

Sample Notes to the Financial Statements
Disability Insurance Program (Virginia Sickness and Disability Plan)
For the Fiscal Year Ended June 30, 2026

Instructions: *The Sample Notes to the Financial Statements for the Disability Insurance Program – Virginia Sickness and Disability Plan are based on the data in Illustration 2 of GASB Statement No. 75 and the related information in the Implementation Guide. These are provided by the Virginia Retirement System as a guide for employers in the development of their GASB 75 note disclosures. The GASB 75 schedules referenced in this document can be found in the “GASB Statement No. 75 Report for the Virginia Retirement System Prepared as of June 30, 2025” on the VRS Guidelines and Resources page of the VRS website at employers.varetire.org/financial-reporting/vrs-guidlines-and-resources-opeb.*

Within the sample Notes to the Financial Statements, the sample Required Supplementary Information and the sample Journal Entries there are a number of variable items which each employer must fill in using their own unique information. For each of these items, we have identified the source of the information.

We have also provided an analysis of the change in Net OPEB Liability (Asset) – VSDP for each employer group (State Police, State, and Virginia Law Officers’ Retirement System (VaLORS)). This analysis includes the June 30, 2024, Net OPEB Liability (Asset) – VSDP and elements impacting the 2025 Net Change in OPEB Liability (Asset) – VSDP and the June 30, 2025, Net OPEB Liability (Asset) – VSDP. Most of this data is also contained in the GASB 75 Report from the VRS actuary.

Note: *Disclosures required in GASB 75 paragraphs 96h and 97b are not included in the information provided below.*

The information in this document is provided as an additional resource for employers, but each employer is responsible for their own Notes to the Financial Statements. Employers should review the language and other information provided with their auditors. For the period being reported, VSDP has a Net OPEB Asset position unlike most of the other OPEB plans. Therefore, the narrative has been modified as compared to the other plans. The Total OPEB Liability is addressed as such, but the Net OPEB amount is identified as either “Net OPEB Liability (Asset)” or Net OPEB Asset.

If you have any questions concerning this information, please contact me at 804-697-6666 or send me an email at CDoughtie@varetire.org.

Employer Name
Notes to the Financial Statements
For the Year Ended June 30, 2026

Summary of Significant Accounting Policies

VRS Disability Insurance Program

The Virginia Retirement System (VRS) Disability Insurance Program (Virginia Sickness and Disability Program) is a single employer plan that is presented as a multiple-employer, cost-sharing plan. The Disability Insurance Program was established pursuant to §51.1-1100 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Disability Insurance Program is a managed care program that provides sick, family and personal leave and short-term and long-term disability benefits for State Police Officers, state employees, and VaLORS employees. For purposes of measuring the net Disability Insurance Program OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to the Disability Insurance Program OPEB, and Disability Insurance Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Disability Insurance Program OPEB Plan and the additions to/deductions from the VRS Disability Insurance Program OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the VRS Disability Insurance Program

Plan Description

All full-time and part-time permanent salaried state employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) hired on or after January 1, 1999, are automatically covered by the Disability Insurance Program (VSDP) upon employment. The Disability Insurance Program also covers state employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for disability retirement. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

The specific information for Disability Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

VSDP PLAN PROVISIONS

Eligible Employees

The Virginia Sickness and Disability Program (VSDP), also known as the Disability Insurance Trust Fund was established January 1, 1999, to provide short-term and long-term disability benefits for non-work-related and work-related disabilities.

Eligible employees are enrolled automatically upon employment. They include:

- Full-time and part-time permanent salaried state employees covered under VRS, SPORS and VaLORS (members new to VaLORS following its creation on October 1, 1999, have been enrolled since the inception of VSDP).
- State employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for VRS disability retirement.
- Public college and university faculty members who elect the VRS defined benefit plan. They may participate in VSDP or their institution's disability program, if offered. If the institution does not offer the program or the faculty member does not make an election, he or she is enrolled in VSDP.

Benefit Amounts

The Virginia Sickness and Disability Program (VSDP) provides the following benefits for eligible employees:

- *Leave:* Sick, family and personal leave. Eligible leave benefits are paid by the employer.
 - *Short-Term Disability:* The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. The benefit provides income replacement beginning at 100% of the employee's pre-disability income, reducing to 80% and then 60% based on the period of the disability and the length of service of the employee. Short-term disability benefits are paid by the employer.
 - *Long-Term Disability (LTD):* The program provides a long-term disability benefit beginning after 125 workdays of short-term disability and continuing until the employee reaches his or her normal retirement age. The benefit provides income replacement of 60% of the employee's pre-disability income. If an employee becomes disabled within five years of his or her normal retirement age, the employee will receive up to five years of VSDP benefits, provided he or she remains medically eligible. Long-term disability benefits are paid for by the Virginia Disability Insurance Program (VSDP) OPEB Plan.
 - *Income Replacement Adjustment:* The program provides for an income replacement adjustment to 80% for catastrophic conditions.
 - *VSDP Long-Term Care Plan:* The program also includes a self-funded long-term care plan that assists with the cost of covered long-term care services.
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VSDP PLAN PROVISIONS

Disability Insurance Program (VSDP) Plan Notes:

- Employees hired or rehired on or after July 1, 2009, must satisfy eligibility periods before becoming eligible for non-work-related short-term disability benefits and certain income-replacement levels.
- A state employee who is approved for VSDP benefits on or after the date that is five years prior to his or her normal retirement date is eligible for up five years of VSDP benefits.
- Employees on work-related short-term disability receiving only a workers' compensation payment may be eligible to purchase service credit for this period if retirement contributions are not being withheld from the workers' compensation payment. The rate will be based on 5.00% of the employee's compensation.

Cost-of-Living Adjustment (COLA)

- During periods an employee receives long-term disability benefits, the LTD benefit may be increased annually by an amount recommended by the actuary and approved by the Board.
 - Plan 1 employees vested as of 1/1/2013 – 100% of the VRS Plan 1 COLA (The first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%).
 - Plan 1 employee non-vested as of 1/1/2013, Plan 2 and Hybrid Plan employees – 100% of the VRS Plan 2 and Hybrid COLA (The first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%).
- For participating full-time employees taking service retirement, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement.
 - 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%.
- For participating full-time employees receiving supplemental (work-related) disability benefits, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement.
 - 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%.

Contributions

The contribution requirements for the Disability Insurance Program (VSDP) are governed by §51.1-1140 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the Disability Insurance Program (VSDP) for the year ended June 30, 2026, was 0.50% of covered employee compensation. This rate was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits payable during the 2026 year, with an adjustment to amortize the accrued OPEB assets. Contributions to the Disability Insurance Program (VSDP) from the entity were \$[Insert amount] and \$[Insert amount] for the years ended June 30, 2026, and June 30, 2025, respectively.

Disability Insurance Program (VSDP) OPEB Liabilities (Assets), VSDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VSDP OPEB

At June 30, 2026, the entity reported a liability (asset) of \$ [Appendix 32 – Net OPEB Liability – Virginia Sickness and Disability Program, 6/30/2025 Net OPEB Liability] for its proportionate share of the Net VSDP OPEB Liability (Asset). The Net VSDP OPEB Liability (Asset) was measured as of June 30, 2025, and the total VSDP OPEB liability used to calculate the Net VSDP OPEB Liability (Asset) was determined by an actuarial valuation as of June 30, 2024, and rolled forward to the measurement date of June 30, 2025. The [insert agency/employer name] proportion of the Net VSDP OPEB Liability (Asset) was based on the agency’s actuarially determined employer contributions to the VSDP OPEB plan for the year ended June 30, 2025 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2025, the [insert agency/employer name] proportion was [Appendix 29 – Proportionate Share of Contributions – Virginia Sickness and Disability Program, 2025 Employer Allocation Percentage] % as compared to [Appendix 29 – Proportionate Share of Contributions – Virginia Sickness and Disability Program, 2024 Employer Allocation Percentage] % at June 30, 2024.

For the year ended June 30, 2026, the [insert agency/employer name] recognized VSDP OPEB expense of \$ [Appendix 30 – Schedule of Deferred Inflows and Outflows and OPEB Expense – Virginia Sickness and Disability Program, Total Employer OPEB Expense]. Since there was a change in proportionate share between measurement dates, a portion of the VSDP OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2026, the [insert agency/employer name] reported deferred outflows of resources and deferred inflows of resources related to the VSDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1	\$ 5
Net difference between projected and actual earnings on VSDP OPEB program investments	2	6
Change in assumptions	3	7
Changes in proportionate share	4	8
Employer contributions subsequent to the measurement date	[Insert Amount]	—
Total	\$ —	\$ —

Source of Data for Deferred Outflows and Deferred Inflows Schedule:**Appendix 30 – Schedule of Deferred Inflows and Outflows and VSDP OPEB Expense – Virginia Sickness and Disability Program**

- 1 – \$ [Deferred Outflows of Resources - Difference Between Expected and Actual Exp.]
- 2 – \$ [Deferred Outflows of Resources - Net Difference Between Projected and Actual Inv...]
- 3 – \$ [Deferred Outflows of Resources - Change of Assumptions.]
- 4 – \$ [Deferred Outflows of Resources - Changes in Proportionate Share and Differences Between..]
- 5 – \$ [Deferred Inflows of Resources - Difference Between Expected and Actual Exp.]
- 6 – \$ [Deferred Inflows of Resources - Net Difference Between Projected and Actual Inv...]
- 7 – \$ [Deferred Inflows of Resources - Change of Assumptions.]
- 8 – \$ [Deferred Inflows of Resources - Changes in Proportionate Share and Differences Between..]

\$[Insert amount] reported as deferred outflows of resources related to the VSDP OPEB resulting from the [insert agency/employer name] contributions subsequent to the measurement date will be recognized as an adjustment of the Net VSDP OPEB Liability (Asset) in the Fiscal Year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VSDP OPEB will be recognized in VSDP OPEB expense in future reporting periods as follows:

Year ended June 30

FY 2027	\$ [Appendix 31, Year 1]
FY 2028	\$ [Appendix 31, Year 2]
FY 2029	\$ [Appendix 31, Year 3]
FY 2030	\$ [Appendix 31, Year 4]
FY 2031	\$ [Appendix 31, Year 5]
Thereafter	\$ [Appendix 31, Thereafter]

Source of Data for Amortization of Deferred Outflows and Deferred Inflows Schedule:**Appendix 31 – Amortization of Deferred Inflows and Outflows – Virginia Sickness and Disability Program*****Actuarial Assumptions***

The total VSDP OPEB liability was based on an actuarial valuation as of June 30, 2024, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

Inflation	2.50%
Salary increases, including inflation –	
General state employees	3.5% – 5.35%
SPORS employees	3.5% – 4.75%
VaLORS employees	3.5% – 4.75%
Investment rate of return	
	6.75%, net of investment expenses, including inflation

Mortality rates – General State Employees

Pre-Retirement:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; females set forward 2 years

Post-Retirement:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 110% of rates for females

Post-Disablement:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; males and females set forward 3 years

Beneficiaries and Survivors:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the standard rate

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Discount Rate	No change
Rates of disability claim incidence	Same disability incidence as pension
Rates of disability claim termination	Lower termination in early years, higher in later years
Benefit offsets	Adjusted slightly
Catastrophic claims	No Change
Percentage eligible for additional 1% defined contribution	No Change

Mortality rates – SPORS Employees

Pre-Retirement:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 95% of rates for males, and 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 110% of rates for males, and 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 95% of rates for males set back 3 years, and 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 110% of rates for males set forward 2 years, and 110% of rates for females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Discount Rate	No change
Rates of disability claim incidence	Same disability incidence as pension
Rates of disability claim termination	Lower termination in early years, higher in later years
Benefit offsets	Adjusted slightly
Catastrophic claims	No Change
Percentage eligible for additional 1% defined contribution	No Change

Mortality rates – ValORS Employees

Pre-retirement:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 95% of rates for males, and 105% of rates for females set forward 2 years

Post-retirement:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 110% of rates for males, and 105% of rates for females set forward 3 years

Post-disablement:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 95% of rates for males set back 3 years, and 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount-Weighted tables, with 75% of the MP-2021 Scale projected generationally; 110% of rates for males set forward 2 years, and 110% of rates for females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2021 Improvement Scale
that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points; use of 2.50% payroll growth assumption for purposes of amortizing any unfunded actuarial accrued liabilities
Discount Rate	No change
Rates of disability claim incidence	Same disability incidence as pension
Rates of disability claim termination	Lower termination in early years, higher in later years
Benefit offsets	Adjusted slightly
Catastrophic claims	No Change
Percentage eligible for additional 1% defined contribution	No Change

Net VSDP OPEB Liability (Asset)

The net OPEB asset (NOA) for the Disability Insurance Program (VSDP) represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2025, NOA amounts for the Disability Insurance Program (VSDP) are as follows (amounts expressed in thousands):

	Virginia Sickness and Disability Program
Total VSDP OPEB Liability	323,479
Plan Fiduciary Net Position	758,711
VSDP Net OPEB Liability (Asset)	<u><u>\$ (435,232)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total VSDP OPEB Liability	234.55%

The total VSDP OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB asset is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

* Expected arithmetic nominal return

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

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

Discount Rate

The discount rate used to measure the total VSDP OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2025, the rate contributed by participating employers to the VSDP OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2025, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VSDP OPEB Program's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total VSDP OPEB liability.

Sensitivity of the [insert agency/employer name] Proportionate Share of the Net VSDP OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the [insert agency/employer name] proportionate share of the net VSDP OPEB liability (asset) using the discount rate of 6.75% as well as what the [insert agency/employer name] proportionate share of the net VSDP OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
State agency's proportionate share of the VSDP Net OPEB Liability (Asset)	\$ [Appendix 32- Net OPEB Liability (Asset) - VSDP, Net OPEB Liability (Asset) 1% Decrease (5.75%)]	\$ [Appendix 32 - Net OPEB Liability (Asset)- VSDP, 6/30/2025 Net OPEB Liability (Asset)]	\$ [Appendix 32 - Net OPEB Liability (Asset) - VSDP, Net OPEB Liability (Asset) 1% Increase (7.75%)]

VSDP OPEB Fiduciary Net Position

Detailed information about the Disability Insurance Program (VSDP) Fiduciary Net Position is available in the separately issued VRS 2025 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/publications/?category=annual>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Payables to the VSDP OPEB Plan

[If the employer reported payables to the VRS, it should disclose information required by paragraph 142 of GASB 75. It is the state agency's responsibility to calculate this amount and complete the required disclosure.]

**Required Supplementary Information (RSI) Template
Cost-Sharing Employer Plans – Disability Insurance Program (VSDP)
For the Fiscal Year Ended June 30, 2026**

Instructions: *This template includes two sample schedules and the language for Notes to RSI to be used as a guide in the development of the RSI section of your financial statements:*

- *Schedule of Employer's Share of Net VSDP OPEB Liability (Asset)*
- *Schedule of Employer Contributions*
- *Notes to Required Supplementary Information*

The sample schedules presented in this section will each eventually show a 10-year history of data related to GASB 75. You may create your own tables based on the examples VRS has provided. Each year, VRS will update the data highlighted in accordance with the legend. However, the employer is responsible for providing the remainder of the information and calculations as indicated.

Each employer is responsible for maintaining its own schedules, retaining prior year data, and updating the schedules each year based on the new information.

Note: *Employer's Covered Payroll referenced in the GASB 75 schedules in the template represent the total covered payroll for employees covered under the VSDP OPEB plan. The periods for the schedules for FY 2026 are as follows:*

- *Schedule of Employer's Share of Net VSDP OPEB Liability (Asset) for the Measurement Dates of June 30, 2017 - 2025. This schedule will now have nine years because this is the ninth year for this presentation.*
- *Schedule of Employer Contributions – Covered Payroll is for the fiscal year ended June 30, 2026. This schedule should have 10 years. Pre-GASB Statement No. 75 information can be taken from the RSI data previously required under GASB Statement No. 45.*

Sample Schedule of Employer's Share of Net VSDP OPEB Liability (Asset)

Schedule of Employer's Share of Net OPEB Liability (Asset)

Disability Insurance Program (VSDP)

For the Measurement Dates of June 30, 2017 through 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Net VSDP OPEB Liability (Asset)	[Appendix 29 - Proportionate Share of Contributions - Virginia Sickness and Disability Program, 2025 Employer Allocation Percentage]	[Appendix 29 - Proportionate Share of Contributions - Virginia Sickness and Disability Program, 2024 Employer Allocation Percentage]	[Appendix 29 - Proportionate Share of Contributions - Virginia Sickness and Disability Program, 2023 Employer Allocation Percentage]	[Appendix 29 - Proportionate Share of Contributions - Virginia Sickness and Disability Program, 2022 Employer Allocation Percentage]	[Schedule A - Proportionate Share of Contributions - Virginia Sickness and Disability Program, 2021 Employer Allocation Percentage]	[Schedule A - Proportionate Share of Contributions - Virginia Sickness and Disability Program, 2020 Employer Allocation Percentage]	[Schedule A - Proportionate Share of Contributions - Virginia Sickness and Disability Program, 2019 Employer Allocation Percentage]	[Schedule A - Proportionate Share of Contributions - Virginia Sickness and Disability Program, 2018 Employer Allocation Percentage]	[Schedule A - Proportionate Share of Contributions - Virginia Sickness and Disability Program, 2017 Employer Allocation Percentage]
Employer's Proportionate Share of the Net VSDP OPEB Liability (Asset)	\$ [Appendix 32 - Net Pension Liability - Virginia Sickness and Disability Program, 6/30/2025 Net OPEB Liability]	\$ [Appendix 32 - Net Pension Liability - Virginia Sickness and Disability Program, 6/30/2024 Net OPEB Liability]	\$ [Appendix 32 - Net Pension Liability - Virginia Sickness and Disability Program, 6/30/2023 Net OPEB Liability]	\$ [Appendix 32 - Net Pension Liability - Virginia Sickness and Disability Program, 6/30/2022 Net OPEB Liability]	\$ [Schedule D - Net Pension Liability - Virginia Sickness and Disability Program, 6/30/2021 Net OPEB Liability]	\$ [Schedule D - Net Pension Liability - Virginia Sickness and Disability Program, 6/30/2020 Net OPEB Liability]	\$ [Schedule D - Net Pension Liability - Virginia Sickness and Disability Program, 6/30/2019 Net OPEB Liability]	\$ [Schedule D - Net Pension Liability - Virginia Sickness and Disability Program, 6/30/2018 Net OPEB Liability]	\$ [Schedule D - Net Pension Liability - Virginia Sickness and Disability Program, 6/30/2017 Net OPEB Liability]
Employer's Covered Payroll	\$ [Insert Amount]	\$ [Insert Amount]	\$ [Insert Amount]	\$ [Insert Amount]	\$ [Insert Amount]	\$ [Insert Amount]	\$ [Insert Amount]	\$ [Insert Amount]	\$ [Insert Amount]
Employer's Proportionate Share of the Net VSDP OPEB Liability (Asset) as a Percentage of its Covered Payroll	[Calculation: line 2 divided by Line 3] %	[Calculation: line 2 divided by Line 3] %	[Calculation: line 2 divided by Line 3] %	[Calculation: line 2 divided by Line 3] %	[Calculation: line 2 divided by Line 3] %	[Calculation: line 2 divided by Line 3] %	[Calculation: line 2 divided by Line 3] %	[Calculation: line 2 divided by Line 3] %	[Calculation: line 2 divided by Line 3] %
Plan Fiduciary Net Position as a Percentage of the Total VSDP OPEB Liability	234.55%	204.38%	199.05%	195.90%	229.01%	181.88%	167.18%	194.74%	186.63%

Schedule is intended to show information for 10 years. Since 2025 is the ninth year for this presentation, there are only nine years available. However, additional years will be included as they become available.

For Reference Only: The Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability for the Disability Insurance Program (VSDP) for each year is presented on pages 136-137 of the VRS 2025 Annual Report.

Sample Schedule of Employer Contributions

Schedule of Employer Contributions Virginia Sickness and Disability Program (VSDP) For the Years Ended June 30, 2017 through 2026

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2026	\$(Insert Amount)	\$(Insert Amount)	Col (1) -(2)	\$(Insert Amount)	Col (2) / (4)
2025	\$(Insert Amount)	\$(Insert Amount)	Col (1) -(2)	\$(Insert Amount)	Col (2) / (4)
2024	\$(Insert Amount)	\$(Insert Amount)	Col (1) -(2)	\$(Insert Amount)	Col (2) / (4)
2023	\$(Insert Amount)	\$(Insert Amount)	Col (1) -(2)	\$(Insert Amount)	Col (2) / (4)
2022	\$(Insert Amount)	\$(Insert Amount)	Col (1) -(2)	\$(Insert Amount)	Col (2) / (4)
2021	\$(Insert Amount)	\$(Insert Amount)	Col (1) -(2)	\$(Insert Amount)	Col (2) / (4)
2020	\$(Insert Amount)	\$(Insert Amount)	Col (1) -(2)	\$(Insert Amount)	Col (2) / (4)
2019	\$(Insert Amount)	\$(Insert Amount)	Col (1) -(2)	\$(Insert Amount)	Col (2) / (4)
2018	\$(Insert Amount)	\$(Insert Amount)	Col (1) -(2)	\$(Insert Amount)	Col (2) / (4)
2017	\$(Insert Amount)	\$(Insert Amount)	Col (1) -(2)	\$(Insert Amount)	Col (2) / (4)

For Reference Only:

Column 1 – Employer contribution rate multiplied by the employer's covered payroll.

Column 2 – Employer contributions as referenced in Covered Payroll & Contributions report on VRS website.

Column 4 – Employer's covered payroll amount for the fiscal year.

Sample Notes to Required Supplementary Information

Notes to Required Supplementary Information For the Year Ended June 30, 2026

Changes of benefit terms: There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions: The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General State Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Discount Rate	No change
Rates of disability claim incidence	Same disability incidence as pension
Rates of disability claim termination	Lower termination in early years, higher in later years
Benefit offsets	Adjusted slightly
Catastrophic claims	No Change
Percentage eligible for additional 1% defined contribution	No Change

SPORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Discount Rate	No change
Rates of disability claim incidence	Same disability incidence as pension
Rates of disability claim termination	Lower termination in early years, higher in later years
Benefit offsets	Adjusted slightly
Catastrophic claims	No Change
Percentage eligible for additional 1% defined contribution	No Change

VaLORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points; use of 2.50% payroll growth assumption for purposes of amortizing any unfunded actuarial accrued liabilities
Discount Rate	No change
Rates of disability claim incidence	Same disability incidence as pension
Rates of disability claim termination	Lower termination in early years, higher in later years
Benefit offsets	Adjusted slightly
Catastrophic claims	No Change
Percentage eligible for additional 1% defined contribution	No Change