

Sample Notes to the Financial Statements
Single Employer Plan –
Political Subdivision Health Insurance Credit Program
For the Fiscal Year Ended June 30, 2025

Instructions: *The Sample Notes to the Financial Statements for the Single Employer Plan – Political Subdivision Health Insurance Credit Program are based on the data in Illustration 1 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, 2024” on the VRS Guidelines and Resources page of the VRS website at employers.varetire.org/financial-reporting/vrs-guidelines-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. In addition, employers without hazardous duty employees should exclude that information and those references from their presentations. Where the "Largest 10" and "Non-Largest 10" are referenced under changes in assumptions, select which one applies to the employer. These are highlighted in orange text in this document.

We have also provided an analysis of the change in Net OPEB Liability HIC–Political Subs. This analysis includes the June 30, 2023, Net OPEB Liability HIC–Political Subs and elements impacting the 2024 Net Change in OPEB Liability HIC–Political Subs and the June 30, 2024, Net OPEB Liability HIC–Political Subs. Most of this data is also contained in the GASB 75 Report from the VRS actuary and in the individual GASB 75 reports that have been provided to covered employers.

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.

If you have any questions concerning this information, please contact me at 804-771-7352 or send me an email at lweldon@varetire.org.

[Insert Political Subdivision's Name]

**Notes to the Financial Statements
For the Year Ended June 30, 2025**

Summary of Significant Accounting Policies

Health Insurance Credit Program

The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The Political Subdivision Health Insurance Credit Program was established pursuant to § 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net Political Subdivision Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Health Insurance Credit Program OPEB, and the Political Subdivision Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Political Subdivision Health Insurance Credit Program; and the additions to/deductions from the VRS Political Subdivision Health Insurance Credit Program's fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the Political Subdivision Health Insurance Credit Program

Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision Health Insurance Credit Program OPEB, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS

Eligible Employees

The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993, for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.

Eligible employees are enrolled automatically upon employment. They include:

- Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.

Benefit Amounts

The political subdivision's Retiree Health Insurance Credit Program provides the following benefits for eligible employees:

- *At Retirement:* For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.
- *Disability Retirement:* For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

Health Insurance Credit Program Notes:

- The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.
- No Health Insurance Credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans.
- Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the Health Insurance Credit as a retiree.

Employees Covered by Benefit Terms

As of the June 30, 2024, actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	Political Subdivision's GASB 75 Report Membership Table, Pages 1, Line 1
Vested inactive members	Political Subdivision's GASB 75 Report Membership Table, Pages 1, Line 2
Active members	Political Subdivision's GASB 75 Report Membership Table, Pages 1, Line 3
Total covered employees	Political Subdivision's GASB 75 Report Membership Table, Pages 1, Line 4

Contributions

The contribution requirement for active employees is governed by § 51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The [insert political subdivision's name] contractually required employer contribution rate for the year ended June 30, 2025, was [Insert contributed rate]% of covered employee compensation. This rate 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 earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the [insert political subdivision's name] to the Political Subdivision Health Insurance Credit Program were \$ [Insert amount] and \$ [Insert amount] for the years ended June 30, 2025, and June 30, 2024, respectively.

Net HIC OPEB Liability

The [insert political subdivision's name] net Health Insurance Credit OPEB liability was measured as of June 30, 2024. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50%
Salary increases, including inflation –	
Locality – General employees	3.50% – 5.35%
Locality – Hazardous Duty employees	3.50% – 4.75%
Investment rate of return	
6.75%, net of plan investment expenses, including inflation	

Mortality rates – Largest 10 Locality Employers – General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. 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)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – Non-Largest 10 Locality Employers – General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. 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)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – Largest 10 Locality Employers – Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. 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)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – Non-Largest 10 Locality Employers – Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. 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)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's 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 System's 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	Weighted Average
		Long-Term Expected Rate of Return	Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP – Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00%)	3.50%	(0.11%)
Total	100.00%		7.07%
			7.07%

* Expected arithmetic nominal return

** The above allocation provides a one-year expected return of 7.07% (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 7.10%, 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 HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024, on, employers are

assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability:

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Net HIC OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 77,344,000	\$ 40,057,000	\$ 37,287,000
Changes for the year:			
Service Cost	\$ 1,153,000	\$ —	\$ 1,153,000
Interest	5,132,000	—	5,132,000
Benefit Changes	228,000	—	228,000
Differences between expected and actual experiences	(3,586,000)	—	(3,586,000)
Assumption Changes	(6,000)	—	(6,000)
Contributions - employer	—	7,600,000	(7,600,000)
Net investment income	—	3,964,000	(3,964,000)
Benefit payments	(4,465,000)	(4,465,000)	—
Administrative expenses	—	(56,000)	56,000
Other changes	—	(2,000)	2,000
Net changes	\$ (1,544,000)	\$ 7,041,000	\$ (8,585,000)
Balances at June 30, 2024	\$ 75,800,000	\$ 47,098,000	\$ 28,702,000

Totals are from Appendix 16 Total OPEB Liability and Fiduciary Net Position of the GASB Statement No. 75 Report. *(Individual employer data is provided in the Political Subdivision's GASB 75 Report in the Schedule of Changes in the Net OPEB Liability on page 6.)*

Sensitivity of the Political Subdivision Health Insurance Credit Net OPEB Liability to Changes in the Discount Rate

The following presents the Political Subdivision Health Insurance Credit Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the Political Subdivision's net HIC OPEB

liability 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%)
Political Subdivision's Net HIC OPEB Liability	\$ [Political Subdivision's GASB 75 Report Page 7, Net OPEB Liability 1% Decrease (5.75%)]	\$ [Political Subdivision's GASB 75 Report Page 7, 6/30/2024 Net OPEB Liability]	\$ [Political Subdivision's GASB 75 Report Page 7, Net OPEB Liability 1% Increase (7.75%)]

Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Program OPEB

For the year ended June 30, 2025, the [insert political subdivision's name] recognized Health Insurance Credit Program OPEB expense \$ [OPEB Expense, Page 8 of the Political Subdivision's GASB 75 report]. At June 30, 2025, the [insert political subdivision's name] reported deferred outflows of resources and deferred inflows of resources related to the [insert political subdivision's name] Health Insurance Credit Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$(Deferred Outflows, Page 9, Column 2)	\$(Deferred Outflows, Page 9, Column 3)
Net difference between projected and actual earnings on Political HIC OPEB program investments	\$(Deferred Outflows, Page 9, Column 2)	\$(Deferred Outflows, Page 9, Column 3)
Change in assumptions	\$(Deferred Outflows, Page 9, Column 2)	\$(Deferred Outflows, Page 9, Column 3)
Changes in proportionate share and differences between actual and expected contributions	\$(Deferred Outflows, Page 9, Column 2)	\$(Deferred Outflows, Page 9, Column 3)
Employer contribution subsequent to the measurement date	[Insert Amount]	—
Total	\$ —	\$ —

(Data for this table is taken from the Summary of Deferred Inflows and Outflows of Resources table on page 9 of the Political Subdivision's GASB 75 Report.)

\$[Insert amount] reported as deferred outflows of resources related to the HIC OPEB resulting from the [insert political subdivision's name] contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year ended June 30

Year 1	2026	\$ [Amortization of Deferred Outflows & Inflows, Page 9]
Year 2	2027	\$ [Amortization of Deferred Outflows & Inflows, Page 9]
Year 3	2028	\$ [Amortization of Deferred Outflows & Inflows, Page 9]
Year 4	2029	\$ [Amortization of Deferred Outflows & Inflows, Page 9]
Year 5	2030	\$ [Amortization of Deferred Outflows & Inflows, Page 9]
	Thereafter	\$ [Amortization of Deferred Outflows & Inflows, Page 9]

(Data for this table is taken from the Schedule of Amortization of Deferred Inflows and Outflows of Resources table on page 6 of the Political Subdivision's GASB 75 Report.)

Health Insurance Credit Program Plan Data

Information about the VRS Political Subdivision Health Insurance Credit Program is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report*. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Payables to the Political Subdivision Health Insurance Credit Program OPEB Plan

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

**Required Supplementary Information (RSI) Template
Single Employer Plan –
Political Subdivision Health Insurance Credit Program
For the Fiscal Year Ended June 30, 2025**

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 Net HIC OPEB Liability and Related Ratios*
- *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 calculation 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 HIC OPEB plan. Both of these schedules will now have multiple years of data. The periods for the additions to the schedules for FY 2025 are as follows:*

- *Schedule of Employer's Net HIC OPEB Liability for the Measurement Dates of June 30, 2017 - 2024. This schedule will now have eight years because this is the eighth year for this presentation.*
- *Schedule of Employer Contributions – Covered Payroll is for the fiscal year ended June 30, 2025. 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 Net HIC OPEB Liability and Related Ratios

Schedule of Changes in the Political Subdivision's Net HIC OPEB Liability and Related Ratios
(expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Total HIC OPEB liability:								
Service cost	\$ 1,153	\$ 1,134	\$ 1,545	\$ 1,532	\$ 1,063	\$ 997	\$ 960	\$ 972
Interest	5,132	5,968	5,468	5,113	2,797	2,721	2,644	2,618
Changes in benefit terms	228	97	1,513	—	32,238	—	—	—
Difference between actual and expected experience	(3,586)	(15,216)	(2,642)	(669)	624	964	339	—
Changes of assumptions	(6)	(9)	6,225	1,656	220	1,066	—	(1,015)
Benefit payments	(4,465)	(4,303)	(4,460)	(3,098)	(2,996)	(2,564)	(2,707)	(1,676)
Net change in total HIC OPEB liability	(1,544)	(12,329)	7,649	4,534	33,946	3,184	1,236	899
Total HIC OPEB liability - beginning	77,344	89,673	82,024	77,490	43,544	40,360	39,124	38,225
Total HIC OPEB liability - ending (a)	\$ 75,800	\$ 77,344	\$ 89,673	\$ 82,024	\$ 77,490	\$ 43,544	\$ 40,360	\$ 39,124
Plan fiduciary net position:								
Contributions - employer	\$ 7,600	\$ 6,752	\$ 5,683	\$ 5,239	\$ 2,553	\$ 2,406	\$ 2,291	\$ 2,164
Net investment income	3,964	2,236	3	6,711	490	1,490	1,570	2,273
Benefit payments	(4,465)	(4,303)	(4,460)	(3,098)	(2,996)	(2,564)	(2,707)	(1,676)
Administrator charges	(56)	(55)	(62)	(86)	(47)	(32)	(37)	(37)
Other	(2)	(113)	1,142	2	(2)	(2)	(103)	111
Net change in plan fiduciary net position	7,041	4,517	2,306	8,768	(2)	1,298	1,014	2,835
Plan fiduciary net position - beginning	40,057	35,540	33,234	24,466	24,468	23,170	22,156	19,321
Plan fiduciary net position - ending (b)	\$ 47,098	\$ 40,057	\$ 35,540	\$ 33,234	\$ 24,466	\$ 24,468	\$ 23,170	\$ 22,156
Political subdivision's net HIC OPEB liability - ending (a-b)	\$ 28,702	\$ 37,287	\$ 54,133	\$ 48,790	\$ 53,024	\$ 19,076	\$ 17,190	\$ 16,968
Plan fiduciary net position as a percentage of the total HIC OPEB liability	62.13%	51.79%	39.63%	40.52%	31.57%	56.19%	57.41%	56.63%
Covered payroll	\$ 1,965,836	\$ 1,755,661	\$ 1,574,328	\$ 1,489,771	\$ 1,477,727	\$ 1,081,702	\$ 1,022,007	\$ 966,611
Political subdivision's net HIC OPEB liability as a percentage of covered payroll	1.46%	2.12%	3.44%	3.27%	3.59%	1.76%	1.68%	1.76%

Totals, with the exception of the covered payroll are from Appendix 16 – Total OPEB Liability and Fiduciary Net Position, and the summary of collective amounts on page 20 of the GASB Statement No. 75 Report. *(Employer data, with the exception of the covered payroll and ratios, is provided in the Political Subdivision's GASB 75 Report in the Schedule of Changes in the Net OPEB Liability on page 6)*

Sample Schedule of Employer Contributions

Schedule of Employer Contributions Health Insurance Credit - Political Subdivisions For the Years Ended June 30, 2016 through 2025

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)
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)
2016	\$(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, 2025

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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 Locality Employers – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest 10 Locality Employers – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Largest 10 Locality Employers – Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest 10 Locality Employers – Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change