

Virginia Retirement System

Annual Actuarial Valuation

June 30, 2025



Outline of Contents

Section A	5
Executive Summary	6
Other Observations	10
Section B	11
Results Summary	12
Results Summary – Employer Contribution Rate Detail.....	18
Amortization of Unfunded Accrued Liability.....	19
Unfunded Accrued Liability Changes.....	24
Detailed Gain/Loss Analysis for Fiscal Year Ending 2025	25
Discussion of Risk/Maturity Measures.....	26
Risk/Maturity Measures	28
Low-Default-Risk Obligation Measure	34
Sensitivity of Employer Contribution Rate	35
Contribution Projections	37
Actuarial Balance Sheet.....	38
Solvency Test	39
Section C	47
Summary of Asset Values	43
Market Value of Asset Reconciliation	44
Actuarial Value of Asset Reconciliation	45
Section D	51
Retiree and Beneficiary Detail – Tabulated by Type of Retirement.....	47
Deferred Detail – Tabulated by Type	48
Active Participant Detail.....	49
Active Participants – Tabulated by Age and Total Service	50

December 23, 2025

Board of Trustees
Virginia Retirement System
1200 E. Main Street
Richmond, VA 23219

**Re: Virginia Retirement System Actuarial Valuation as of June 30, 2025
Actuarial Disclosures – State Pension Plans**

Dear Trustees:

The results of the June 30, 2025 Annual Actuarial Valuation of the Virginia Retirement System (VRS) are presented in this report. This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure each Statewide System's funding progress as of June 30, 2025 and to determine the required employer contribution rates for the fiscal years ended June 30, 2027 and June 30, 2028. In addition, this report provides select aggregated valuation results for the participating Political Subdivisions. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The employer contribution rates in this report are determined using the actuarial assumptions and methods as adopted by the Board. This report includes risk metrics on pages 28 through 33 but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund the VRS. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through June 30, 2025. The valuation was based upon information furnished by the VRS, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the VRS. For a summary of the benefit provisions used, please refer to the appendix available on the VRS [website](#).

Board of Trustees
Virginia Retirement System
December 23, 2025

Valuation results are developed through the use of multiple models.

Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

Financial results were prepared using our financing model which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). All calculations, including all actuarial assumptions and methods used for funding purposes in the valuation follow the guidance and meet the parameters set by the applicable Actuarial Standards of Practice. For a full list of the assumptions and methods used, please refer to the appendix available on the VRS website.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the VRS as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Rebecca L. Stouffer, James D. Anderson, Richard C. Koch Jr., and Michael D. Kosciuk are Members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,
Gabriel, Roeder, Smith & Company


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RLS/JDA/RCK/MDK:sc



SECTION A

EXECUTIVE SUMMARY

Executive Summary

1. Introduction

Each year actuarial valuations are prepared for the Virginia Retirement System (VRS). This report contains the results of the June 30, 2025 actuarial valuation for each of the Statewide Retirement Systems administered by the VRS.

As referenced throughout this report, the Statewide Retirement Systems are as follows:

- Virginia Retirement System
 - State Employees
 - Teachers
 - Political Subdivisions
- State Police Officer's Retirement System (State Police)
- Judicial Retirement System (Judicial)
- Virginia Law Officers' Retirement System (Virginia Law Officers)

In addition, the report presents aggregated results for the participating Political Subdivisions within the agent-multiple employer plan. The funded status and employer contribution rates for participating Political Subdivisions are developed individually at the employer level.

2. Total Employer Contribution Rates to Support Retirement System Benefits – Including an Actuarially Determined Employer Contribution (ADEC) Rate

Fiscal Year(s) Ending:	2025 & 2026		Informational - 2026	2027 & 2028
Valuation Date:	June 30, 2023		June 30, 2024	June 30, 2025
Employer Contribution Rate / System	Board Approved ¹	General Assembly Approved ¹	ADEC	ADEC
State Employees	12.52%	12.52%	11.77%	11.07%
Teachers	14.21%	14.21%	13.63%	12.20%
State Police	31.32%	31.32%	31.39%	31.67%
Judicial	30.66%	30.67%	28.36%	30.49%
Virginia Law Officers	22.81%	24.60%	23.00%	22.60%
Political Subdivisions (Average)	12.25%	N/A	11.76%	10.59%

¹ During the 2023 valuation cycle, the Board adopted a change to the VRS Funding Policy Statement which generally reset the remaining amortization period to 20 years for the total unfunded accrued liability as of June 30, 2023.

Executive Summary

The Actuarially Determined Employer Contribution rates determined in this report for the Statewide Retirement Systems are reasonable under Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, based on:

- The use of reasonable actuarial assumptions and cost methods;
- The use of reasonable amortization and asset valuation methods; and
- Application of the VRS funding policy which will accumulate sufficient assets to make benefit payments when due, assuming all assumptions will be realized and Actuarially Determined Employer Contributions are made when due.

The Employer Defined Benefit Contribution rate for each participating Political Subdivision is determined individually, as this is an agent multiple-employer plan. Commentary regarding the reasonability of these contribution rates is provided under separate cover.

Contribution rates for the VRS employers are established every two years. Odd valuation years are rate setting valuations. A measure of the funded status and recommended employer contribution rates are determined by the Actuary and approved by the Board of Trustees. Actual employer contribution rates (for all except Political Subdivisions) are established by the General Assembly for the biennium, subject to intermediate updates. Even valuation years are considered informational. Even year valuations provide a current measure of the System's funded status and an illustrative measure of the employer contribution rate, after accounting for updates to demographic data, financial data, plan provisions, and assumption and/or method changes since the previous valuation measurement.

The table on the prior page shows the employer contribution rates for fiscal years ending 2025-2028 based on the June 30, 2023 and June 30, 2025 actuarial valuations. The budget maintains funding for fiscal years ending 2025 and 2026 based on the prior biennium's higher contribution rates for Judicial (30.67% vs. 30.66%) and Virginia Law Officers (24.60% vs. 22.81%). The actuarially determined employer contribution rates based on the June 30, 2024 valuation presented in this report are *informational* in nature.

Executive Summary

3. Funded Ratio

The funded ratio of the plan is the percentage of the dollar value of the accrued liability that is covered by the actuarial value of assets. While the funded ratio may be a useful plan measurement, understanding a plan's funding trend may be more important than a particular point in time. The chart below compares the funded ratio for the current valuation with the results of the prior valuation.

System	Funded Ratio	
	June 30, 2025	June 30, 2024
State Employees	82.81%	79.99%
Teachers	82.81%	80.60%
State Police	73.68%	71.14%
Judicial	87.76%	86.02%
Virginia Law Officers	75.20%	72.48%
Political Subdivisions	91.76%	88.86%

4. Reasons for Change

There are three general reasons why contribution rates change from one valuation to the next.

- Changes in the benefit or eligibility conditions of the plan;
- Change in the valuation assumptions and/or methods used to project future occurrences; and
- Experience of the plan, the difference during the year between the plan's actual experience and that expected under the actuarial assumptions.

For all plans except Judicial, there were no significant changes in plan benefits or eligibility conditions since the prior valuation. For Judicial members, benefit accruals for Hybrid plan members will increase from 1.0% per year of service to 1.65% per year of service. Some Political Subdivisions made changes to benefits provided to members in hazardous duty positions. In aggregate, the impact of these changes on the Political Subdivision plans is not significant. Please refer to the individual reports for the benefit provisions of each participating Political Subdivision.

Executive Summary

On April 16, 2025, the VRS Board adopted new assumptions associated with the four-year experience study report for the period ending June 30, 2024. These assumptions were first reflected in this report, as of June 30, 2025. Primary changes included as part of the four-year experience study include various updates to the demographic assumptions, an update to the Normal Cost calculation and reducing the payroll growth assumption for Virginia Law Officers from 3.0% to 2.5%.

Plan experience differed from expectations as follows:

- For the period ending June 30, 2025, the VRS reported investment return of 9.9% on a market value basis, compared to the assumed level of 6.75%. Under the asset valuation method, investment gains and losses are spread over a 5-year period, subject to a corridor. Partial recognition of this year's gain, combined with the continued phase-in of investment gains and losses from prior years resulted in a net recognized asset gain for the funding value of assets for all plans. In addition, the return on the funding value of assets was approximately 10.0%.
- Pay increases were greater than assumed for most plans.
- Cost of Living Adjustments (COLA) were greater than expected for eligible recipients:
 - An actual COLA of 2.95% for Plan 1 recipients compared to a 2.50% assumption; and
 - An actual COLA of 2.48% for Plan 2 / Hybrid recipients compared to a 2.25% assumption.
- Temporary Supplement adjustments increased by more than expected for eligible recipients.
 - An actual temporary supplement of \$17,856 compared to \$17,739 under our assumptions.
- The net impact of plan experience will depend upon the specific make up (demographic and financial) of each Plan and is reflected in the computed Total Employer Contribution Rate determined in this report.

5. General Comments

HB 473 and SB 70 separate the employer contribution into Defined Benefit and Defined Contribution components effective for contribution rates beginning July 1, 2024. Defined Contribution plan contributions are payable in addition to the Defined Benefit plan contribution rates shown in this report.

Throughout this report, there may be cases when the schedules do not add due to rounding.

Conclusion. Based upon the results of the June 30, 2025 regular annual actuarial valuation, it is our opinion that ***the Virginia Retirement System continues to operate in accordance with actuarial principles of level percent-of-payroll financing.***

Other Observations

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 6.75% on the actuarial value of assets), it is expected that:

- (1) The normal cost as a percentage of pay will trend to the level associated with Plan 2 and/or Hybrid as members are replaced into the ultimate benefit tier.
- (2) The unfunded liability will decrease in dollar amount until it is fully funded.
- (3) The funded status of the plan will move toward a 100% funded ratio.

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded ratio measurement presented in this report is based upon the actuarial accrued liability and the actuarial value of assets. Unless otherwise indicated, with regard to any funded status measurements presented in this report:

- (1) The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations; in other words, of transferring the obligations to an unrelated third party in an arm's length market value type transaction.
- (2) The measurement is dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. The amount of future contributions will most certainly differ from those assumed in this report due to future actual experience differing from assumed experience based upon actuarial assumptions. A funded ratio measurement in this report of 100% is not synonymous with no required future contributions. If the funded ratio were 100%, the plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit).
- (3) The measurement would produce a different result if the market value of assets were used instead of the actuarial value of assets, unless the market value of assets is used in the measurement.

Limitation of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entity to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

SECTION B

VALUATION RESULTS

Results Summary

State Employees

(\$ In Thousands)

	June 30, 2025	June 30, 2024
Members:		
Active	81,274	80,017
Long Term Disability	2,085	2,186
Retirees and Beneficiaries	74,038	73,100
Inactive, Vested	16,517	16,252
Inactive, Non-Vested	40,796	38,062
Inactive, active elsewhere in VRS	10,301	9,789
Total	225,011	219,406
Annual Covered Payroll	\$ 6,275,603	\$ 5,979,308
Annual Retirement Benefits	\$ 1,747,931	\$ 1,675,263
Total Assets:		
Actuarial Value	\$ 25,801,918	\$ 24,196,357
Market Value	26,622,804	24,843,784
Actuarial Accrued Liability	\$ 31,157,951	\$ 30,248,076
Funded Ratio:		
Actuarial Value of Assets	82.81%	79.99%
Market Value of Assets	85.44%	82.13%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 5,356,033	\$ 6,051,719
Employer Contribution Rate Development for Fiscal Year(s) Ending	June 30, 2027 and June 30, 2028	Informational June 30, 2026
Employer Contribution Rate Defined Benefit Plan:		
Employer Normal Cost Rate	4.34%	4.17%
Administrative Expense	0.24%	0.26%
Amortization of UAAL ¹	6.49%	7.34%
Employer Defined Benefit (DB) Contribution Rate	11.07%	11.77%
Amortization Period (Years)	18 - 20	19 - 20

¹ Includes a timing adjustment factor of 1.018041.

Results Summary

Teachers

(\$ In Thousands)

	June 30, 2025	June 30, 2024
Members:		
Active	160,949	156,504
Long Term Disability	62	54
Retirees and Beneficiaries	114,580	112,565
Inactive, Vested	35,471	35,014
Inactive, Non-Vested	57,144	54,230
Inactive, active elsewhere in VRS	7,689	7,366
Total	375,895	365,733
Annual Covered Payroll¹	\$ 11,732,114	\$ 11,008,610
Annual Retirement Benefits	\$ 3,097,219	\$ 2,968,175
Total Assets:		
Actuarial Value	\$ 53,839,408	\$ 49,943,207
Market Value	55,565,522	51,235,326
Actuarial Accrued Liability	\$ 65,018,537	\$ 61,965,308
Funded Ratio:		
Actuarial Value of Assets	82.81%	80.60%
Market Value of Assets	85.46%	82.68%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 11,179,129	\$ 12,022,101
Employer Contribution Rate Development for Fiscal Year(s) Ending	June 30, 2027 and June 30, 2028	Informational June 30, 2026
Employer Contribution Rate Defined Benefit Plan:		
Employer Normal Cost Rate	4.74%	5.43%
Administrative Expense	0.26%	0.28%
Amortization of UAAL ²	7.20%	7.92%
Employer Defined Benefit (DB) Contribution Rate	12.20%	13.63%
Amortization Period (Years)	18 - 20	19 - 20

¹ Includes an assumed pay increase on the valuation date.

² Includes a timing adjustment factor of 1.018041.

Results Summary

State Police

(\$ In Thousands)

	June 30, 2025	June 30, 2024
Members:		
Active	1,902	1,890
Long Term Disability	32	34
Retirees and Beneficiaries	1,882	1,829
Inactive, Vested	211	202
Inactive, Non-Vested	323	312
Inactive, active elsewhere in VRS	269	264
Total	4,619	4,531
Annual Covered Payroll	\$ 182,726	\$ 176,481
Annual Retirement Benefits	\$ 84,985	\$ 79,198
Total Assets:		
Actuarial Value	\$ 1,215,997	\$ 1,131,058
Market Value	1,254,189	1,160,536
Actuarial Accrued Liability	\$ 1,650,408	\$ 1,589,982
Funded Ratio:		
Actuarial Value of Assets	73.68%	71.14%
Market Value of Assets	75.99%	72.99%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 434,411	\$ 458,924
Employer Contribution Rate Development for Fiscal Year(s) Ending	June 30, 2027 and June 30, 2028	Informational June 30, 2026
Employer Contribution Rate Defined Benefit Plan:		
Employer Normal Cost Rate	13.37%	12.18%
Administrative Expense	0.34%	0.37%
Amortization of UAAL ¹	17.96%	18.84%
Employer Defined Benefit (DB) Contribution Rate	31.67%	31.39%
Amortization Period (Years)	18 - 20	19 - 20

¹ Includes a timing adjustment factor of 1.018041.

Results Summary

Judicial

(\$ In Thousands)

	June 30, 2025	June 30, 2024
Members:		
Active	473	471
Retirees and Beneficiaries	613	597
Inactive, Vested	12	11
Inactive, Non-Vested	1	1
Inactive, active elsewhere in VRS	2	4
Total	1,101	1,084
Annual Covered Payroll	\$ 98,645	\$ 95,361
Annual Retirement Benefits	\$ 55,581	\$ 52,736
Total Assets:		
Actuarial Value	\$ 742,615	\$ 698,566
Market Value	\$ 765,921	\$ 717,164
Actuarial Accrued Liability	\$ 846,146	\$ 812,064
Funded Ratio:		
Actuarial Value of Assets	87.76%	86.02%
Market Value of Assets	90.52%	88.31%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 103,531	\$ 113,497
Employer Contribution Rate Development for Fiscal Year(s) Ending	June 30, 2027 and June 30, 2028	Informational June 30, 2026
Employer Contribution Rate Defined Benefit Plan:		
Employer Normal Cost Rate	22.11%	19.30%
Administrative Expense	0.39%	0.40%
Amortization of UAAL ¹	7.99%	8.66%
Employer Defined Benefit (DB) Contribution Rate	30.49%	28.36%
Amortization Period (Years)	18 - 20	19 - 20

¹ Includes a timing adjustment factor of 1.018041.

Results Summary

Virginia Law Officers

(\$ In Thousands)

	June 30, 2025	June 30, 2024
Members:		
Active	7,459	7,307
Long Term Disability	432	458
Retirees and Beneficiaries	7,465	7,144
Inactive, Vested	1,666	1,698
Inactive, Non-Vested	8,720	7,966
Inactive, active elsewhere in VRS	4,394	4,146
Total	30,136	28,719
Annual Covered Payroll	\$ 432,703	\$ 407,759
Annual Retirement Benefits	\$ 162,525	\$ 152,054
Total Assets:		
Actuarial Value	\$ 2,176,426	\$ 2,024,638
Market Value	2,244,829	2,076,732
Actuarial Accrued Liability	\$ 2,893,995	\$ 2,793,286
Funded Ratio:		
Actuarial Value of Assets	75.20%	72.48%
Market Value of Assets	77.57%	74.35%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 717,570	\$ 768,647
Employer Contribution Rate Development for Fiscal Year(s) Ending	June 30, 2027 and June 30, 2028	Informational June 30, 2026
Employer Contribution Rate Defined Benefit Plan:		
Employer Normal Cost Rate	9.30%	9.05%
Administrative Expense	0.26%	0.28%
Amortization of UAAL ¹	13.04%	13.67%
Employer Defined Benefit (DB) Contribution Rate	22.60%	23.00%
Amortization Period (Years)	18 - 20	19 - 20

¹ Includes a timing adjustment factor of 1.020521.

Results Summary

Political Subdivisions¹

(\$ In Thousands)	June 30, 2025	June 30, 2024
Number of Political Subdivisions in VRS (with active members)	602	603
Number of Political Subdivisions in VRS (no active members)	14	13
Total Political Subdivisions in VRS with members	616	616
Members²:		
Active	124,066	119,461
Long Term Disability	145	129
Retirees and Beneficiaries	92,287	89,324
Inactive, Vested	24,915	24,610
Inactive, Non-Vested	66,264	61,242
Inactive, active elsewhere in VRS	43,549	41,327
Total	351,226	336,093
Annual Covered Payroll	\$ 8,041,026	\$ 7,473,906
Annual Retirement Benefits	\$ 1,622,260	\$ 1,519,666
Total Assets:		
Actuarial Value	\$ 31,207,616	\$ 28,739,448
Market Value	32,212,652	29,500,291
Actuarial Accrued Liability	\$ 34,010,201	\$ 32,340,618
Funded Ratio:		
Actuarial Value of Assets	91.76%	88.86%
Market Value of Assets	94.71%	91.22%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,802,585	\$ 3,601,170
	June 30, 2027 and June 30, 2028	Informational June 30, 2026
Average Employer Contribution Rate Defined Benefit Plan³:		
Employer Normal Cost Rate	7.65%	8.00%
Administrative Expense	0.22%	0.23%
Amortization Charge/(Credit) ⁴	2.68%	3.50%
Additional Funding Contribution	0.00%	0.00%
Plan Surcharge	0.04%	0.03%
Average Employer Contribution Rate Defined Benefit (DB) Plan	10.59%	11.76%
Amortization Period (Years)	4-20	5-20

¹ Includes Political Subdivisions with no active members.

² Includes counts for each plan from which members receive pension benefits or are deferred vested.

Members with benefits from more than one Political Subdivision are counted more than once.

³ Calculated as a weighted average starting with the June 30, 2022 valuation, consistent with GASB Statement No. 68 reporting.

⁴ Includes a timing adjustment factor of 1.018041.

Results Summary – Employer Contribution Rate Detail as a Percent of Active Member Payroll

Employer Contribution Rate	State Employees	Teachers	State Police Officers	Judicial	Virginia Law Officers
Defined Benefit (DB) Plan Component					
Normal Cost					
Service Retirement Benefits	5.66%	7.08%	14.60%	26.20%	7.11%
Disability Benefits	0.79%	0.20%	1.38%	0.00%	2.83%
Survivor Benefits	0.38%	0.14%	0.62%	0.91%	0.31%
Separation Benefits	1.90%	1.80%	1.77%	0.00%	4.05%
Total Normal Cost	8.73%	9.22%	18.37%	27.11%	14.30%
Member Current Contributions	4.39%	4.48%	5.00%	5.00%	5.00%
Employer Normal Cost	4.34%	4.74%	13.37%	22.11%	9.30%
Administrative Expense	0.24%	0.26%	0.34%	0.39%	0.26%
Amortization of UAAL	6.49%	7.20%	17.96%	7.99%	13.04%
Employer DB Plan Contribution Rate	11.07%	12.20%	31.67%	30.49%	22.60%

Note: Unfunded Actuarial Accrued Liability amortization detail is shown on the following pages.

Amortization of Unfunded Accrued Liability State Employees

Description	Original	Outstanding	BOY 2024/2025	Outstanding	BOY 2025/2026	Years
	Amount	Balance as of June 30, 2024	Amortization Payment	Balance as of June 30, 2025	Amortization Payment	Remaining June 30, 2025
2023 (Gain)/Loss	\$ 6,128,594,227	\$ 6,092,446,992	\$ 434,025,448	\$ 6,040,364,998	\$ 447,046,211	18 years
2024 (Gain)/Loss	(40,728,218)	(40,728,218)	(2,800,351)	(40,487,998)	(2,884,362)	19 years
2025 (Gain)/Loss	(766,116,105)			(766,116,105)	(52,675,867)	20 years
2025 Assumption Change	122,271,813			122,271,813	8,407,047	20 years
Total	\$ 6,051,718,774	\$ 431,225,097	\$ 5,356,032,708	\$ 399,893,029		

Amortization of Unfunded Accrued Liability Teachers

Description	Original Amount	Outstanding Balance as of June 30, 2024		BOY 2024/2025		Outstanding Balance as of June 30, 2025		BOY 2025/2026		Years Remaining June 30, 2025
		Amortization Payment	Payment	Amortization Payment	Payment	Amortization Payment	Payment	Amortization Payment		
2023 (Gain)/Loss	\$ 11,950,839,635	\$ 11,880,352,049	\$ 846,355,352	\$ 11,778,791,474	\$ 871,746,013	18	years			
2024 (Gain)/Loss	141,748,585	141,748,585	9,746,212	140,912,533	10,038,598	19	years			
2025 (Gain)/Loss	(1,130,817,899)			(1,130,817,899)	(77,751,679)	20	years			
2025 Assumption Change	390,243,105			390,243,105	26,831,956	20	years			
Total	\$ 12,022,100,634	\$ 856,101,564	\$ 11,179,129,213	\$ 830,864,888						

Amortization of Unfunded Accrued Liability State Police

Description	Original Amount	Outstanding Balance as of June 30, 2024		BOY 2024/2025 Amortization Payment		Outstanding Balance as of June 30, 2025		BOY 2025/2026 Amortization Payment		Years Remaining June 30, 2025
2023 (Gain)/Loss	\$ 449,998,635	\$ 447,344,485		\$ 31,868,786		\$ 443,520,309		\$ 32,824,850		18 years
2024 (Gain)/Loss	11,579,470	11,579,470		796,170		11,511,173		820,055		19 years
2025 (Gain)/Loss	(12,094,021)					(12,094,021)		(831,549)		20 years
2025 Assumption Change	(8,526,882)					(8,526,882)		(586,283)		20 years
Total		\$ 458,923,955		\$ 32,664,956		\$ 434,410,579		\$ 32,227,073		

Amortization of Unfunded Accrued Liability Judicial

Description	Original Amount	Outstanding Balance as of		BOY 2024/2025		Outstanding Balance as of		BOY 2025/2026		Years Remaining
		June 30, 2024	Amortization Payment	June 30, 2025	Amortization Payment	June 30, 2025	Amortization Payment	June 30, 2025		
2023 (Gain)/Loss	\$ 125,231,919	\$ 124,493,285	\$ 8,868,892	\$ 123,429,040	\$ 9,134,959	18	years			
2024 (Gain)/Loss	(10,996,085)	(10,996,085)	(756,058)	(10,931,229)	(778,740)	19	years			
2025 Benefit Change	20,968,586			20,968,586	1,441,738	20	years			
2025 (Gain)/Loss	(27,304,099)			(27,304,099)	(1,877,349)	20	years			
2025 Assumption Change	(2,631,757)			(2,631,757)	(180,952)	20	years			
Total		\$ 113,497,200	\$ 8,112,834	\$ 103,530,541	\$ 7,739,656					

Amortization of Unfunded Accrued Liability Virginia Law Officers

Description	Original Amount	Outstanding	BOY 2024/2025	Outstanding	BOY 2025/2026	Years
		Balance as of June 30, 2024	Amortization Payment	Balance as of June 30, 2025	Amortization Payment	Remaining June 30, 2025
2023 (Gain)/Loss	\$ 770,210,200	\$ 765,667,401	\$ 54,546,086	\$ 759,122,004	\$ 58,265,138	18 years
2024 (Gain)/Loss	2,979,838	2,979,838	204,885	2,962,262	219,264	19 years
2025 (Gain)/Loss	(45,860,721)			(45,860,721)	(3,282,290)	20 years
2025 Assumption Change	1,346,210			1,346,210	96,349	20 years
Total		\$ 768,647,239	\$ 54,750,971	\$ 717,569,755	\$ 55,298,461	

Unfunded Accrued Liability Changes

Fiscal Year Ending 2025 (\$ In Thousands)

	State Employees	Teachers	State Police	Judicial	Virginia Law Officers	Political Subdivisions	Total
A. Calculation of Expected Unfunded Actuarial Accrued Liability							
1. UAAL as of June 30, 2024	\$ 6,051,719	\$ 12,022,101	\$ 458,924	\$ 113,497	\$ 768,647	\$ 3,601,170	\$ 23,016,058
2. Normal Cost for previous year	544,095	1,175,558	31,392	23,310	60,795	1,007,541	2,842,691
3. Actual contributions during the year	(1,024,110)	(2,104,175)	(62,169)	(32,539)	(119,848)	(1,282,090)	(4,624,931)
4. Interest at previous year's rate of 6.75%							
a. on UAAL	408,491	811,492	30,977	7,661	51,884	243,079	1,553,584
b. on normal cost	36,726	79,350	2,119	1,573	4,104	68,009	191,881
c. on contributions	(34,564)	(71,016)	(2,098)	(1,098)	(4,045)	(43,271)	(156,092)
d. total: (a) + (b) + (c)	410,653	819,826	30,998	8,136	51,943	267,817	1,589,373
5. Expected UAAL as of June 30, 2025							
A1 + A2 + A3 + A4	5,982,357	11,913,310	459,145	112,404	761,537	3,594,438	22,823,191
6. Actual UAAL as of June 30, 2025	5,356,033	11,179,129	434,411	103,531	717,570	2,802,585	20,593,259
7. Total Gain/(Loss): A5 - A6	626,324	734,181	24,734	8,873	43,967	791,853	2,229,932
B. Calculation of Asset Gain/(Loss)							
1. Actuarial Value of Assets (AVA) as of June 30, 2024	\$ 24,196,357	\$ 49,943,207	\$ 1,131,058	\$ 698,566	\$ 2,024,638	\$ 28,739,448	\$ 106,733,274
2. Contributions during the year	1,024,110	2,104,175	62,169	32,539	119,848	1,282,090	4,624,931
3. Benefit payments and refunds during the year	(1,829,257)	(3,141,698)	(89,328)	(58,037)	(168,010)	(1,678,938)	(6,965,268)
4. Interest at previous year's rate of 6.75%							
a. on AVA at beginning of year	1,633,254	3,371,166	76,346	47,153	136,663	1,939,913	7,204,495
b. on contributions	34,564	71,016	2,098	1,098	4,045	43,271	156,092
c. on benefit payments	(61,737)	(106,032)	(3,015)	(1,959)	(5,670)	(56,664)	(235,077)
d. total: (a) + (b) + (c)	1,606,081	3,336,150	75,429	46,292	135,038	1,926,520	7,125,510
5. Expected AVA as of June 30, 2025							
B1 + B2 + B3 + B4	24,997,291	52,241,834	1,179,328	719,360	2,111,514	30,269,120	111,518,447
6. Actual AVA as of June 30, 2025	25,801,918	53,839,408	1,215,997	742,615	2,176,426	31,207,616	114,983,980
7. Total Gain/(Loss): B6 - B5	804,627	1,597,574	36,669	23,255	64,912	938,496	3,465,533
C. Calculation of Liability Gain/(Loss)							
1. Gain/(Loss) due to plan amendments	\$ 0	\$ 0	\$ 0	\$ (20,969)	\$ 0	\$ (3,389)	\$ (24,358)
2. Gain/(Loss) due to change in methods	(122,272)	(390,243)	8,527	2,632	(1,346)	(72,818)	(575,520)
3. Liability Experience Gain/(Loss):							
A7 - B7 - C1 - C2	\$ (56,031)	\$ (473,150)	\$ (20,462)	\$ 3,955	\$ (19,599)	\$ (70,436)	\$ (635,723)

Detailed Gain/Loss Analysis for Fiscal Year Ending 2025

(\$ In Millions)

Type of Activity	State Employees	Teachers	State Police	Judicial	Virginia Law Officers	Political Subdivisions
1. Retirements (including disability retirement). If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pays, a loss.	\$1.0	(\$9.3)	(\$1.9)	\$1.6	\$0.9	\$43.7
2. Withdrawal from Employment (including death-in-service). If more liabilities are released by withdrawals and deaths than assumed, there is a gain. If smaller releases, a loss.	(27.3)	(30.9)	(2.4)	(0.5)	0.3	(6.8)
3. Pay Increases . If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	(70.4)	(339.4)	(11.1)	1.7	(14.1)	(140.9)
4. Investment Income . If there is greater investment income than assumed, there is a gain. If less income, a loss.	804.6	1,597.6	36.7	23.3	64.9	938.5
5. Death After Retirement . If retirants and inactive vested members live longer than assumed, there is a loss. If not as long, a gain.	11.4	(12.7)	(4.1)	(0.6)	4.2	(10.6)
6. Cost of Living Allowance (COLA) . If COLA and/or Temporary Supplement Increase is greater than expected, there is a loss. If COLA and/or Temporary Supplement is less, a gain.	(72.8)	(136.8)	(5.1)	(2.3)	(9.3)	(79.7)
7. Other . Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, etc.	(20.2)	(334.3)	12.6	(14.3)	(2.9)	47.7
8. Composite Gain/(Loss) During Year.	626.3	734.2	24.7	8.9	44.0	791.9

Discussion of Risk/Maturity Measures

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

- ¹ **Investment Risk** – actual investment returns may differ from the expected returns;
- ² **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements; because of the way most public retirement systems invest, this tends to be synonymous with investment risk;
- ³ **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
- ⁴ **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
- ⁵ **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
- ⁶ **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The contribution rates shown in this report may be considered as minimum contribution rates that comply with the Board's funding policy and statutes. The timely receipt of the actuarially determined contributions is critical to support the financial health of the VRS. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

Discussion of Risk/Maturity Measures

PLAN MATURITY MEASURES

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following: ratio of the market value of assets to total payroll, ratio of actuarial accrued liability to payroll, ratio of actives to retirees and beneficiaries, and the ratio of net cash flow to market value of assets.

RATIO OF MARKET VALUE OF ASSETS TO PAYROLL

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time. The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

A young plan with many active members and few retirees will have a high ratio of actives to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

ADDITIONAL RISK ASSESSMENT

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability. Additional assessment of risk including stress testing for the Virginia Retirement System is regularly conducted by the VRS Staff.

Risk/Maturity Measures

State Employees

Valuation Date	\$ In Thousands									
	(1) Actuarial Accrued Liabilities (AAL)	(2) Market Value of Assets (MVA)	(3) (Overfunded)/Unfunded AAL (1) - (2)	(4) Valuation Payroll	(5) Change in Valuation Payroll	(6) Ratio (2)/(1)	(7) Retiree Liabilities (RetLiab)	(8) RetLiab/AAL (7)/(1)	(9) AAL/Valuation Payroll (1)/(4)	
2021	\$ 26,727,971	\$ 23,112,417	\$ 3,615,554	\$ 4,594,347	3.7%	86.5%	\$ 15,726,839	58.8%	581.8%	
2022	27,779,171	22,579,326	5,199,844	4,946,307	7.7%	81.3%	16,351,577	58.9%	561.6%	
2023	29,126,311	23,351,827	5,774,484	5,448,985	10.2%	80.2%	17,153,819	58.9%	534.5%	
2024	30,248,076	24,843,784	5,404,292	5,979,308	9.7%	82.1%	17,746,966	58.7%	505.9%	
2025	31,157,951	26,622,804	4,535,147	6,275,603	5.0%	85.4%	18,324,313	58.8%	496.5%	

Valuation Date	\$ In Thousands								
	(10) Assets/Payroll (2)/(4)	(11) Asset Portfolio StdDev	(12) StdDev % of Pay (10) x (11)	(13) Unfunded Payroll (3)/(4)	(14) Net External Cash Flow (NECF)	(15) NECF/Assets (14)/(2)	(16) Asset Return	(17) Ratio of Actives to Retirees	
2021	503.1%	11.4%	57.3%	78.7%	\$ (712,813)	-3.1%	27.5%	1.0	
2022	456.5%	13.8%	63.0%	105.1%	(511,512)	-2.3%	0.6%	1.0	
2023	428.6%	12.6%	54.0%	106.0%	(665,111)	-2.8%	6.1%	1.1	
2024	415.5%	11.0%	45.7%	90.4%	(745,588)	-3.0%	9.9%	1.1	
2025	424.2%	10.5%	44.5%	72.3%	(805,147)	-3.0%	9.9%	1.1	

The Risk/Maturity measures shown on this page and the following pages have been developed in response to Actuarial Standard of Practice ("ASOP") No. 51 entitled "Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions." In a maturing plan, the ratio of retiree liabilities to total liabilities increases, and the ratios of both assets and liabilities to payroll increases, and contribution rates tend to become increasingly volatile. The risk/maturity measures and associated commentary are intended to help keep stakeholders informed of some of the risks that the plan faces, and the potential contribution rate volatility.

Risk/Maturity Measures

Teachers

Valuation Date	\$ In Thousands									
	(1) Actuarial Accrued Liabilities (AAL)	(2) Market Value of Assets (MVA)	(3) (Overfunded)/Unfunded AAL (1) - (2)	(4) Valuation Payroll	(5) Change in Valuation Payroll	(6) Funded Ratio (2)/(1)	(7) Retiree Liabilities (RetLiab)	(8) RetLiab/AAL (7)/(1)	(9) AAL/ Valuation Payroll (1)/(4)	
2021	\$ 52,747,596	\$ 45,617,878	\$ 7,129,718	\$ 8,556,997	0.7%	86.5%	\$ 29,671,366	56.3%	616.4%	
2022	55,762,533	45,211,731	10,550,802	9,263,309	8.3%	81.1%	30,967,586	55.5%	602.0%	
2023	58,761,070	47,467,405	11,293,665	9,666,665	4.4%	80.8%	32,584,423	55.5%	607.9%	
2024	61,965,308	51,235,326	10,729,982	10,500,723	8.6%	82.7%	33,778,553	54.5%	590.1%	
2025	65,018,537	55,565,522	9,453,015	11,150,977	6.2%	85.5%	34,900,111	53.7%	583.1%	

Valuation Date	\$ In Thousands								
	(10) Assets/ Payroll (2)/(4)	(11) Asset Portfolio StdDev	(12) StdDev % of Pay (10) x (11)	(13) Unfunded/ Payroll (3)/(4)	(14) Net External Cash Flow (NECF)	(15) NECF/ Assets (14)/(2)	(16) Asset Return	(17) Ratio of Actives to Retirees	
2021	533.1%	11.4%	60.8%	83.3%	\$ (718,599)	-1.6%	27.5%	1.4	
2022	488.1%	13.8%	67.4%	113.9%	(339,704)	-0.8%	0.6%	1.4	
2023	491.0%	12.6%	61.9%	116.8%	(658,188)	-1.4%	6.1%	1.4	
2024	487.9%	11.0%	53.7%	102.2%	(814,945)	-1.6%	9.9%	1.4	
2025	498.3%	10.5%	52.3%	84.8%	(1,037,522)	-1.9%	9.9%	1.4	

Risk/Maturity Measures

State Police

Valuation Date	\$ In Thousands									
	(1) Actuarial Accrued Liabilities (AAL)	(2) Market Value of Assets (MVA)	(3) (Overfunded)/Unfunded AAL (1) - (2)	(4) Valuation Payroll	(5) Change in Valuation Payroll	(6) Funded Ratio (2)/(1)	(7) Retiree Liabilities (RetLiab)	(8) RetLiab/AAL (7)/(1)	(9) AAL/Valuation Payroll (1)/(4)	
2021	\$ 1,326,646	\$ 1,050,148	\$ 276,498	\$ 142,795	8.8%	79.2%	\$ 751,996	56.7%	929.1%	
2022	1,418,464	1,031,383	387,081	159,212	11.5%	72.7%	771,290	54.4%	890.9%	
2023	1,513,881	1,079,755	434,126	168,611	5.9%	71.3%	808,641	53.4%	897.9%	
2024	1,589,982	1,160,536	429,446	176,481	4.7%	73.0%	838,778	52.8%	900.9%	
2025	1,650,408	1,254,189	396,219	182,726	3.5%	76.0%	896,833	54.3%	903.2%	

Valuation Date	\$ In Thousands								
	(10) Assets/ Payroll (2)/(4)	(11) Asset Portfolio StdDev	(12) StdDev % of Pay (10) x (11)	(13) Unfunded/ Payroll (3)/(4)	(14) Net External Cash Flow (NECF)	(15) NECF/ Assets (14)/(2)	(16) Asset Return	(17) Ratio of Actives to Retirees	
2021	735.4%	11.4%	83.8%	193.6%	\$ (33,753)	-3.2%	27.5%	1.1	
2022	647.8%	13.8%	89.4%	243.1%	(17,863)	-1.7%	0.6%	1.1	
2023	640.4%	12.6%	80.7%	257.5%	(17,875)	-1.7%	6.1%	1.0	
2024	657.6%	11.0%	72.3%	243.3%	(22,707)	-2.0%	9.9%	1.0	
2025	686.4%	10.5%	72.1%	216.8%	(27,159)	-2.2%	9.9%	1.0	

Risk/Maturity Measures

Judicial

Valuation Date	\$ In Thousands									
	(1) Actuarial Accrued Liabilities (AAL)	(2) Market Value of Assets (MVA)	(3) (Overfunded)/Unfunded AAL (1) - (2)	(4) Valuation Payroll	(5) Change in Valuation Payroll	(6) Funded Ratio (2)/(1)	(7) Retiree Liabilities (RetLiab)	(8) RetLiab/AAL (7)/(1)	(9) AAL/Valuation Payroll (1)/(4)	
2021	\$ 733,408	\$ 673,152	\$ 60,256	\$ 79,125	5.9%	91.8%	\$ 494,666	67.4%	926.9%	
2022	748,557	656,964	91,593	80,745	2.0%	87.8%	512,895	68.5%	927.1%	
2023	792,794	677,958	114,836	88,391	9.5%	85.5%	535,518	67.5%	896.9%	
2024	812,064	717,164	94,900	95,361	7.9%	88.3%	549,463	67.7%	851.6%	
2025	846,146	765,921	80,225	98,645	3.4%	90.5%	574,963	68.0%	857.8%	

Valuation Date	\$ In Thousands								
	(10) Assets/ Payroll (2)/(4)	(11) Asset Portfolio StdDev	(12) StdDev % of Pay (10) x (11)	(13) Unfunded/ Payroll (3)/(4)	(14) Net External Cash Flow (NECF)	(15) NECF/ Assets (14)/(2)	(16) Asset Return	(17) Ratio of Actives to Retirees	
2021	850.7%	11.4%	97.0%	76.2%	\$ (23,504)	-3.5%	27.5%	0.8	
2022	813.6%	13.8%	112.3%	113.4%	(15,711)	-2.4%	0.6%	0.8	
2023	767.0%	12.6%	96.6%	129.9%	(20,856)	-3.1%	6.1%	0.8	
2024	752.1%	11.0%	82.7%	99.5%	(25,260)	-3.5%	9.9%	0.8	
2025	776.4%	10.5%	81.5%	81.3%	(25,498)	-3.3%	9.9%	0.8	

Risk/Maturity Measures

Virginia Law Officers

Valuation Date	\$ In Thousands									
	(1) Actuarial Accrued Liabilities (AAL)	(2) Market Value of Assets (MVA)	(3) (Overfunded)/Unfunded AAL (1) - (2)	(4) Valuation Payroll	(5) Change in Valuation Payroll	(6) Funded Ratio (2)/(1)	(7) Retiree Liabilities (RetLiab)	(8) RetLiab/AAL (7)/(1)	(9) AAL/Valuation Payroll (1)/(4)	
2021	\$ 2,407,153	\$ 1,868,924	\$ 538,229	\$ 351,086	-3.5%	77.6%	\$ 1,388,719	57.7%	685.6%	
2022	2,507,144	1,841,041	666,103	372,486	6.1%	73.4%	1,474,492	58.8%	673.1%	
2023	2,673,711	1,931,061	742,650	398,110	6.9%	72.2%	1,580,660	59.1%	671.6%	
2024	2,793,286	2,076,732	716,554	407,759	2.4%	74.3%	1,679,055	60.1%	685.0%	
2025	2,893,995	2,244,829	649,166	432,703	6.1%	77.6%	1,773,883	61.3%	668.8%	

Valuation Date	\$ In Thousands								
	(10) Assets/ Payroll (2)/(4)	(11) Asset Portfolio StdDev	(12) StdDev % of Pay (10) x (11)	(13) Unfunded/ Payroll (3)/(4)	(14) Net External Cash Flow (NECF)	(15) NECF/ Assets (14)/(2)	(16) Asset Return	(17) Ratio of Actives to Retirees	
2021	532.3%	11.4%	60.7%	153.3%	\$ (36,762)	-2.0%	27.5%	1.3	
2022	494.3%	13.8%	68.2%	178.8%	(26,217)	-1.4%	0.6%	1.1	
2023	485.1%	12.6%	61.1%	186.5%	(28,257)	-1.5%	6.1%	1.1	
2024	509.3%	11.0%	56.0%	175.7%	(39,415)	-1.9%	9.9%	1.0	
2025	518.8%	10.5%	54.5%	150.0%	(48,162)	-2.1%	9.9%	1.0	

Risk/Maturity Measures

Notes:

The measures shown on the previous pages provide information in accordance with Actuarial Standard of Practice No. 51.

Columns (1) to (4). These columns provide various items for comparison in Columns 5 through 17.

Column (5). When payroll grows at or faster than the assumed rate of 3.0%, funding of unfunded accrued liabilities is likely to proceed at least at the scheduled rate. Payroll growing slower than the assumed rate can lead to underfunding of the plan because expected contributions for unfunded liability may not be received.

Column (6). The Funded ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

Columns (7) and (8). The ratio of Retiree liabilities to total accrued liabilities gives an indication of the maturity of the system. As the ratio increases, cash flow needs increase, and the investment policy may need to change. A ratio on the order of 50% indicates a maturing system. Ratios near or above 50% are common today.

Column (9). The ratio of liabilities to payroll gives an indication of both maturity and volatility. Many systems have ratios between 500% and 700%. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of payroll.

Column (10). The ratio of assets to payroll gives an indication of both maturity and volatility. Many systems have ratios between 500% and 700%. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of payroll.

Columns (11) and (12). The portfolio standard deviation measures the volatility of investment return. When multiplied by the ratio of assets to payroll it gives the effect of a one standard deviation asset move as a percent of payroll. This figure helps users understand the difficulty of dealing with investment volatility and the challenges volatility brings to sustainability.

Column (13). The ratio of unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 300% or 400% may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

Columns (14) and (15). The ratio of Net External Cash Flow to assets is an important measure of sustainability. Negative ratios are common and expected for a maturing system. In the longer term, this ratio should be on the order of approximately -4%. A ratio that is significantly more negative than that for an extended period could be a leading indicator of potential exhaustion of assets.

Column (16). Investment return is probably the largest single risk that most systems face. The year by year return gives an indicator of the performance of the portfolio versus the system's assumed return.

Column (17). In the 1970s and 1980s it was common for the ratio of actives to retirees to be 3 or 4 to 1. As plans mature, this ratio can drop significantly. Ratios below 2 are common today. A ratio significantly below 1 usually indicates a closed plan, a shrinking workforce or other special situation.

Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDROM). The rationale that the ASB cited for the calculation and disclosure of the LDROM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

“The ASB believes that the calculation and disclosure of this measure provides **appropriate, useful information for the intended user regarding the funded status of a pension plan**. The calculation and disclosure of this additional measure is **not intended to suggest that this is the “right” liability measure** for a pension plan. However, the ASB does believe that **this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.**”

Comparing the Accrued Liabilities and the LDROM

One of the fundamental financial objectives of the Virginia Retirement System is to finance each member’s retirement benefits over the period from the member’s date of hire until the member’s projected date of retirement (entry age actuarial cost method) as a level percentage of payroll. To fulfill this objective, the discount rate that is used to value the accrued liabilities of the Virginia Retirement System is set equal to the **expected return** on the System’s diversified portfolio of assets (referred to sometimes as the investment return assumption). For the Virginia Retirement System, the investment return assumption is 6.75%.

- The LDROM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa. The LDROM results presented in this report are based on the entry age actuarial cost method and discount rates based upon the June 2025 Treasury Yield Curve Spot Rates (end of month). The 1-, 5-, 10- and 30-year rates follow: 4.10%, 4.00%, 4.43%, and 5.05%.
- This measure may not be appropriate for assessing the need for or amount of future contributions.
- This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.
- The difference between the two measures (Valuation and LDROM) is one illustration of the expected savings the Sponsor anticipates by taking on risk in a diversified portfolio. The actual savings, or not, will depend on actual experience.

\$ In Billions						
Measure	State	Teachers	SPORS	VaLORS	JRS	Locals
Valuation	\$31.2	\$65.0	\$1.7	\$2.9	\$0.8	\$34.0
LDROM	38.6	82.8	2.1	3.6	1.0	42.7

Sensitivity of Employer Contribution Rate Under Alternate Investment Return Assumptions

Many assumptions are important in determining the total employer contribution rate. In the following tables we show the sensitivity of the employer contribution rates to varying the Assumed Rate of Investment Return Assumption. Lower investment returns would generally result in higher employer contribution rates, and vice versa. The economic scenarios below provide a quantitative risk assessment for the impact of investment returns on the Plan's future financial condition for funding purposes.

The relative impact of the economic scenarios below will vary from year to year, as the participant demographics change. The impact of each scenario should be analyzed for a given year, not from year to year. It is important to note that calculations in this report are mathematical estimates based upon assumptions regarding future events, which may or may not materialize. Actuarial calculations can and do vary from one valuation to the next, sometimes significantly depending on the group's size.

State Employees
(\$ In Thousands)

Assumed Rate of Investment Return	8.75%	7.75%	Current 6.75%	5.75%	4.75%
Total Normal Cost Rate	6.08%	7.37%	8.73%	11.36%	14.43%
Member Contribution Rate	4.39%	4.39%	4.39%	4.39%	4.39%
Employer Normal Cost Rate	1.69%	2.98%	4.34%	6.97%	10.04%
Administrative Expense Load	0.24%	0.24%	0.24%	0.24%	0.24%
Total Employer Normal Cost Rate	1.93%	3.22%	4.58%	7.21%	10.28%
Total Amortization Rate	0.03%	3.24%	6.49%	9.80%	13.18%
Total Employer Rate	1.96%	6.46%	11.07%	17.01%	23.46%
Change in Employer Rate	(9.11)%	(4.61)%	N/A	5.94%	12.39%
Unfunded Liability	\$ (352,085)	\$ 2,260,922	\$ 5,356,033	\$ 9,048,513	\$ 13,485,357
Funded Status	101.4%	91.9%	82.8%	74.0%	65.7%

Teachers
(\$ In Thousands)

Assumed Rate of Investment Return	8.75%	7.75%	Current 6.75%	5.75%	4.75%
Total Normal Cost Rate	6.10%	7.59%	9.22%	12.34%	16.08%
Member Contribution Rate	4.48%	4.48%	4.48%	4.48%	4.48%
Employer Normal Cost Rate	1.62%	3.11%	4.74%	7.86%	11.60%
Administrative Expense Load	0.26%	0.26%	0.26%	0.26%	0.26%
Total Employer Normal Cost Rate	1.88%	3.37%	5.00%	8.12%	11.86%
Total Amortization Rate	(1.06)%	3.00%	7.20%	11.60%	16.22%
Total Employer Rate	0.82%	6.37%	12.20%	19.72%	28.08%
Change in Employer Rate	(11.38)%	(5.83)%	N/A	7.52%	15.88%
Unfunded Liability	\$ (2,256,965)	\$ 3,823,733	\$ 11,179,129	\$ 20,160,033	\$ 31,233,069
Funded Status	104.4%	93.4%	82.8%	72.8%	63.3%

Sensitivity of Employer Contribution Rate Under Alternate Investment Return Assumptions

State Police (\$ In Thousands)

Assumed Rate of Investment Return	8.75%	7.75%	Current 6.75%	5.75%	4.75%
Total Normal Cost Rate	11.09%	14.22%	18.37%	23.92%	31.39%
Member Contribution Rate	5.00%	5.00%	5.00%	5.00%	5.00%
Employer Normal Cost Rate	6.09%	9.22%	13.37%	18.92%	26.39%
Administrative Expense Load	0.34%	0.34%	0.34%	0.34%	0.34%
Total Employer Normal Cost Rate	6.43%	9.56%	13.71%	19.26%	26.73%
Total Amortization Rate	6.41%	12.12%	17.96%	23.95%	30.14%
Total Employer Rate	12.84%	21.68%	31.67%	43.21%	56.87%
Change in Employer Rate	(18.83)%	(9.99)%	N/A	11.54%	25.20%
Unfunded Liability	\$ 114,959	\$ 260,883	\$ 434,411	\$ 642,250	\$ 893,020
Funded Status	91.4%	82.3%	73.7%	65.4%	57.7%

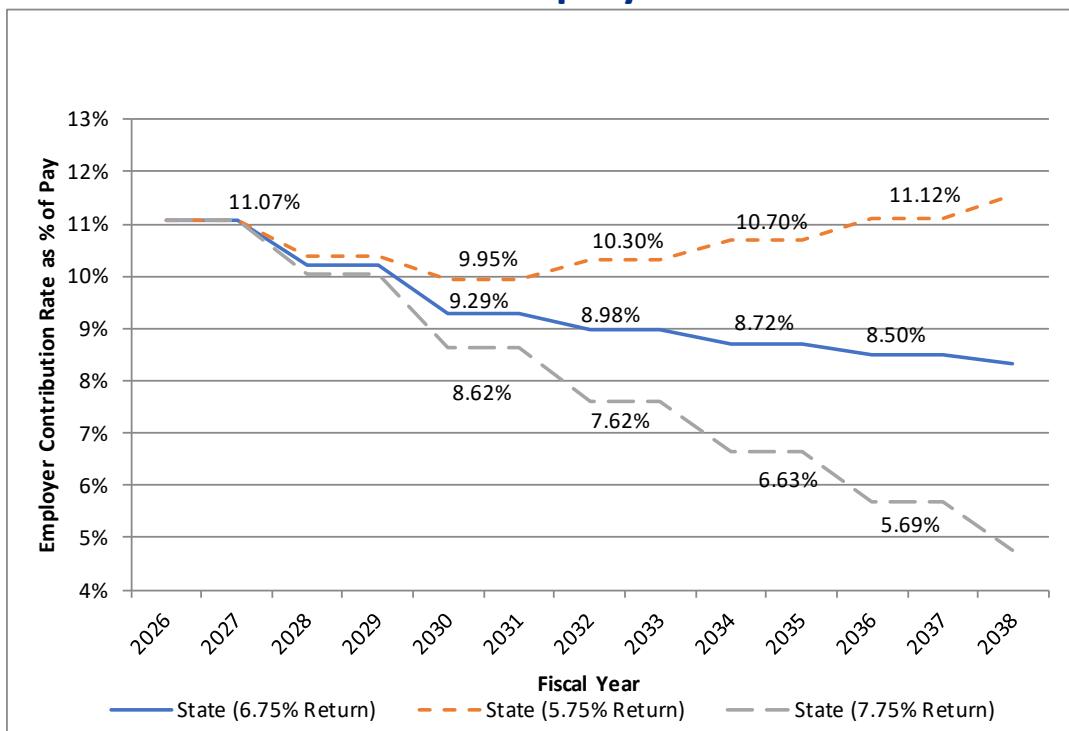
Judicial (\$ In Thousands)

Assumed Rate of Investment Return	8.75%	7.75%	Current 6.75%	5.75%	4.75%
Total Normal Cost Rate	19.10%	22.81%	27.11%	33.06%	40.13%
Member Contribution Rate	5.00%	5.00%	5.00%	5.00%	5.00%
Employer Normal Cost Rate	14.10%	17.81%	22.11%	28.06%	35.13%
Administrative Expense Load	0.39%	0.39%	0.39%	0.39%	0.39%
Total Employer Normal Cost Rate	14.49%	18.20%	22.50%	28.45%	35.52%
Total Amortization Rate	(1.90)%	3.08%	7.99%	12.83%	17.62%
Total Employer Rate	12.59%	21.28%	30.49%	41.28%	53.14%
Change in Employer Rate	(17.90)%	(9.21)%	N/A	10.79%	22.65%
Unfunded Liability	\$ (30,176)	\$ 31,877	\$ 103,531	\$ 186,760	\$ 284,038
Funded Status	104.2%	95.9%	87.8%	79.9%	72.3%

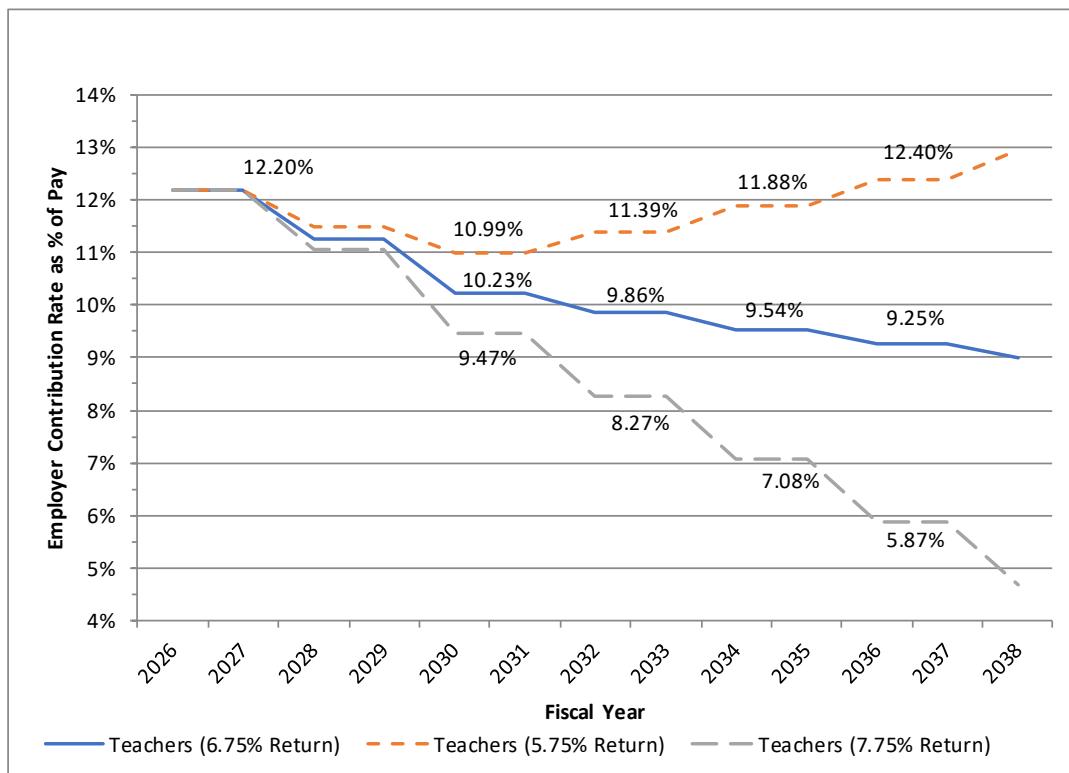
Virginia Law Officers (\$ In Thousands)

Assumed Rate of Investment Return	8.75%	7.75%	Current 6.75%	5.75%	4.75%
Total Normal Cost Rate	9.51%	11.55%	14.30%	18.08%	23.35%
Member Contribution Rate	5.00%	5.00%	5.00%	5.00%	5.00%
Employer Normal Cost Rate	4.51%	6.55%	9.30%	13.08%	18.35%
Administrative Expense Load	0.26%	0.26%	0.26%	0.26%	0.26%
Total Employer Normal Cost Rate	4.77%	6.81%	9.56%	13.34%	18.61%
Total Amortization Rate	3.81%	8.11%	13.04%	17.27%	22.27%
Total Employer Rate	8.58%	14.92%	22.60%	30.61%	40.88%
Change in Employer Rate	(14.02)%	(7.68)%	N/A	8.01%	18.28%
Unfunded Liability	\$ 153,377	\$ 408,837	\$ 717,570	\$ 1,094,781	\$ 1,560,977
Funded Status	93.4%	84.2%	75.2%	66.5%	58.2%

Contribution Projections Including Return Sensitivity State Employees



Teachers



Note: Projections are not predictions. Future valuations will be based on actual future experience.

Actuarial Balance Sheet

Present Assets and Prospective Assets						
	State Employees	Teachers	State Police	Judicial	Virginia Law Officers	Political Subdivisions
A. Present Actuarial Value of Assets	\$ 25,801,918,446	\$ 53,839,407,808	\$ 1,215,996,934	\$ 742,615,400	\$ 2,176,425,635	\$ 31,207,615,960
B. Present Value of Future Member Contributions	2,084,336,459	4,296,896,778	85,821,977	42,188,338	107,003,172	2,689,704,770
C. Present Value of Future Employer Contributions						
1. Normal Cost Contributions	2,060,596,863	4,546,270,252	229,487,968	186,556,831	199,025,901	4,562,359,531
2. Unfunded Actuarial Accrued Liability Contributions	5,356,032,708	11,179,129,213	434,410,579	103,530,541	717,569,755	2,802,584,619
3. Total Prospective Employer Contributions (C.1. + C.2.)	7,416,629,571	15,725,399,465	663,898,547	290,087,372	916,595,656	7,364,944,150
D. Present Assets and Prospective Assets (A. + B. + C.3.)	\$ 35,302,884,476	\$ 73,861,704,051	\$ 1,965,717,458	\$ 1,074,891,110	\$ 3,200,024,463	\$ 41,262,264,880
Present Value of Expected Future Benefit Payments						
	State Employees	Teachers	State Police	Judicial	Virginia Law Officers	Political Subdivisions
A. To Retirees and Beneficiaries	\$ 18,324,313,363	\$ 34,900,111,271	\$ 896,833,492	\$ 574,962,989	\$ 1,773,882,510	\$ 18,288,418,688
B. To Inactive Members ¹	1,882,925,423	2,506,183,741	50,202,969	11,587,669	319,527,465	2,075,540,584
C. To Active Members						
1. Allocated to Service Rendered Prior to the Valuation Date	10,950,712,368	27,612,242,009	703,371,052	259,595,283	800,585,415	13,646,241,307
2. Allocated to Service Rendered After the Valuation Date	4,144,933,322	8,843,167,030	315,309,945	228,745,169	306,029,073	7,252,064,301
3. Total (C.1. + C.2.)	15,095,645,690	36,455,409,039	1,018,680,997	488,340,452	1,106,614,488	20,898,305,608
D. Total Actuarial Present Value of Expected Future Benefit Payments (A. + B. + C.3.)	\$ 35,302,884,476	\$ 73,861,704,051	\$ 1,965,717,458	\$ 1,074,891,110	\$ 3,200,024,463	\$ 41,262,264,880

¹ Including Long-Term Disability.

Solvency Test

State Employees, Teachers, and Political Subdivisions (\$ In Thousands)

Valuation Date	Aggregate Accrued Liabilities For						Actuarial Value of Assets	Portion of Accrued Liabilities Covered by			
	(1) Active Member Contributions ¹		(2) Retirees, Survivors and Inactive Members		(3) Active Members (Employer Fin. Portion)			Actuarial Value of Assets			
	Contributions ¹	Inactive Members	Retirees, Survivors and	Active Members	(Employer Fin. Portion)	Total		(1)	(2)	(3)	
6/30/2025	\$ 12,711,315	\$ 77,977,493	\$ 39,497,881	\$ 130,186,689	\$ 110,848,942	100.00%	100.00%	51.04%			
6/30/2024	12,145,134	74,992,400	37,416,468	124,554,002	102,879,012	100.00%	100.00%	42.07%			
6/30/2023	11,718,388	71,786,785	35,005,430	118,510,603	96,708,759	100.00%	100.00%	37.72%			
6/30/2022	11,415,519	67,605,525	33,012,077	112,033,121	91,177,020	100.00%	100.00%	36.82%			
6/30/2021	14,452,659	64,528,079	27,662,643	106,643,382	85,027,965	100.00%	100.00%	21.86%			

State Employees (\$ In Thousands)

Valuation Date	Aggregate Accrued Liabilities For						Actuarial Value of Assets	Portion of Accrued Liabilities Covered by			
	(1) Active Member Contributions ¹		(2) Retirees, Survivors and Inactive Members		(3) Active Members (Employer Fin. Portion)			Actuarial Value of Assets			
	Contributions ¹	Inactive Members	Retirees, Survivors and	Active Members	(Employer Fin. Portion)	Total		(1)	(2)	(3)	
6/30/2025	\$ 3,016,589	\$ 20,207,239	\$ 7,934,124	\$ 31,157,951	\$ 25,801,918	100.00%	100.00%	32.49%			
6/30/2024	2,919,580	19,594,191	7,734,305	30,248,076	24,196,357	100.00%	100.00%	21.75%			
6/30/2023	2,853,544	18,873,948	7,398,819	29,126,311	22,997,717	100.00%	100.00%	17.17%			
6/30/2022	2,814,123	17,936,921	7,028,127	27,779,171	21,917,849	100.00%	100.00%	16.60%			
6/30/2021	3,566,175	17,161,682	6,000,114	26,727,971	20,615,301	100.00%	99.34%	0.00%			

Teachers (\$ In Thousands)

Valuation Date	Aggregate Accrued Liabilities For						Actuarial Value of Assets	Portion of Accrued Liabilities Covered by			
	(1) Active Member Contributions ¹		(2) Retirees, Survivors and Inactive Members		(3) Active Members (Employer Fin. Portion)			Actuarial Value of Assets			
	Contributions ¹	Inactive Members	Retirees, Survivors and	Active Members	(Employer Fin. Portion)	Total		(1)	(2)	(3)	
6/30/2025	\$ 6,483,867	\$ 37,406,295	\$ 21,128,375	\$ 65,018,537	\$ 53,839,408	100.00%	100.00%	47.09%			
6/30/2024	6,158,899	36,136,139	19,670,270	61,965,308	49,943,207	100.00%	100.00%	38.88%			
6/30/2023	5,905,122	34,776,881	18,079,068	58,761,070	46,810,231	100.00%	100.00%	33.90%			
6/30/2022	5,713,400	32,957,731	17,091,402	55,762,533	43,970,442	100.00%	100.00%	31.01%			
6/30/2021	7,036,408	31,496,785	14,214,403	52,747,596	40,725,782	100.00%	100.00%	15.43%			

¹ Prior to the June 30, 2022 valuation, amounts include contributions for inactive members.

Solvency Test

Political Subdivisions

(\$ In Thousands)

Valuation Date	Aggregate Accrued Liabilities For						Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets				
	(1) Active Member Contributions ¹		(2) Retirees, Survivors and Inactive Members		(3) Active Members (Employer Fin. Portion)			Total	(1)	(2)	(3)	
6/30/2025	\$ 3,210,859		\$ 20,363,959		\$ 10,435,383		\$ 34,010,201	\$ 31,207,616	100.00%	100.00%	73.14%	
6/30/2024	3,066,656		19,262,070		10,011,893		32,340,618	28,739,448	100.00%	100.00%	64.03%	
6/30/2023	2,959,723		18,135,956		9,527,543		30,623,222	26,900,812	100.00%	100.00%	60.93%	
6/30/2022	2,887,997		16,710,873		8,892,548		28,491,418	25,288,728	100.00%	100.00%	63.98%	
6/30/2021	3,850,076		15,869,613		7,448,126		27,167,815	23,686,882	100.00%	100.00%	53.26%	

State Police

(\$ In Thousands)

Valuation Date	Aggregate Accrued Liabilities For						Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets				
	(1) Active Member Contributions ¹		(2) Retirees, Survivors and Inactive Members		(3) Active Members (Employer Fin. Portion)			Total	(1)	(2)	(3)	
6/30/2025	\$ 110,496		\$ 947,036		\$ 592,876		\$ 1,650,408	\$ 1,215,997	100.00%	100.00%	26.73%	
6/30/2024	108,918		886,662		594,401		1,589,982	1,131,058	100.00%	100.00%	22.79%	
6/30/2023	105,315		841,682		566,884		1,513,881	1,063,882	100.00%	100.00%	20.62%	
6/30/2022	100,990		803,632		513,842		1,418,464	1,001,822	100.00%	100.00%	18.92%	
6/30/2021	106,923		782,487		437,236		1,326,646	937,332	100.00%	100.00%	10.96%	

Judicial

(\$ In Thousands)

Valuation Date	Aggregate Accrued Liabilities For						Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets				
	(1) Active Member Contributions ¹		(2) Retirees, Survivors and Inactive Members		(3) Active Members (Employer Fin. Portion)			Total	(1)	(2)	(3)	
6/30/2025	\$ 41,681		\$ 586,551		\$ 217,914		\$ 846,146	\$ 742,615	100.00%	100.00%	52.49%	
6/30/2024	41,820		564,094		206,150		812,064	698,566	100.00%	100.00%	44.94%	
6/30/2023	41,898		548,027		202,869		792,794	667,563	100.00%	100.00%	38.27%	
6/30/2022	40,990		518,851		188,716		748,557	637,696	100.00%	100.00%	41.25%	
6/30/2021	42,082		498,777		192,549		733,408	600,670	100.00%	100.00%	31.06%	

¹ Prior to the June 30, 2022 valuation, amounts include contributions for inactive members.

Solvency Test

Virginia Law Officers (\$ In Thousands)

Valuation Date	Aggregate Accrued Liabilities For					Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
	(1) Active Member Contributions ¹		(2) Retirees, Survivors and Inactive Members		(3) Active Members (Employer Fin. Portion)		Total	(1)	(2)
	Date	Contributions ¹	Retirees, Survivors and Inactive Members	Active Members (Employer Fin. Portion)	Total		(1)	Actuarial Value of Assets	(3)
6/30/2025	\$ 153,642	\$ 2,093,410	\$ 646,943	\$ 2,893,995	\$ 2,176,426	100.00%	96.63%	0.00%	
6/30/2024	150,842	2,006,329	636,114	2,793,286	2,024,638	100.00%	93.39%	0.00%	
6/30/2023	154,856	1,871,522	647,333	2,673,711	1,903,501	100.00%	93.43%	0.00%	
6/30/2022	157,404	1,718,160	631,580	2,507,144	1,789,127	100.00%	94.97%	0.00%	
6/30/2021	251,678	1,640,876	514,599	2,407,153	1,668,802	100.00%	86.36%	0.00%	

Grand Total (\$ In Thousands)

Valuation Date	Aggregate Accrued Liabilities For					Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
	(1) Active Member Contributions ¹		(2) Retirees, Survivors and Inactive Members		(3) Active Members (Employer Fin. Portion)		Total	(1)	(2)
	Date	Contributions ¹	Retirees, Survivors and Inactive Members	Active Members (Employer Fin. Portion)	Total		(1)	Actuarial Value of Assets	(3)
6/30/2025	\$ 13,017,134	\$ 81,604,490	\$ 40,955,614	\$ 135,577,238	\$ 114,983,980	100.00%	100.00%	49.72%	
6/30/2024	12,446,715	78,449,485	38,853,133	129,749,333	106,733,275	100.00%	100.00%	40.76%	
6/30/2023	12,020,457	75,048,016	36,422,517	123,490,990	100,343,705	100.00%	100.00%	36.45%	
6/30/2022	11,714,903	70,646,168	34,346,216	116,707,287	94,605,665	100.00%	100.00%	35.65%	
6/30/2021	14,853,342	67,450,219	28,807,028	111,110,589	88,234,769	100.00%	100.00%	20.59%	

¹ Prior to the June 30, 2022 valuation, amounts include contributions for inactive members.

SECTION C

FUND ASSETS

Summary of Asset Values

System	Market Value	
	June 30, 2025	June 30, 2024
State Employees	\$ 26,622,804	\$ 24,843,784
Teachers	55,565,522	51,235,326
State Police	1,254,189	1,160,536
Judicial	765,921	717,164
Virginia Law Officers	2,244,829	2,076,732
Political Subdivisions ¹	32,212,652	29,500,291
Total Market Value of Assets	\$ 118,665,917	\$ 109,533,833

System	Actuarial Value	
	June 30, 2025	June 30, 2024
State Employees	\$ 25,801,918	\$ 24,196,357
Teachers	53,839,408	49,943,207
State Police	1,215,997	1,131,058
Judicial	742,615	698,566
Virginia Law Officers	2,176,426	2,024,638
Political Subdivisions ¹	31,207,616	28,739,448
Total Actuarial Value of Assets	\$ 114,983,980	\$ 106,733,275

¹ Includes Political Subdivisions with zero active members.

Market Value of Asset Reconciliation

	State Employees	Teachers	State Police	Judicial	Virginia Law Officers	Political Subdivisions
(1) Market Value of Assets (MVA) Beginning of Year						
a. MVA as of 6/30/2024	\$ 24,843,783,950	\$ 51,235,325,814	\$ 1,160,535,743	\$ 717,164,352	\$ 2,076,731,666	\$ 29,500,291,444
b. Adjustment	0	0	0	0	0	0
c. Adjusted Beginning of Year MVA	\$ 24,843,783,950	\$ 51,235,325,814	\$ 1,160,535,743	\$ 717,164,352	\$ 2,076,731,666	\$ 29,500,291,444
(2) Additions for the Year						
a. Contributions:						
i. Members	\$ 275,724,220	\$ 521,866,772	\$ 8,632,635	\$ 2,873,765	\$ 20,712,398	\$ 357,518,153
ii. Employers	762,876,189	1,611,790,936	54,161,219	30,054,088	100,211,425	943,477,603
iii. Non-Employer Contributing Entities	0	0	0	0	0	0
iv. Total [(2)a.i. + (2)a.ii. + (2)a.iii.]	\$ 1,038,600,409	\$ 2,133,657,708	\$ 62,793,854	\$ 32,927,853	\$ 120,923,823	\$ 1,300,995,756
b. Miscellaneous Revenue	456,760	1,083,563	4,033	(1,878)	48,291	(1,287,993)
c. Net Investment Income	2,584,167,931	5,367,718,839	120,812,373	74,253,992	216,259,453	3,109,208,089
d. Total Additions [(2)a.iv. + (2)b. + (2)c.]	\$ 3,623,225,100	\$ 7,502,460,110	\$ 183,610,260	\$ 107,179,967	\$ 337,231,567	\$ 4,408,915,852
(3) Deductions for the Year						
a. Benefit Payments	\$ 1,799,098,643	\$ 3,094,493,132	\$ 88,714,763	\$ 58,036,765	\$ 162,702,247	\$ 1,634,250,129
b. Refunds	30,158,717	47,204,459	613,151	0	5,307,542	44,687,446
c. Transfers	0	0	0	0	0	0
d. Administrative Expenses	14,947,278	30,566,100	628,662	386,809	1,124,244	17,617,787
e. Total Deductions [(3)a. + (3)b. + (3)c. + (3)d.]	\$ 1,844,204,638	\$ 3,172,263,691	\$ 89,956,576	\$ 58,423,574	\$ 169,134,033	\$ 1,696,555,362
(4) Change In Value [(2)d. - (3)e.]	\$ 1,779,020,462	\$ 4,330,196,419	\$ 93,653,684	\$ 48,756,393	\$ 168,097,534	\$ 2,712,360,490
(5) Market Value of Assets End of Year						
a. MVA as of 6/30/2025 [(1)c. + (4)]	\$ 26,622,804,412	\$ 55,565,522,233	\$ 1,254,189,427	\$ 765,920,745	\$ 2,244,829,200	\$ 32,212,651,934

Actuarial Value of Asset Reconciliation

	State Employees	Teachers	State Police	Judicial	Virginia Law Officers	Political Subdivisions
(1) Actuarial Value Beginning of Year	\$ 24,196,356,815	\$ 49,943,207,369	\$ 1,131,057,850	\$ 698,566,499	\$ 2,024,638,294	\$ 28,739,448,014
(2) Market Value End of Year	26,622,804,412	55,565,522,233	1,254,189,427	765,920,745	2,244,829,200	32,212,651,934
(3) Market Value Beginning of Year						
a. Initial Market Value Beginning of Year	24,843,783,950	51,235,325,814	1,160,535,743	717,164,352	2,076,731,666	29,500,291,444
b. Adjustment to Market Value Beginning of Year	0	0	0	0	0	0
c. Adjusted Market Value Beginning of Year: (3)a + (3)b	24,843,783,950	51,235,325,814	1,160,535,743	717,164,352	2,076,731,666	29,500,291,444
(4) Cash Flow						
a. Contributions	1,038,600,409	2,133,657,708	62,793,854	32,927,853	120,923,823	1,300,995,756
b. Benefit Payments and Refunds	(1,829,257,360)	(3,141,697,591)	(89,327,914)	(58,036,765)	(168,009,789)	(1,678,937,575)
c. Administrative Expenses	(14,947,278)	(30,566,100)	(628,662)	(386,809)	(1,124,244)	(17,617,787)
d. Miscellaneous revenue and expenses	456,760	1,083,563	4,033	(1,878)	48,291	(1,287,993)
e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	(805,147,469)	(1,037,522,420)	(27,158,689)	(25,497,599)	(48,161,919)	(396,847,599)
(5) Investment Income						
a. Market total: (2) - (3)c - (4)e	2,584,167,931	5,367,718,839	120,812,373	74,253,992	216,259,453	3,109,208,089
b. Assumed Rate	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
c. Amount of Immediate Recognition [(3)c x (5)b] + [(4)e x (5)b x 0.5]	1,649,781,690	3,423,368,111	77,419,557	47,548,050	138,553,923	1,977,876,066
d. Amount for Phased-in Recognition: (5)a - (5)c	934,386,241	1,944,350,728	43,392,816	26,705,942	77,705,530	1,131,332,023
(6) Phased-In Recognition of Investment Income						
a. Current Year: 0.20 x (5)d	186,877,248	388,870,146	8,678,563	5,341,188	15,541,106	226,266,405
b. First Prior Year	137,291,891	281,264,219	6,274,176	3,911,272	11,213,990	162,280,571
c. Second Prior Year	(12,808,974)	(23,143,199)	(553,765)	(358,220)	(1,008,069)	(13,186,863)
d. Third Prior Year	(312,880,755)	(626,872,418)	(14,236,758)	(9,076,790)	(25,386,690)	(360,497,634)
e. Fourth Prior Year	762,448,000	1,490,236,000	34,516,000	22,181,000	61,035,000	872,277,000
f. Total Recognized Investment Gain	760,927,410	1,510,354,748	34,678,216	21,998,450	61,395,337	887,139,479
(7) Actuarial Value End of Year: [(1) + (3)b + (4)e + (5)c + (6)f]	\$ 25,801,918,446	\$ 53,839,407,808	\$ 1,215,996,934	\$ 742,615,400	\$ 2,176,425,635	\$ 31,207,615,960

SECTION D

CENSUS DATA

Retiree and Beneficiary Detail – Tabulated by Type of Retirement

June 30, 2025

Retired, Disabled, and Survivor participants included in the valuations totaled 290,865 as follows:

Type of Retirement	System ¹								Total
	State Employees	Teachers	State Police	Judicial	Virginia Law Officers	Political Subdivisions ²			
Service:									
Number	65,748	106,529	1,412	476	6,753	78,494			259,412
Annual Benefits	\$ 1,596,454	\$ 2,919,986	\$ 70,530	\$ 47,661	\$ 153,270	\$ 1,401,386			\$ 6,189,287
Average Age	74.14	73.82	69.53	77.24	66.86	71.27			72.93
Disability:									
Number	2,523	4,042	169	1	244	7,651			14,630
Annual Benefits	\$ 50,387	\$ 107,263	\$ 7,156	\$ 138	\$ 4,326	\$ 148,684			\$ 317,954
Average Age	73.08	69.73	68.96	59.46	62.91	66.89			68.69
Survivors:									
Number	5,767	4,009	301	136	468	6,142			16,823
Annual Benefits	\$ 101,090	\$ 69,970	\$ 7,299	\$ 7,782	\$ 4,929	\$ 72,190			\$ 263,260
Average Age	75.71	72.61	72.76	78.85	65.84	70.97			72.94
Total:									
Number	74,038	114,580	1,882	613	7,465	92,287			290,865
Annual Benefits	\$ 1,747,931	\$ 3,097,219	\$ 84,985	\$ 55,581	\$ 162,525	\$ 1,622,260			\$ 6,770,501
Average Age	74.23	73.63	70.00	77.57	66.67	70.89			72.72

¹ Includes counts for each plan from which members receive pension benefits. Members with benefits from more than one employer are counted more than once.

² Includes counts for Participating Political Subdivisions with zero active members.

Deferred Detail – Tabulated by Type

June 30, 2025

Members with deferred benefits included in the valuations totaled 147,752 as follows:

System ¹	Number	Average Age	Average Service	Average Annual Estimated Benefit
State Employees:				
Inactive, Vested	16,517	52.00	8.49	\$ 7,238
Long Term Disability	2,085	56.19	15.27	\$ 56,517
Inactive, active elsewhere in VRS	10,301	48.14	4.31	\$ 2,917
Teachers:				
Inactive, Vested	35,471	48.93	9.25	\$ 8,120
Long Term Disability	62	51.53	5.35	\$ 22,056
Inactive, active elsewhere in VRS	7,689	48.44	5.82	\$ 4,760
State Police:				
Inactive, Vested	211	45.24	9.39	\$ 12,157
Long Term Disability	32	48.13	12.43	\$ 70,250
Inactive, active elsewhere in VRS	269	42.18	4.53	\$ 4,373
Judicial:				
Inactive, Vested	12	65.07	11.11	\$ 74,871
Long Term Disability	0	N/A	N/A	\$ N/A
Inactive, active elsewhere in VRS	2	56.58	8.58	\$ 53,009
Virginia Law Officers:				
Inactive, Vested	1,666	46.65	6.54	\$ 5,310
Long Term Disability	432	50.90	8.92	\$ 37,746
Inactive, active elsewhere in VRS	4,394	43.05	4.27	\$ 3,581
Political Subdivisions ² :				
Inactive, Vested	24,915	50.99	6.85	\$ 5,452
Long Term Disability	145	56.07	4.31	\$ 13,846
Inactive, active elsewhere in VRS	43,549	46.52	4.15	\$ 3,233
Total:				
Inactive, Vested	78,792	50.17	8.27	\$ 7,053
Long Term Disability	2,756	55.15	13.44	\$ 50,714
Inactive, active elsewhere in VRS	66,204	46.75	4.38	\$ 3,391

¹ Includes counts for each plan from which members are entitled to deferred pension benefits. Members with benefits from more than one employer are counted more than once.

² Includes counts for Participating Political Subdivisions with zero active members.

Active Participant Detail

June 30, 2025

Active participants included in the valuations totaled 376,123 with compensation and statistics, as follows:

System	Number	Annual Compensation (\$ in Thousands)	Average				
			Compensation	Age	Employer Type Service	Total Service	Entry Age on Employer Type Service
State Employees	81,274	\$ 6,275,603	\$ 77,215	46.9	10.1	11.0	36.8
Teachers	160,949	\$ 11,150,977	\$ 69,283	45.3	11.4	11.7	33.9
State Police	1,902	\$ 182,726	\$ 96,071	40.7	13.8	15.0	26.9
Judicial	473	\$ 98,645	\$ 208,551	57.3	8.8	14.4	48.5
Virginia Law Officers	7,459	\$ 432,703	\$ 58,011	39.6	7.3	8.3	32.3
Political Subdivisions	124,066	\$ 8,041,026	\$ 64,812	45.4	8.3	9.6	37.1
Total	376,123	\$ 26,181,680	\$ 69,609	45.5	10.0	10.8	35.5

Historical active participant member data follows:

Valuation Date	Number	Annual Compensation (\$ in Thousands)	Average Annual Compensation	% Change in Average Annual Compensation
6/30/2025	376,123	\$ 26,181,680	\$ 69,609	3.32%
6/30/2024	365,650	\$ 24,633,538	\$ 67,369	5.86%
6/30/2023	354,080	\$ 22,532,968	\$ 63,638	5.42%
6/30/2022	346,945	\$ 20,943,750	\$ 60,366	7.52%
6/30/2021	342,315	\$ 19,219,079	\$ 56,144	3.20%

Active Participants – Tabulated by Age and Total Service State Employees

Attained Age	Completed Years of Service							Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Payroll
Under 20	107	0	0	0	0	0	0	107	\$ 4,357,105
20-24	2,505	11	0	0	0	0	0	2,516	122,954,249
25-29	5,985	627	4	0	0	0	0	6,616	384,424,727
30-34	5,547	2,244	299	0	0	0	0	8,090	537,371,988
35-39	4,772	2,651	1,520	289	5	0	0	9,237	683,642,180
40-44	3,916	2,414	1,789	1,186	368	10	0	9,683	775,140,818
45-49	3,371	2,110	1,596	1,362	968	342	10	9,759	813,314,096
50-54	3,017	1,975	1,560	1,333	1,165	892	238	10,180	862,780,498
55-59	2,590	1,816	1,450	1,374	1,230	1,061	1,008	10,529	874,767,645
60	468	302	313	231	226	231	329	2,100	170,788,873
61	416	339	266	286	248	214	327	2,096	173,035,222
62	326	285	270	241	224	225	349	1,920	156,481,463
63	300	269	202	224	211	211	315	1,732	143,187,368
64	224	248	206	210	206	161	325	1,580	130,192,505
65	154	165	144	166	157	108	229	1,123	94,393,368
66	140	141	126	117	105	77	228	934	80,275,667
67	100	102	101	87	82	61	127	660	57,045,695
68	64	88	75	87	53	66	132	565	48,317,294
69	54	66	60	57	51	32	89	409	34,661,885
70 & Over	191	149	172	183	167	132	444	1,438	128,470,467
Totals	34,247	16,002	10,153	7,433	5,466	3,823	4,150	81,274	\$ 6,275,603,114

Active Participants by Age and Total Service Teachers

Attained Age	Completed Years of Service							Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Payroll
Under 20	110	0	0	0	0	0	0	110	\$ 2,708,562
20-24	5,307	10	0	0	0	0	0	5,317	241,091,671
25-29	11,385	3,077	4	0	0	0	0	14,466	786,202,935
30-34	6,963	7,393	2,160	1	0	0	0	16,517	993,432,529
35-39	6,669	4,766	6,250	1,640	1	0	0	19,326	1,263,233,295
40-44	6,413	3,955	3,614	5,706	2,299	11	0	21,998	1,571,397,807
45-49	5,363	3,878	2,873	3,358	5,474	1,624	5	22,575	1,715,940,040
50-54	4,376	3,600	2,924	2,857	3,677	4,507	960	22,901	1,798,505,234
55-59	3,390	2,794	2,607	2,820	3,107	2,693	2,117	19,528	1,501,626,832
60	467	424	430	503	548	381	334	3,087	227,398,733
61	491	407	366	457	491	349	312	2,873	207,357,385
62	447	360	352	409	442	331	258	2,599	181,845,089
63	345	288	225	374	403	307	257	2,199	155,686,577
64	298	245	228	294	345	255	242	1,907	133,682,697
65	235	159	184	204	232	172	171	1,357	93,489,488
66	181	154	137	151	154	115	139	1,031	71,113,534
67	119	105	79	118	120	88	120	749	51,609,713
68	124	77	76	68	87	62	80	574	37,705,663
69	85	58	48	41	53	37	75	397	26,462,342
70 & Over	324	191	138	171	193	150	271	1,438	90,487,091
Totals	53,092	31,941	22,695	19,172	17,626	11,082	5,341	160,949	\$ 11,150,977,216

Active Participants by Age and Total Service

State Police

Attained Age	Completed Years of Service							Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Payroll
Under 20	0	0	0	0	0	0	0	0	\$ 0
20-24	129	0	0	0	0	0	0	129	8,124,027
25-29	168	88	0	0	0	0	0	256	18,251,963
30-34	72	138	63	0	0	0	0	273	21,799,044
35-39	43	59	166	12	0	0	0	280	24,526,548
40-44	20	24	68	104	70	0	0	286	28,963,359
45-49	18	12	24	37	115	47	1	254	28,112,303
50-54	5	4	22	13	57	100	13	214	26,015,540
55-59	2	2	12	18	18	32	52	136	17,398,368
60	2	0	1	2	2	3	6	16	1,839,634
61	0	0	0	1	2	1	3	7	835,785
62	1	1	0	1	1	1	6	11	1,431,911
63	0	1	3	4	0	0	3	11	1,275,451
64	0	0	1	1	0	0	10	12	1,618,600
65	0	0	0	0	1	1	4	6	896,410
66	0	0	0	0	0	0	3	3	424,941
67	0	0	0	0	0	1	5	6	926,280
68	0	0	0	0	0	1	1	2	285,971
69	0	0	0	0	0	0	0	0	0
70 & Over	0	0	0	0	0	0	0	0	0
Totals	460	329	360	193	266	187	107	1,902	\$ 182,726,135

Active Participants by Age and Total Service Judicial

Attained Age	Completed Years of Service							Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Payroll
Under 20	0	0	0	0	0	0	0	0	\$ 0
20-24	0	0	0	0	0	0	0	0	0
25-29	1	0	0	0	0	0	0	1	198,229
30-34	0	0	0	0	0	0	0	0	0
35-39	7	0	0	0	0	0	0	7	1,436,838
40-44	27	5	2	0	0	0	0	34	6,943,872
45-49	37	19	7	0	0	0	0	63	12,937,940
50-54	33	26	20	2	0	0	0	81	16,730,403
55-59	30	22	24	12	7	0	0	95	19,875,945
60	4	5	6	2	1	1	0	19	4,044,344
61	1	5	8	3	2	0	0	19	3,910,136
62	3	5	7	1	3	0	0	19	3,987,062
63	5	2	2	3	1	1	0	14	2,981,904
64	2	3	7	1	2	1	1	17	3,669,993
65	5	7	4	2	3	0	1	22	4,570,898
66	1	6	2	3	3	1	0	16	3,354,970
67	0	6	4	1	0	2	0	13	2,723,762
68	0	2	6	2	3	0	1	14	2,981,904
69	0	2	6	0	2	0	0	10	2,173,067
70 & Over	2	7	6	3	6	2	3	29	6,123,396
Totals	158	122	111	35	33	8	6	473	\$ 98,644,663

Active Participants by Age and Total Service

Virginia Law Officers

Attained Age	Completed Years of Service							Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Payroll
Under 20	82	0	0	0	0	0	0	82	\$ 3,974,979
20-24	802	7	0	0	0	0	0	809	40,113,816
25-29	887	181	1	0	0	0	0	1,069	56,162,653
30-34	680	338	78	0	0	0	0	1,096	60,747,100
35-39	503	256	162	58	2	0	0	981	57,341,458
40-44	373	163	111	190	41	1	0	879	53,383,777
45-49	269	151	106	135	131	74	3	869	54,017,228
50-54	198	99	109	141	110	64	5	726	46,464,231
55-59	147	92	72	102	77	26	23	539	34,490,504
60	20	22	10	20	12	4	7	95	5,871,985
61	14	12	14	12	17	7	4	80	4,958,375
62	23	6	5	13	6	4	2	59	3,832,639
63	6	5	6	13	5	10	5	50	3,218,482
64	10	9	5	7	1	5	3	40	2,618,079
65	5	4	4	4	3	1	0	21	1,234,247
66	6	1	2	6	1	5	1	22	1,311,091
67	4	1	1	2	1	0	2	11	692,761
68	1	1	1	1	0	3	2	9	675,209
69	2	1	1	0	0	1	2	7	474,363
70 & Over	3	2	1	0	1	4	4	15	1,120,351
Totals	4,035	1,351	689	704	408	209	63	7,459	\$ 432,703,326