to rule for 401(k) and 403(b) plans by allowing participants of governmental 457(b) plans to change their deferral rate at any time before the compensation is available to the individual. For tax-exempt 457(b) plans, participants may defer compensation for any calendar month only if an agreement providing for such deferral has been entered into before the beginning of such month.	2023	Changing the frequency of Hybrid Retirement Plan voluntary contribution elections effective January 2025.

Optional Provisions*

BILL SECTION	CURRENT LAW	NEW LAW	EFFECTIVE DATE	CONSIDERATIONS
<p>Sec. 312 - <i>Employer may rely on employee certifying that deemed hardship distribution conditions are met</i></p>	<p>Applicable Treasury regulations provide that hardship distributions may be made on account of an immediate and heavy financial need or an unforeseeable emergency, if limited to the amount necessary to satisfy the financial need. These needs are evaluated using facts and circumstances, but there are certain safe harbor events that are deemed to be on account of a hardship. Employees must provide a written representation that they have insufficient cash or liquid assets reasonably available to satisfy the need. (In general, the employee must submit records documenting the safe harbor event constituting a hardship, although there is a streamlined hardship documentation method outlined in the Internal Revenue Manual that uses a self-certification process if certain requirements are met.)</p>	<p>Allows a plan administrator to rely on an employee’s self- certification that they have had a safe harbor event that constitutes a deemed hardship for purposes of taking a hardship withdrawal from a 401(k) plan or a 403(b) plan. The administrator can also rely on the employee’s certification that the distribution is not in excess of the amount required to satisfy the financial need and that the employee has no alternative means reasonably available to satisfy the financial need. A similar rule applies for purposes of unforeseeable emergency distributions from governmental Section 457(b) plans.</p>	<p>2023</p>	<p>Pending plan document updates effective January 2025.</p> <ul style="list-style-type: none"> • Up to \$2,500 no more frequently than once every two years. • Extending UEW provisions to the Hybrid 457 Plan, as well as the COV 457 Plan.

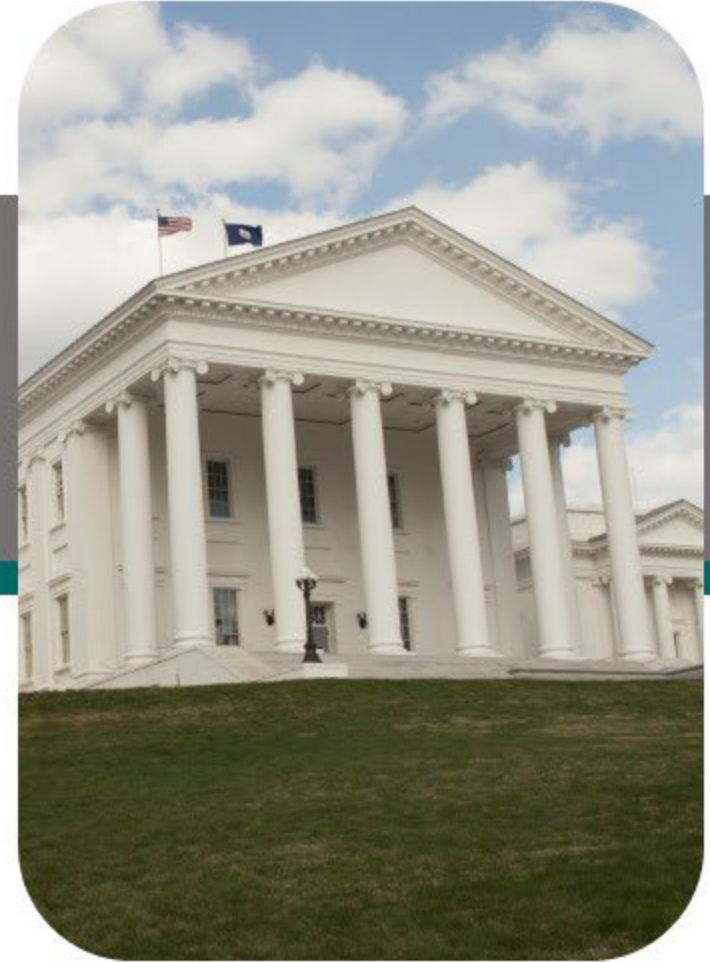
Optional Provisions*

BILL SECTION	CURRENT LAW	NEW LAW	EFFECTIVE DATE	STATUS
Sec. 314 - <i>Penalty-free withdrawal from retirement plans for individual in case of domestic abuse</i>	N/A	Permits certain penalty-free early withdrawals in the case of domestic abuse in an amount not to exceed the lesser of \$10,000 (indexed) or 50% of the value of the employee's vested account under the plan. Allows for self-certification.	2024	On hold pending further discussion and IRS guidance.
Section 331 - <i>Qualified Federally Declared Disaster Distribution</i>	In recent years, Congress has eased plan distribution and loan rules in cases of disaster on a case-by-case basis.	Provides permanent special rules governing plan distributions and loans in cases of qualified federally declared disasters. Up to \$22,000 may be distributed to a participant per disaster; Amount is exempt from the 10% early withdrawal fee; Inclusion in gross income may be spread over 3-year period; Amounts may be recontributed to a plan or account during the 3-year period beginning on the day after the date of the distribution; Allows certain home purchase distributions to be recontributed to a plan or account if those funds were to be used to purchase a home in a disaster area and were not so used because of the disaster.	2022	On hold pending further discussion and IRS guidance.
Sec. 604 – <i>Optional treatment of employer matching or non-elective contributions as Roth</i>	Current law does not permit employer matching or nonelective contributions to be made on a Roth basis	Allows a Section 401(a) qualified plan, a Section 403(b) plan, or a governmental 457(b) plan to permit employees to designate employer matching or nonelective contributions as Roth contributions. Student loan matching contributions may also be designated as Roth contributions. Matching and nonelective contributions designated as Roth contributions are not excludable from the employee's income and must be 100% vested when made.	2023	On hold pending further discussion and IRS guidance.

Additional Provisions Impacts VRS DC Plans

Section	New Law	Status
Section 304 - <i>Updating Dollar Limit for Mandatory Distributions</i>	Increases the involuntary cash-out limit to \$7,000 from \$5,000.	Currently at \$200 per plan. No plans to increase the amount at this time.
Section 305 - <i>Expansion of EPCRS</i>		No changes to our current policies at this time.
Section 311 – <i>Repayment of Qualified Birth or Adoption Distributions Limited to 3 years</i>	Requires qualified birth or adoption distributions to be recontributed within three years of the distribution in order to qualify as a rollover contribution. (This aligns the rule with similar disaster relief provisions and simplifies plan administration.)	On hold pending further discussion and IRS guidance.
Section 334 - <i>Qualified Long-term Care Distributions</i>	Permits retirement plans to distribute a certain amount per year for certain long-term care insurance contracts. The amount permitted to be distributed is the lowest of: (1) the amount paid by or assessed to the employee during the year for long-term care insurance; (2) 10% of the employee’s vested accrued benefit in the plan; or (3) \$2,500 (this dollar amount will be indexed for inflation beginning in 2025). Distributions from plans and IRAs would be exempt from the 10% penalty on early distributions if used to pay premiums for high quality, long-term care insurance.	On hold pending further discussion and IRS guidance.

Virginia General Assembly 2024 Failed Legislation



Resolutions

Bill Number	Patron	Description
HJ 53	Batten	Directs JLARC to study the effect of salaries, employment benefits, & other relevant factors on recruiting & retaining high-quality, fully licensed teachers, including (i) examining these factors in relation to teacher recruitment & retention in each local school division; (ii) identifying disparities in these factors in relation to teacher recruitment & retention rates between high-poverty & rural school divisions, high-income school divisions, & the Commonwealth on average; (iii) reviewing these factors in relation to the rates of teacher recruitment & retention and the numbers of fully licensed teachers in adjoining states & the District of Columbia; and (iv) identifying factors that positively impact the recruitment & retention of high-quality, fully licensed teachers.
HJ 56	Cordoza	
SJ 9	Sturtevant	SJ 9 failed to report from Senate Rules 1/26

2024 VRS-Related Bills

VaLORS

Bill Number	Patron	Description
HB 675	Runion	<p>Allows the Virginia School for the Deaf & Blind to establish a campus police force. Campus police officers are members of VaLORS.</p> <p>The bill is effective 7/1/2024.</p> <p>Passed House 2/9. Continued to 2025 in SFAC.</p>

Local Hazardous Duty Bills

Bill Number	Patron	Description
HB 231	Campbell	<p>Adds animal control officers to the list of local employees eligible to receive enhanced retirement benefits for hazardous duty service. SB 218 included municipal park rangers but was amended to remove them.</p> <p>The bills apply only to service earned on or after 7/1/2025.</p> <p>Item 484 #4h \$200,000 NGF in FY25</p> <p>SB 218: Item 484 #1s</p> <p>HB 231 was carried over to 2025 in HAC on 2/5.</p> <p>SB 218 substitute passed the Senate on 2/8 & was carried over to 2025 in HAC.</p>
SB 218	Locke	

Bill Number	Patron	Description
SB 396	McDougle	<p>Increases, for the purposes of determining benefits provided under the Judicial Retirement System, the retirement multiplier from 1.0 percent to 1.7 percent. The increase would apply only to judges who are participants in the hybrid retirement program and who are at least age 55 at the time of appointment. The bill provides that such changes apply only to service earned as a judge on or after July 1, 2025. The bill has a delayed effective date of July 1, 2025.</p> <p>Substitute puts all new judges who are appointed to an initial term on or after July 1, 2024 and who are age 55 or older at the time of appointment into Plan 1 with 3.5 weighted service.</p> <p>Substitute passed Senate on 2/8 & was carried over to 2025 in HAC.</p>

General Registrar Early Retirement Bill

Bill Number	Patron	Description
HB 1529	Cordoza	<p>The bill changes the term of office for general registrars from four years to eight years. It also adds general registrars to the list of officers who are exempted from general early retirement provisions and may obtain normal retirement benefits when they are involuntarily separated from service and have 20 or more years of creditable service.</p> <p>Referred to Privileges & Elections.</p>

Investment Bill

Bill Number	Patron	Description
HB 388	Griffin	<p>Provides that unless the Board of Trustees of the Virginia Retirement System can demonstrate that a social investment, defined in the bill as an investment that is based on diversity, equity, & inclusion, would provide a superior rate of return compared to a similar investment that is not a social investment with a similar time horizon and risk, neither the Board nor any external fiduciary utilized by the Board may invest or make recommendations regarding state funds for the purpose of social investment on or after 7/1/2024.</p> <p>The bill failed to report from subcommittee 1/29.</p>

Financial Reporting Bill

Bill Number	Patron	Description
HB 162	Reid	<p>Requires retirement systems to provide disclosures describing the process and criteria used for selecting third-party fund managers, advisers, or consultants and other persons providing services to the retirement system. Such information shall be included in a retirement system's annual report.</p> <p>The bill was continued to 2025 in subcommittee 1/29 at the request of the patron.</p>

Local Hazardous Duty Bills

Bill Number	Patron	Description
HB 38	Clark	Add 911 dispatchers to the list of local employees eligible to receive enhanced retirement benefits for hazardous duty service.
HB 300	Ballard	
HB 630	Cherry	The bills are effective for service earned on or after 7/1/2025, but also allow localities to choose whether they will provide hazardous duty benefits for earlier service as a dispatcher.
SB 328	Jordan	HB 38: Item 484 #1h \$137,000 NGF in FY25
SB 472	Obenshain	HB 630: Item 484 #2h \$137,000 NGF in FY25 Item 469 #4h \$577,000 GF in FY26 & Item 484 #8h \$138,500 NGF in FY25
		HB 38, HB 300, and HB 630 were carried over to 2025 in subcommittee on 2/5.
		SB 472 incorporated into SB 328. Carried over to 2025 in SFAC on 2/6.

VaLORS

Bill Number	Patron	Description
HB 631	Cherry	<p>Adds 911 dispatchers with agencies already listed in the VaLORS definition of “Employee” to VaLORS for service earned on or after 7/1/2025.</p> <p>Item 469 #1h \$577,000 NGF in FY26 & Item 484 #3h \$138,500 NGF in FY25</p> <p>HB 631 was carried over to 2025 in subcommittee on 2/5.</p>

Local Hazardous Duty Bills

Bill Number	Patron	Description
HB 1438	Wiley	<p>Requires localities to provide enhanced retirement benefits for hazardous duty service to juvenile detention specialists.</p> <p>The bill is effective 7/1/2024.</p> <p>HB 1438 was amended to make this a local election. The bill was carried over to 2025 in subcommittee on 2/5.</p>

2024 Return to Work Bills

Bill #	Patron	Description
HB 99	Green	Adds law-enforcement officers to the Retiree School Security Officer (RSSO) subsection as a position retired law-enforcement officers can return to full-time.
HB 1393	Jones	<p>HB 99 was tabled in subcommittee 1/29 & HB 1393 was continued to 2025 in subcommittee 1/29 at the request of the patron.</p> <p>HB 99: Item 484 #10h \$200,000 NGF in FY25</p>
SB 548	Craig	<p>Adds law-enforcement officers to the Retiree School Security Officer (RSSO) subsection as a position retired law-enforcement officers can return to full-time.</p> <p>Also reduces the break in service retirees must have after retirement from six months to one month.</p> <p>Item 486 #1s \$425,000 NGF Each in FY25 & FY26</p> <p>Carried over to 2025 in SFAC on 2/6.</p>

Additional Service Credit Bills

Bill Number	Patron	Description
HB 687	O'Quinn	<p>Allows an individual who serves concurrently as a full-time primary or secondary school teacher & as a full-time school bus driver to be granted additional service credit for providing such services at no cost to the employee. The bill specifies that the amount of credit allowable shall be equivalent to the amount of credit that the individual would earn if he were employed only as a full-time school bus driver.</p> <p>Both bills stricken at request of patrons.</p> <p>Item 484 #11h- \$200,000 NGF Item 484 #5s- \$50,000 NGF in FY25</p>
SB 622	Pillion	

Hazardous Duty Supplement Bill

Bill Number	Patron	Description
SB 130	New Craig	<p>Provides that a member of SPORS or VaLORS or a local employee who is eligible for a hazardous duty supplement shall receive such supplement amount from the date of retirement. Under current law, the supplement is only allowed from retirement until (i) the member's Social Security retirement age for SPORS & local employees with enhanced benefits & (ii) the member's 65th birthday for VaLORS. The bill applies only to eligible members who retire on & after 7/1/2025.</p> <p>Item 484 #3s \$50,000 NGF in FY25 Bill passed by indefinitely 2/6 in SFAC.</p>

Bill Number	Patron	Description
HB 232	Campbell	<p>Provides employees of contributing nonprofit private institutions of higher education, defined in the bill, and contributing private police departments, defined in the bill, with the benefits granted to employees of participating employers under LODA. The bill clarifies that LODA shall not apply to any private institution of higher education or private police department that is not a contributing nonprofit private institution of higher education or contributing private police department, respectively.</p> <p>HB 751 also included the Lynchburg Regional Airport Police Department.</p> <p>HB 232 & HB 751 failed to report from subcommittee 1/18. SB 466 as amended passed the Senate on 2/8 but was left in HAC.</p> <p>HB 751: Item 469 #8h \$50,000 GF each in FY25 & FY26 SB 466: Item 484 #2s \$50,000 NGF in FY25</p>
HB 751	Walker	
SB 466	Obenshain	

Quarterly Review

VRS Defined Contribution Plans

October 1, 2023 – December 31, 2023

DCP
Virginia Retirement System

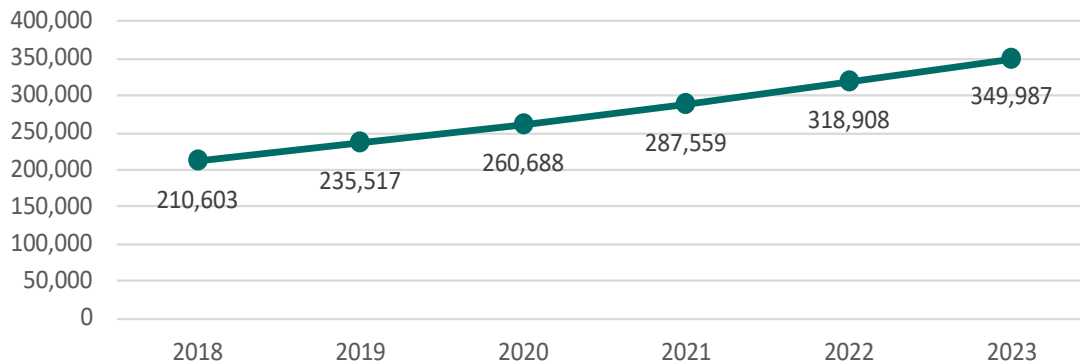


VRS Defined Contribution Plans¹

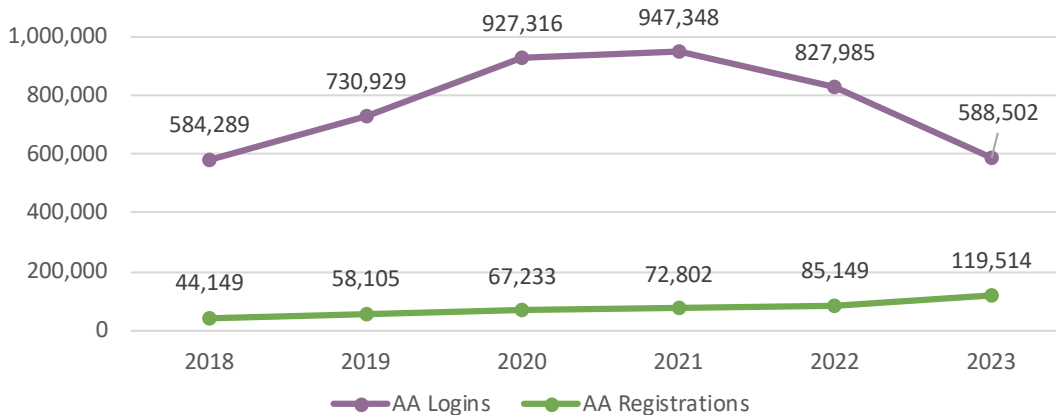
4th Quarter 2023 – DC Plans Metrics

Total Assets²: \$7,402,161,630.69 Total Accounts²: 604,757

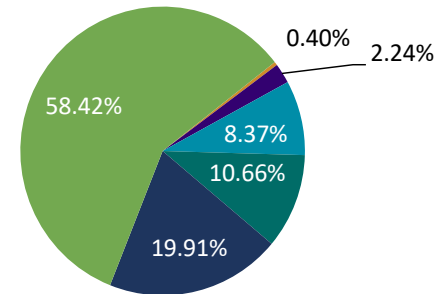
Unique Participants



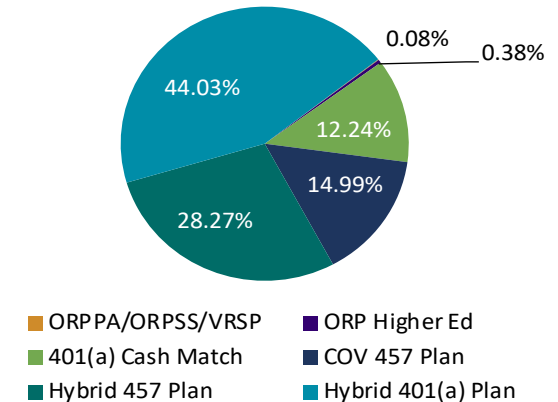
Account Access Registrations & Logins



Assets Under Management



Accounts Under Management



Top 10 Visited Pages³

1. Hybrid Retirement Plan Landing Page
2. COV 457 Retirement Plan Landing Page
3. Hybrid 457 Voluntary Contributions
4. Hybrid Plan Group Life Insurance
5. Hybrid Plan Education
6. Virginia Cash Match Landing Page
7. COV 457 Overview
8. COV 457 Contributions
9. COV 457 Plan Info
10. VRS Contact Us

VRS Defined Contribution Plans

4th Quarter 2023 – DC Plans Participant Engagement

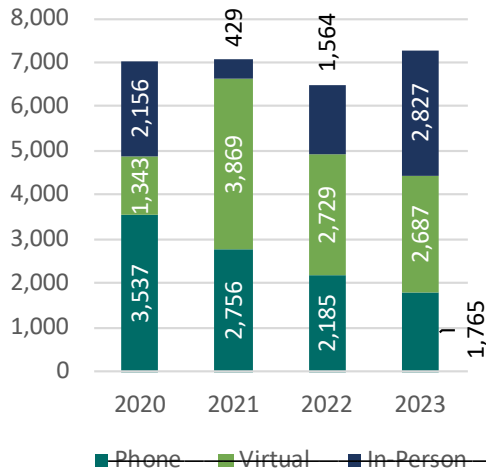
Call Center – Participant Services

- 60,397 calls received YTD in 2023
- 55,471 calls received in 2022
- 55,311 calls received in 2021
- 63,953 calls received in 2020

Current call trends:

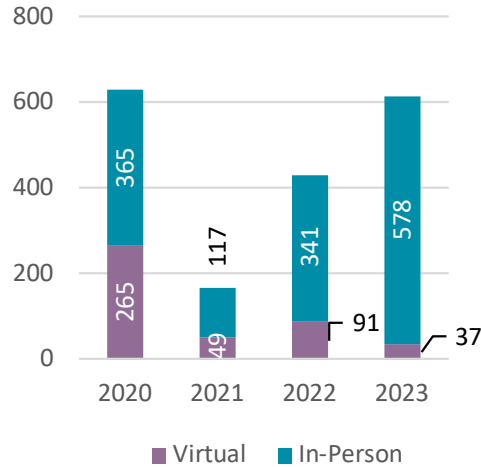
1. Withdrawals
2. General inquiries
3. Internet assistance
4. Indicative data
5. Deferrals

Individual Account Reviews

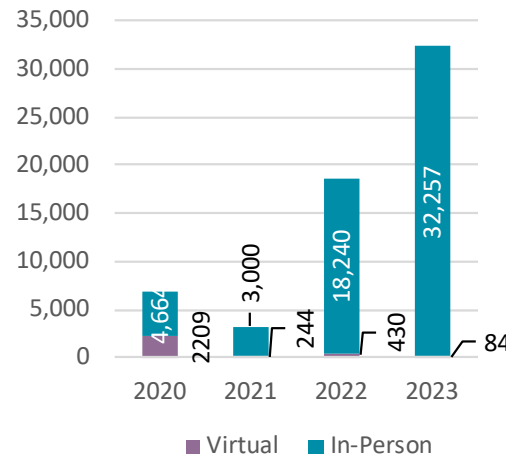


Participant Sessions

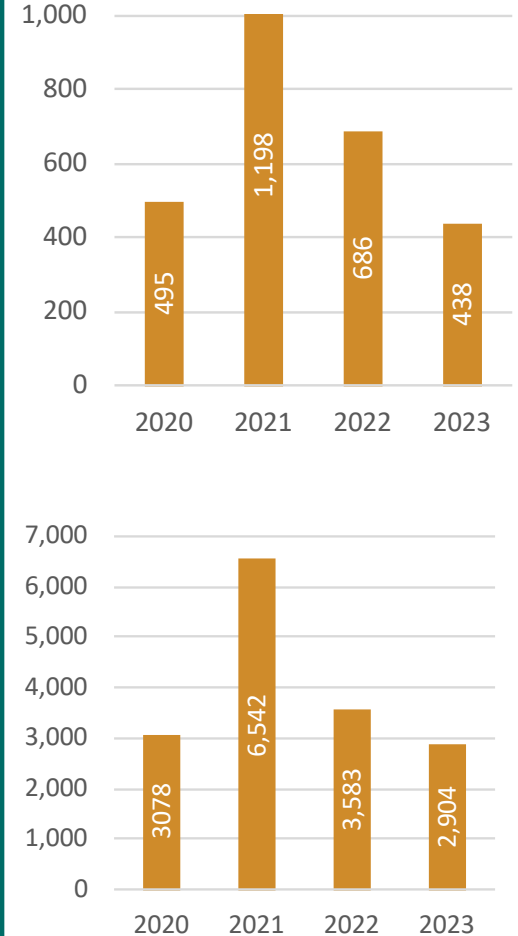
Group Meetings



Participant Attendance



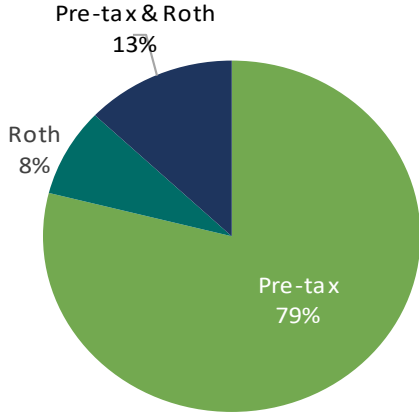
Webinars



VRS Defined Contribution Plans

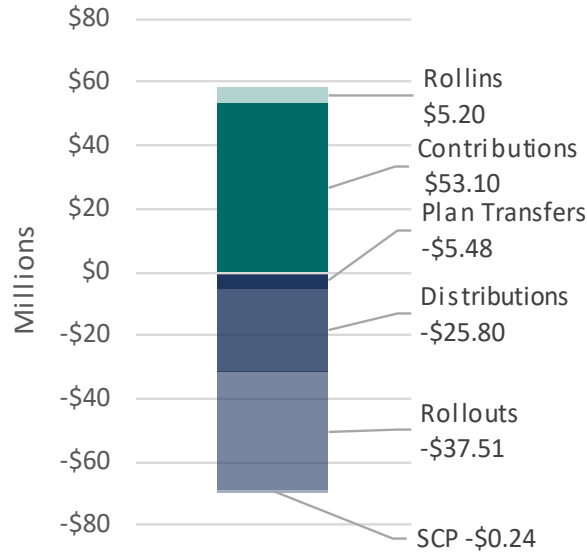
4th Quarter 2023 – COV 457 Plan, Virginia Cash Match Plan

Deferral Type



Average pre-tax deferral per pay = \$187.35
Average Roth deferral per pay = \$180.83

Contributions/Distributions⁵



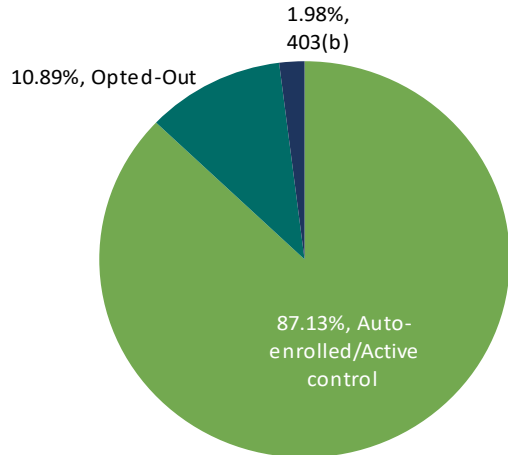
COV 457 Participation Rates

- State⁴ 33.89%
- Non-state 9.23%

Top 10 Fund Holdings

1. Stock \$1,602,519,426
2. Target Date Portfolios \$1,473,042,697
3. Stable Value \$606,762,609
4. Small/Mid-Cap Stock \$410,243,924
5. International Stock \$198,457,103
6. Bond \$147,343,387
7. Money Market \$115,449,462
8. Schwab PCRA \$100,968,303
9. Global Real Estate \$86,177,500
10. VRS Investment Portfolio \$60,747,606

Auto Enrollment



10.89% Opt-Out rate for quarter
8.82% opt-out rate since inception

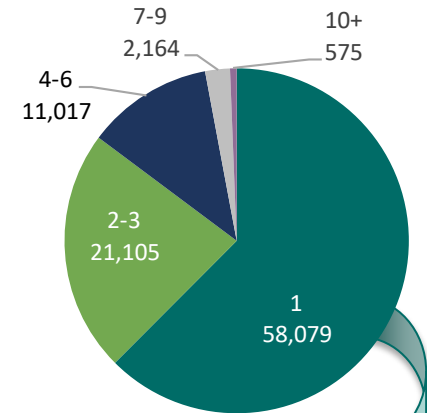
Participant Status Overview⁶

163,928 total accounts

56% Active
44% Separated

\$2,200m assets at-risk

of Funds Held by Participants

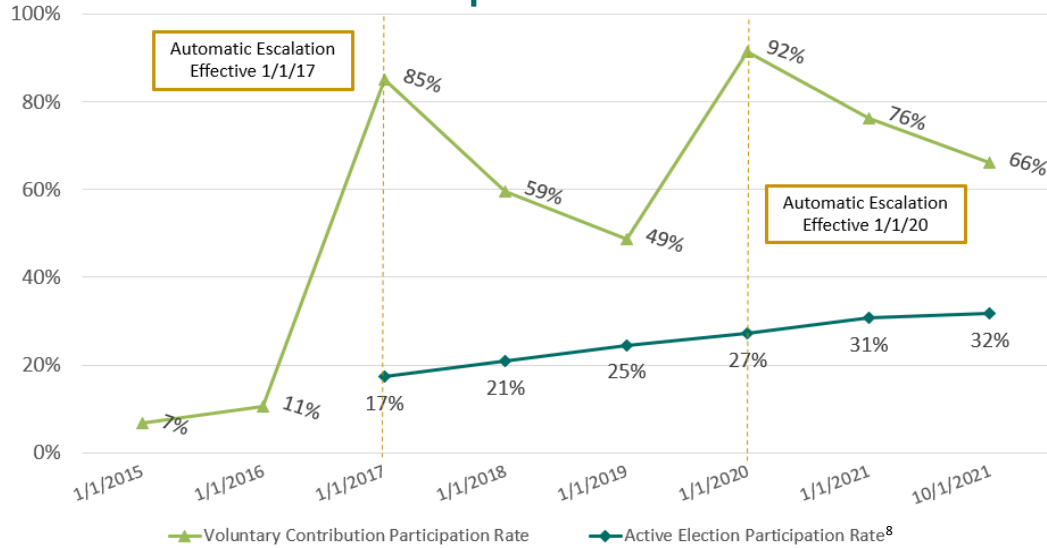


82.7% of this population is invested in a single TDP

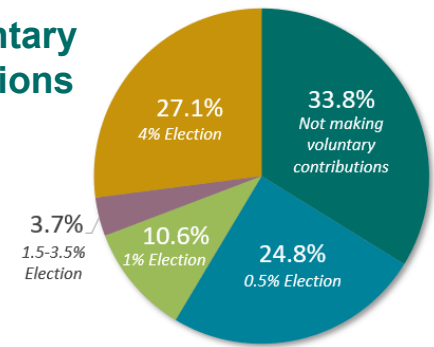
VRS Defined Contribution Plans

4th Quarter 2023 – Hybrid Retirement Plan – 401(a) & 457(b)

Participation Rates⁷



Voluntary Elections



Top 10 Fund Holdings

1. Target Date Portfolios	\$2,106,299,925
2. Stock	\$83,453,507
3. Small/Mid-Cap Stock	\$22,724,603
4. Money Market	\$13,035,869
5. International Stock	\$11,355,309
6. Stable Value	\$10,459,460
7. Global Real Estate	\$5,060,410
8. High-Yield Bond	\$4,972,880
9. Schwab PCRA	\$4,079,615
10. Bond	\$4,077,968

Participant Status Overview³

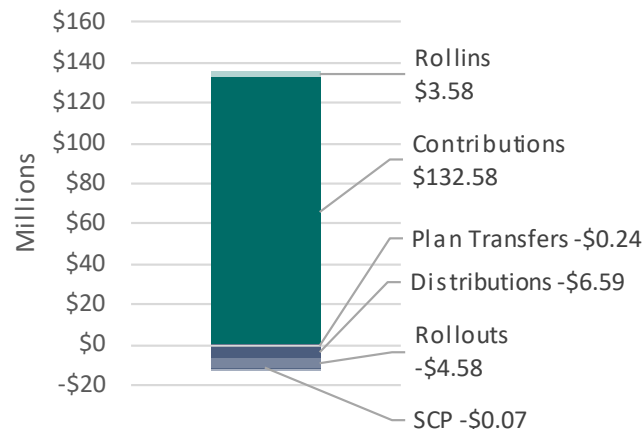
437,223 total accounts

72% Active

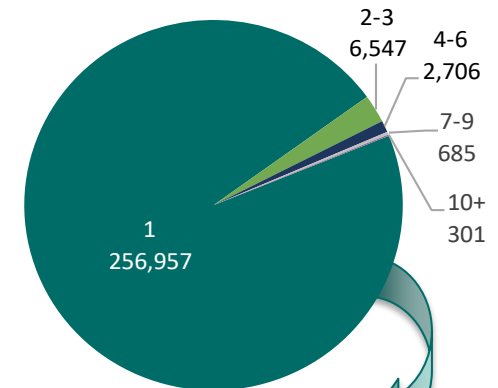
28% Separated

\$425m assets at-risk

Contributions/Distributions



of Funds Held by Participants



99.5% of this population is

Invested in a single TDP

VRS Defined Contribution Plans

4th Quarter 2023 – ORPHE* and ORPPA

ORPPA Participation

Participant Accounts: 500
Assets: \$28,735,566
Provider: MissionSquare

ORPPA-Eligible Plan Coverage



Plan ● ORPPA_Plan2 ● VRS-HYBRID

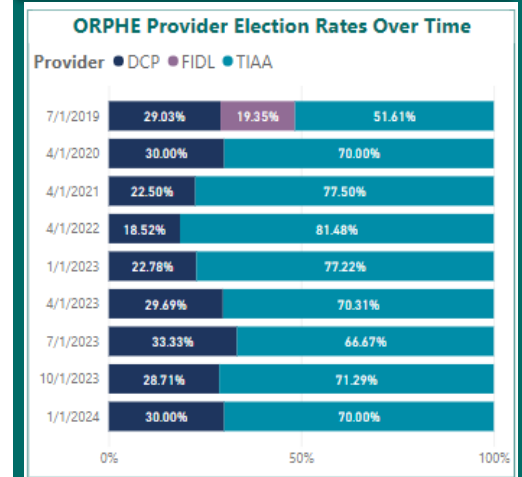
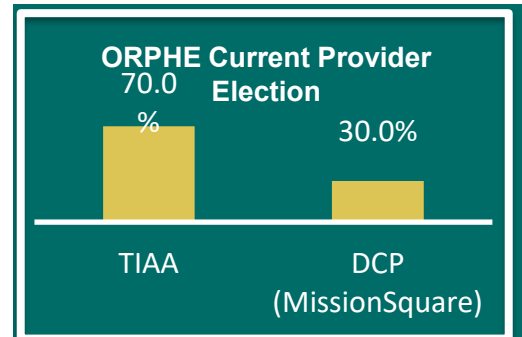
ORPHE Participation

Participant Accounts: 10,588
Assets: \$1,244,985,416
Providers: MissionSquare, TIAA

ORPHE-Eligible Plan Coverage

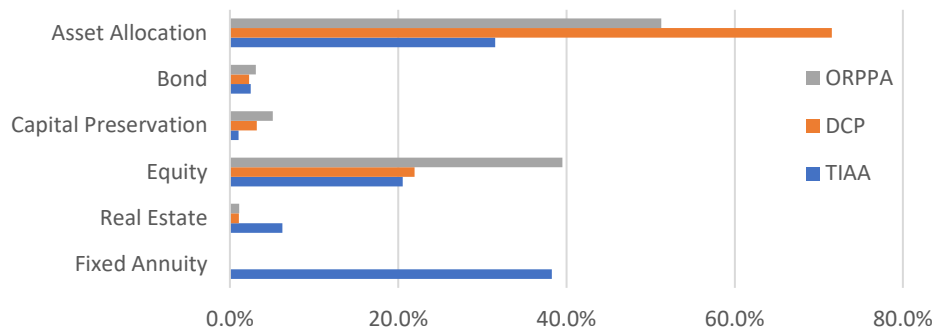


Plan ● VRS-HYBRID ● ORPHE_Plan2



ORPHE Deselected Providers:
Fidelity, T. Rowe Price, Empower, AIG-VALIC, MetLife
Participants: 1,292
Assets: \$145,681,942

Participant Holdings by Plan and Assets



*Excludes opt-out higher ed institutions. ^Excludes deselected investments. Some currently selected funds on the TIAA platform may include assets across the RC, RA, and GRA contracts. *Includes both international and domestic equity.

VRS Defined Contribution Plans

4th Quarter 2023 – DC Plans Metrics

Source Information/Additional Footnotes

All data unless noted otherwise was provided by MissionSquare Retirement and is as of 12/31/2023.

1. Includes DC plans record kept by MissionSquare Retirement.
2. Total assets and accounts include beneficiaries and excludes forfeiture and reserve accounts.
3. Web statistics provided by Google Analytics.
4. Includes employees at higher education institutions who are also eligible for a 403(b).
5. Cash Flow Definitions
 - Rollins – Contributions into a participant’s account from a retirement plan or IRA.
 - Contributions – Payroll contributions from a participant’s paycheck.
 - Plan Transfers – Transfer of funds between VRS retirement plans.
 - Distributions – Consists of auto enrollment refunds, required minimum distributions (RMDs) unforeseen emergency withdrawals and full, partial, installment and de minimis requests
 - Rollouts – Withdrawal request sent to another retirement plan or IRA
 - SCP – A request to transfer employee contribution funds from the plan to VRS to purchase service credit. Please note, SCP is not permitted from the H401 plan.
6. Active Participants do not have a termination date on file and may not have made a contribution during the quarter. Terminated Participants have a termination date on file.
7. Source: 10/1/21 Active Hybrid Member Demographics Report.
8. Active Election participation rate includes members who had a self-selected voluntary election on file prior to the automatic escalation that occurred on 12/16/19.
9. Chart shows current status of active participants set up as auto-enroll eligible after plan conversion, January 6, 2014; excludes terminated participants.