



Virginia
Retirement
System[®]

**VIRGINIA RETIREMENT SYSTEM
TEACHER HEALTH INSURANCE CREDIT PLAN**

GASB No. 75 Schedules

With Independent Auditor's Report Thereon

For the Plan Year Ended June 30, 2021

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Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
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June 29, 2022

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

INDEPENDENT AUDITOR'S REPORT

Report on the Schedules

We have audited the accompanying schedule of employer allocations of the Virginia Retirement System Teacher Health Insurance Credit (HIC) Plan, as of and for the year ended June 30, 2021, and the related notes. We have also audited the total for all teacher employers of the columns titled net HIC OPEB liability, total HIC OPEB expense (revenue), total deferred outflows of resources, and total deferred inflows of resources (specified column totals) included in the accompanying schedule of net HIC OPEB liability and total HIC OPEB expense and schedule of deferred outflows and deferred inflows of resources by employer of the Virginia Retirement System Teacher HIC Plan, as of and for the year ended June 30, 2021, and the related notes.

Management's Responsibility for the Schedule

The Virginia Retirement System's management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB

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expense and the schedule of deferred outflows and deferred inflows of resources by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and the specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and the specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and the specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Virginia Retirement System management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of net HIC OPEB liability and total HIC OPEB expense and the schedule of deferred outflows and deferred inflows of resources by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and the net HIC OPEB liability, total HIC OPEB expense, total deferred outflows of resources, and total deferred inflows of resources for the total of all participating teacher employers for the Virginia Retirement System Teacher Health Insurance Credit Plan as of and for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing*

Standards, issued by the Comptroller General of the United States, the financial statements of the Virginia Retirement System as of and for the year ended June 30, 2021, and our report thereon, dated December 10, 2021, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of Virginia Retirement System management, the Virginia Retirement System Board of Trustees, the Commonwealth Joint Legislative Audit and Review Commission, and Virginia Retirement System Teacher Health Insurance Credit Plan employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2021

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40100	Accomack County School Board	\$ 333,130	0.31130%
40101	Albemarle County Schools	1,215,153	1.13553%
40102	Alleghany County School Board	135,111	0.12626%
40103	Amelia County School Board	109,470	0.10230%
40104	Amherst County School Board	305,272	0.28527%
40105	Appomattox County School Board	143,524	0.13412%
40106	Arlington Public Schools	3,867,802	3.61437%
40107	Augusta County School Board	735,746	0.68754%
40108	Bath County School Board	55,201	0.05158%
40109	Bedford County School Board	649,258	0.60672%
40110	Bland County School Board	45,657	0.04267%
40111	Botetourt County Schools	337,631	0.31551%
40112	Brunswick County Public Schools	106,733	0.09974%
40113	Buchanan County School Board	163,496	0.15278%
40114	Buckingham County School Board	139,823	0.13066%
40115	Campbell County School Board	510,165	0.47674%
40116	Caroline County School Board	274,750	0.25675%
40117	Carroll County School Board	258,067	0.24116%
40118	Charles City County School Board	50,277	0.04698%
40119	Charlotte County School Board	141,928	0.13263%
40120	Chesterfield County School Board	4,074,292	3.80733%
40121	Clarke County School Board	148,362	0.13864%
40122	Craig County School Board	44,535	0.04162%
40123	Culpeper County School Board	565,534	0.52848%
40124	Cumberland County School Board	103,238	0.09647%
40125	Dickenson County School Board	119,054	0.11125%
40126	Dinwiddie County School Board	292,913	0.27372%
40128	Essex County Public Schools	96,914	0.09056%
40129	Fairfax County School Board	19,679,363	18.38992%
40130	Fauquier County School Board	927,396	0.86663%
40131	Floyd County School Board	135,781	0.12688%
40132	Fluvanna County Public Schools	298,319	0.27877%
40133	Franklin County Public Schools	508,260	0.47496%
40134	Frederick County School Board	1,167,632	1.09113%

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2021

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40135	Giles County Schools	156,910	0.14663%
40136	Gloucester County School Board	378,511	0.35371%
40137	Goochland County School Board	197,246	0.18432%
40138	Grayson County School Board	116,063	0.10846%
40139	Greene County Public Schools	211,847	0.19797%
40140	Greensville County School Board	164,111	0.15336%
40141	Halifax County School Board	332,426	0.31064%
40142	Hanover County School Board	1,272,970	1.18956%
40143	Henrico County School Board	3,562,754	3.32931%
40144	Henry County Public Schools	473,489	0.44246%
40145	Highland County Public Schools	22,928	0.02143%
40146	Isle of Wight County Schools	386,115	0.36082%
40148	King George County School Board	298,556	0.27899%
40149	King & Queen County School Board	59,490	0.05559%
40150	King William County School Board	147,891	0.13820%
40151	Lancaster County Public Schools	84,744	0.07919%
40152	Lee County School Board	226,045	0.21123%
40153	Loudoun County School Board	8,793,743	8.21755%
40154	Louisa County Public Schools	393,814	0.36801%
40155	Lunenburg County School Board	106,911	0.09991%
40156	Madison County School Board	122,067	0.11407%
40157	Mathews County School Board	91,255	0.08528%
40158	Mecklenburg County School Board	294,583	0.27528%
40159	Middlesex County School Board	110,043	0.10283%
40160	Montgomery County School Board	714,680	0.66785%
40162	Nelson County Public Schools	138,282	0.12922%
40163	New Kent County School Board	218,241	0.20394%
40165	Northampton County Schools	112,467	0.10510%
40166	Northumberland County School Board	103,535	0.09675%
40167	Nottoway County School Board	134,650	0.12583%
40168	Orange County Public Schools	329,281	0.30771%
40169	Page County Public Schools	227,461	0.21256%
40170	Patrick County School Board	153,962	0.14387%
40171	Pittsylvania County School Board	545,677	0.50992%
40172	Powhatan County School Board	302,894	0.28305%

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2021

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40173	Prince Edward County School Board	137,853	0.12882%
40174	Prince George County School Board	412,838	0.38579%
40176	Prince William County School Board	7,390,161	6.90594%
40177	Pulaski County School Board	265,684	0.24828%
40178	Rappahannock County School Board	75,233	0.07030%
40179	Richmond County School Board	88,811	0.08299%
40180	Roanoke County School Board	991,436	0.92647%
40181	Rockbridge County School Board	211,463	0.19761%
40182	Rockingham County School Board	860,557	0.80417%
40183	Russell County School Board	234,519	0.21915%
40184	Scott County School Board	261,496	0.24436%
40185	Shenandoah County School Board	464,781	0.43433%
40186	Smyth County School Board	277,817	0.25961%
40187	Southampton County School Board	160,549	0.15003%
40188	Spotsylvania County School Board	1,652,855	1.54456%
40189	Stafford County School Board	2,128,717	1.98924%
40190	Surry County Schools	88,123	0.08235%
40191	Sussex County School Board	97,841	0.09143%
40192	Tazewell County Schools	304,273	0.28434%
40193	Warren County School Board	391,220	0.36559%
40195	Washington County School Board	445,046	0.41589%
40196	Westmoreland County School Board	122,671	0.11463%
40197	Wise County School Board	370,842	0.34654%
40198	Wythe County School Board	258,028	0.24112%
40199	York County School Board	890,686	0.83233%
40200	Alexandria City School Board	1,986,737	1.85656%
40201	Bristol City School Board	165,812	0.15495%
40202	Buena Vista City Schools	57,621	0.05385%
40203	Charlottesville Public Schools	499,855	0.46710%
40205	Danville City Schools	446,978	0.41769%
40206	Fredericksburg City Schools	291,308	0.27222%
40207	Hampton City Schools	1,385,578	1.29479%
40208	Harrisonburg City School Board	542,192	0.50667%
40209	Hopewell City School Board	316,770	0.29601%
40210	Lynchburg Public Schools	659,490	0.61628%

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2021

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40211	Newport News Public Schools	2,033,816	1.90055%
40212	Norfolk Public Schools	2,596,128	2.42602%
40213	Petersburg City Schools	309,078	0.28883%
40214	Portsmouth School Board	1,052,700	0.98372%
40215	Radford City School Board	108,348	0.10125%
40216	Richmond Public Schools	2,342,805	2.18930%
40217	Roanoke City School Board	1,051,162	0.98229%
40219	Staunton City Schools	216,504	0.20232%
40220	Suffolk City School Board	1,010,627	0.94441%
40222	Winchester Public Schools	377,353	0.35263%
40223	Martinsville City Schools	141,147	0.13190%
40224	Falls Church Public Schools	335,896	0.31389%
40225	Colonial Heights City Schools	243,417	0.22747%
40230	Covington City School Board	64,940	0.06068%
40231	Fairfax City School Board	1,181	0.00110%
40232	Franklin City Public Schools	82,682	0.07726%
40233	Chesapeake Public Schools	3,074,717	2.87325%
40234	Virginia Beach City School Board	5,142,695	4.80573%
40236	Manassas Park City Schools	291,637	0.27253%
40306	Town of West Point School Board	67,355	0.06294%
40307	Lexington City School Board	40,187	0.03755%
40308	Waynesboro Public Schools	227,807	0.21288%
40309	Town of Colonial Beach Schools	46,364	0.04333%
40313	Galax City Schools	90,391	0.08447%
40314	Norton City Schools	47,800	0.04467%
40332	Manassas City Schools	746,552	0.69764%
40335	City of Salem Schools	287,218	0.26840%
40402	Williamsburg-James City County School Board	890,615	0.83226%
40403	Poquoson City Public Schools	145,595	0.13606%
40410	Valley Vocational Technical Center	24,283	0.02269%
40412	Charlottesville/Albemarle Vo-Tech Center	15,600	0.01458%
40414	Jackson River Technical Center	7,404	0.00692%
40415	New Horizons Technical Center	113,316	0.10589%
40416	Northern Neck Regional Vocational Center	14,745	0.01378%
40417	Rowanty Vocational Technical Center	10,492	0.00980%

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2021

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40418	Amelia-Nottoway Vocational Center	2,733	0.00255%
40421	Northern Neck Regional Special Education Program	7,448	0.00696%
40423	Maggie Walker Governor's School for Govt & Intl Studies	55,807	0.05215%
40424	Appomattox Region Governor's School	26,433	0.02470%
40425	Bridging Communities Regional Career and Tech Center	5,443	0.00509%
Total for all Teacher Employers		\$ 107,011,691	100.00000%

The accompanying notes are an integral part of the Schedule of Employer Allocations.

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2021

Employer		Net	Total
Code	Employer	HIC OPEB	HIC OPEB
		Liability	Expense
		6/30/2021	(Revenue)
			2021
40100	Accomack County School Board	\$ 3,995,751	\$ 267,517
40101	Albemarle County Schools	14,575,313	1,185,801
40102	Alleghany County School Board	1,620,635	80,630
40103	Amelia County School Board	1,313,091	95,851
40104	Amherst County School Board	3,661,638	253,654
40105	Appomattox County School Board	1,721,523	135,967
40106	Arlington Public Schools	46,392,938	3,824,214
40107	Augusta County School Board	8,825,051	641,531
40108	Bath County School Board	662,065	38,795
40109	Bedford County School Board	7,787,671	585,419
40110	Bland County School Board	547,699	33,850
40111	Botetourt County Schools	4,049,789	274,718
40112	Brunswick County Public Schools	1,280,232	59,870
40113	Buchanan County School Board	1,961,037	90,804
40114	Buckingham County School Board	1,677,111	118,677
40115	Campbell County School Board	6,119,287	466,691
40116	Caroline County School Board	3,295,564	264,063
40117	Carroll County School Board	3,095,455	204,456
40118	Charles City County School Board	603,021	27,495
40119	Charlotte County School Board	1,702,397	115,964
40120	Chesterfield County School Board	48,869,714	4,207,349
40121	Clarke County School Board	1,779,541	117,369
40122	Craig County School Board	534,222	35,279
40123	Culpeper County School Board	6,783,406	501,850
40124	Cumberland County School Board	1,238,259	90,059
40125	Dickenson County School Board	1,427,971	67,236
40126	Dinwiddie County School Board	3,513,386	252,027
40128	Essex County Public Schools	1,162,400	65,217
40129	Fairfax County School Board	236,047,340	19,671,033
40130	Fauquier County School Board	11,123,796	760,404

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2021

Employer Code	Employer	Net HIC OPEB Liability 6/30/2021	Total HIC OPEB Expense (Revenue) 2021
40131	Floyd County School Board	1,628,593	119,224
40132	Fluvanna County Public Schools	3,578,205	238,970
40133	Franklin County Public Schools	6,096,440	420,404
40134	Frederick County School Board	14,005,408	1,103,519
40135	Giles County Schools	1,882,098	134,052
40136	Gloucester County School Board	4,540,113	333,230
40137	Goochland County School Board	2,365,875	183,000
40138	Grayson County School Board	1,392,159	108,985
40139	Greene County Public Schools	2,541,082	168,670
40140	Greensville County School Board	1,968,482	146,094
40141	Halifax County School Board	3,987,280	218,784
40142	Hanover County School Board	15,268,825	1,091,958
40143	Henrico County School Board	42,733,997	3,473,619
40144	Henry County Public Schools	5,679,280	424,810
40145	Highland County Public Schools	275,069	18,855
40146	Isle of Wight County Schools	4,631,375	353,576
40148	King George County School Board	3,581,030	308,573
40149	King & Queen County School Board	713,536	56,294
40150	King William County School Board	1,773,893	117,104
40151	Lancaster County Public Schools	1,016,459	49,628
40152	Lee County School Board	2,711,283	180,189
40153	Loudoun County School Board	105,477,938	11,234,503
40154	Louisa County Public Schools	4,723,663	418,158
40155	Lunenburg County School Board	1,282,414	90,043
40156	Madison County School Board	1,464,167	98,236
40157	Mathews County School Board	1,094,627	90,311
40158	Mecklenburg County School Board	3,533,409	256,640
40159	Middlesex County School Board	1,319,894	120,517
40160	Montgomery County School Board	8,572,317	768,855
40162	Nelson County Public Schools	1,658,628	100,419
40163	New Kent County School Board	2,617,711	222,510

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2021

Employer Code	Employer	Net HIC OPEB Liability 6/30/2021	Total HIC OPEB Expense (Revenue) 2021
40165	Northampton County Schools	1,349,031	84,930
40166	Northumberland County School Board	1,241,853	96,449
40167	Nottoway County School Board	1,615,115	97,630
40168	Orange County Public Schools	3,949,671	258,733
40169	Page County Public Schools	2,728,355	172,914
40170	Patrick County School Board	1,846,671	102,773
40171	Pittsylvania County School Board	6,545,176	495,275
40172	Powhatan County School Board	3,633,142	257,354
40173	Prince Edward County School Board	1,653,493	88,250
40174	Prince George County School Board	4,951,882	336,892
40176	Prince William County School Board	88,642,517	7,811,590
40177	Pulaski County School Board	3,186,846	199,432
40178	Rappahannock County School Board	902,349	66,769
40179	Richmond County School Board	1,065,234	85,943
40180	Roanoke County School Board	11,891,883	917,773
40181	Rockbridge County School Board	2,536,461	189,589
40182	Rockingham County School Board	10,322,078	792,179
40183	Russell County School Board	2,812,941	198,930
40184	Scott County School Board	3,136,529	241,160
40185	Shenandoah County School Board	5,574,926	431,633
40186	Smyth County School Board	3,332,274	204,695
40187	Southampton County School Board	1,925,738	128,790
40188	Spotsylvania County School Board	19,825,496	1,450,010
40189	Stafford County School Board	25,533,271	2,231,403
40190	Surry County Schools	1,057,020	52,814
40191	Sussex County School Board	1,173,568	76,705
40192	Tazewell County Schools	3,649,701	186,386
40193	Warren County School Board	4,692,600	375,095
40195	Washington County School Board	5,338,235	360,718
40196	Westmoreland County School Board	1,471,355	117,599
40197	Wise County School Board	4,448,080	321,827

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2021

Employer Code	Employer	Net HIC OPEB Liability 6/30/2021	Total HIC OPEB Expense (Revenue) 2021
40198	Wythe County School Board	3,094,942	202,557
40199	York County School Board	10,683,531	792,423
40200	Alexandria City School Board	23,830,232	1,917,623
40201	Bristol City School Board	1,988,891	151,184
40202	Buena Vista City Schools	691,202	29,439
40203	Charlottesville Public Schools	5,995,551	454,003
40205	Danville City Schools	5,361,340	436,367
40206	Fredericksburg City Schools	3,494,132	250,407
40207	Hampton City Schools	16,619,525	1,164,844
40208	Harrisonburg City School Board	6,503,460	606,527
40209	Hopewell City School Board	3,799,493	290,623
40210	Lynchburg Public Schools	7,910,380	440,422
40211	Newport News Public Schools	24,394,874	1,714,955
40212	Norfolk Public Schools	31,139,645	1,838,814
40213	Petersburg City Schools	3,707,333	262,616
40214	Portsmouth School Board	12,626,727	911,907
40215	Radford City School Board	1,299,614	92,756
40216	Richmond Public Schools	28,101,180	2,509,801
40217	Roanoke City School Board	12,608,372	968,036
40219	Staunton City Schools	2,596,917	177,265
40220	Suffolk City School Board	12,122,156	937,181
40222	Winchester Public Schools	4,526,250	319,558
40223	Martinsville City Schools	1,693,028	100,866
40224	Falls Church Public Schools	4,028,996	304,006
40225	Colonial Heights City Schools	2,919,734	212,559
40230	Covington City School Board	778,870	49,196
40231	Fairfax City School Board	14,120	994
40232	Franklin City Public Schools	991,686	40,596
40233	Chesapeake Public Schools	36,880,152	2,982,070
40234	Virginia Beach City School Board	61,684,868	4,399,974
40236	Manassas Park City Schools	3,498,111	271,365

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
As of the Measurement Date and For the Plan Year Ended June 30, 2021

Employer Code	Employer	Net HIC OPEB Liability 6/30/2021	Total HIC OPEB Expense (Revenue) 2021
40306	Town of West Point School Board	807,878	63,919
40307	Lexington City School Board	481,980	43,852
40308	Waynesboro Public Schools	2,732,462	193,273
40309	Town of Colonial Beach Schools	556,171	42,170
40313	Galax City Schools	1,084,231	74,239
40314	Norton City Schools	573,370	37,419
40332	Manassas City Schools	8,954,692	685,164
40335	City of Salem Schools	3,445,100	255,734
40402	Williamsburg-James City County School Board	10,682,633	788,901
40403	Poquoson City Public Schools	1,746,424	123,746
40410	Valley Vocational Technical Center	291,241	18,632
40412	Charlottesville/Albemarle Vo-Tech Center	187,144	16,456
40414	Jackson River Technical Center	88,823	475
40415	New Horizons Technical Center	1,359,171	114,630
40416	Northern Neck Regional Vocational Center	176,876	12,355
40417	Rowanty Vocational Technical Center	125,790	10,658
40418	Amelia-Nottoway Vocational Center	32,731	2,371
40421	Northern Neck Regional Special Education Program	89,336	2,105
40423	Maggie Walker Governor's School for Govt & Intl Studies	669,381	48,389
40424	Appomattox Region Governor's School	317,042	28,145
40425	Bridging Communities Regional Career and Tech Center	65,334	3,823
Total for all Teacher Employers		\$ 1,283,569,166	\$ 103,013,150

The accompanying notes are an integral part of the Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense.

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2021

Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Inflows of Resources
40100	Accomack County School Board	\$ —	\$ —	\$ 108,012	\$ 24,917	\$ 132,929	\$ 69,726	\$ 52,636	\$ 16,059	\$ 340,901	\$ 479,322
40101	Albemarle County Schools	—	—	393,997	293,347	687,344	254,338	192,001	58,577	313,188	818,104
40102	Alleghany County School Board	—	—	43,809	—	43,809	28,280	21,349	6,513	212,018	268,160
40103	Amelia County School Board	—	—	35,495	54,115	89,610	22,913	17,297	5,277	79,733	125,220
40104	Amherst County School Board	—	—	98,981	43,557	142,538	63,895	48,235	14,716	150,122	276,968
40105	Appomattox County School Board	—	—	46,536	22,787	69,323	30,040	22,678	6,919	49,037	108,674
40106	Arlington Public Schools	—	—	1,254,086	925,496	2,179,582	809,553	611,135	186,450	1,137,382	2,744,520
40107	Augusta County School Board	—	—	238,557	34,033	272,590	153,997	116,253	35,467	373,044	678,761
40108	Bath County School Board	—	—	17,897	—	17,897	11,553	8,721	2,661	64,062	86,997
40109	Bedford County School Board	—	—	210,515	58,058	268,573	135,894	102,587	31,298	217,024	486,803
40110	Bland County School Board	—	—	14,805	16,286	31,091	9,557	7,215	2,201	53,758	72,731
40111	Botetourt County Schools	—	—	109,473	—	109,473	70,669	53,348	16,276	234,994	375,287
40112	Brunswick County Public Schools	—	—	34,607	—	34,607	22,340	16,865	5,145	196,370	240,720
40113	Buchanan County School Board	—	—	53,010	—	53,010	34,220	25,833	7,881	263,817	331,751

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Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Inflows of Resources
40114	Buckingham County School Board	—	—	45,335	25,556	70,891	29,265	22,093	6,740	71,302	129,400
40115	Campbell County School Board	—	—	165,415	41,200	206,615	106,781	80,609	24,593	97,557	309,540
40116	Caroline County School Board	—	—	89,085	132,797	221,882	57,507	43,413	13,245	131,969	246,134
40117	Carroll County School Board	—	—	83,676	26,108	109,784	54,015	40,776	12,440	256,575	363,806
40118	Charles City County School Board	—	—	16,301	—	16,301	10,523	7,944	2,423	94,315	115,205
40119	Charlotte County School Board	—	—	46,019	38,521	84,540	29,707	22,426	6,842	112,365	171,340
40120	Chesterfield County School Board	—	—	1,321,037	1,885,025	3,206,062	852,773	643,762	196,404	528,942	2,221,881
40121	Clarke County School Board	—	—	48,104	5,428	53,532	31,053	23,442	7,152	150,256	211,903
40122	Craig County School Board	—	—	14,441	1,228	15,669	9,322	7,037	2,147	31,155	49,661
40123	Culpeper County School Board	—	—	183,368	—	183,368	118,370	89,358	27,262	227,888	462,878
40124	Cumberland County School Board	—	—	33,472	18,032	51,504	21,608	16,312	4,976	49,498	92,394
40125	Dickenson County School Board	—	—	38,601	21,525	60,126	24,918	18,811	5,739	184,439	233,907
40126	Dinwiddie County School Board	—	—	94,973	32,486	127,459	61,308	46,282	14,120	192,149	313,859
40128	Essex County Public Schools	—	—	31,422	14,962	46,384	20,284	15,312	4,672	120,190	160,458
40129	Fairfax County School Board	—	—	6,380,792	4,060,024	10,440,816	4,119,011	3,109,452	948,661	1,816,937	9,994,061

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Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Inflows of Resources
40130	Fauquier County School Board	—	—	300,696	—	300,696	194,109	146,534	44,706	602,343	987,692
40131	Floyd County School Board	—	—	44,024	25,407	69,431	28,419	21,453	6,545	78,078	134,495
40132	Fluvanna County Public Schools	—	—	96,725	3,799	100,524	62,439	47,136	14,381	232,084	356,040
40133	Franklin County Public Schools	—	—	164,798	98,460	263,258	106,382	80,309	24,501	542,046	753,238
40134	Frederick County School Board	—	—	378,592	161,975	540,567	244,393	184,493	56,287	229,751	714,924
40135	Giles County Schools	—	—	50,877	17,463	68,340	32,842	24,793	7,564	101,875	167,074
40136	Gloucester County School Board	—	—	122,728	74,369	197,097	79,225	59,807	18,246	287,884	445,162
40137	Goochland County School Board	—	—	63,954	20,931	84,885	41,284	31,166	9,508	65,204	147,162
40138	Grayson County School Board	—	—	37,633	57,967	95,600	24,293	18,339	5,595	66,933	115,160
40139	Greene County Public Schools	—	—	68,690	—	68,690	44,342	33,474	10,212	185,574	273,602
40140	Greensville County School Board	—	—	53,212	27,134	80,346	34,350	25,931	7,911	93,778	161,970
40141	Halifax County School Board	—	—	107,783	—	107,783	69,578	52,524	16,025	410,527	548,654
40142	Hanover County School Board	—	—	412,744	—	412,744	266,440	201,136	61,364	690,642	1,219,582
40143	Henrico County School Board	—	—	1,155,178	464,075	1,619,253	745,705	562,936	171,745	206,317	1,686,703
40144	Henry County Public Schools	—	—	153,521	—	153,521	99,103	74,813	22,825	139,767	336,508

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Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
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Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Inflows of Resources
40145	Highland County Public Schools	—	—	7,436	4,178	11,614	4,800	3,623	1,105	23,258	32,786
40146	Isle of Wight County Schools	—	—	125,194	35,939	161,133	80,817	61,009	18,613	130,846	291,285
40148	King George County School Board	—	—	96,802	126,694	223,496	62,489	47,173	14,392	110,209	234,263
40149	King & Queen County School Board	—	—	19,288	8,725	28,013	12,451	9,399	2,868	12,965	37,683
40150	King William County School Board	—	—	47,952	—	47,952	30,954	23,368	7,129	120,414	181,865
40151	Lancaster County Public Schools	—	—	27,477	1,864	29,341	17,737	13,390	4,085	173,970	209,182
40152	Lee County School Board	—	—	73,291	39,722	113,013	47,312	35,716	10,896	244,888	338,812
40153	Loudoun County School Board	—	—	2,851,261	12,652,769	15,504,030	1,840,582	1,389,463	423,908	—	3,653,953
40154	Louisa County Public Schools	—	—	127,689	274,240	401,929	82,428	62,225	18,984	52,429	216,066
40155	Lunenburg County School Board	—	—	34,666	56,887	91,553	22,378	16,893	5,154	79,545	123,970
40156	Madison County School Board	—	—	39,579	9,789	49,368	25,550	19,288	5,884	117,023	167,745
40157	Mathews County School Board	—	—	29,590	82,231	111,821	19,101	14,420	4,399	55,158	93,078
40158	Mecklenburg County School Board	—	—	95,514	125,511	221,025	61,658	46,546	14,201	234,481	356,886
40159	Middlesex County School Board	—	—	35,679	100,753	136,432	23,032	17,387	5,305	46,492	92,216
40160	Montgomery County School Board	—	—	231,725	419,818	651,543	149,586	112,923	34,452	28,078	325,039

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Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Inflows of Resources
40162	Nelson County Public Schools	—	—	44,836	3,799	48,635	28,943	21,849	6,666	165,461	222,919
40163	New Kent County School Board	—	—	70,761	60,423	131,184	45,679	34,483	10,520	16,860	107,542
40165	Northampton County Schools	—	—	36,467	—	36,467	23,540	17,771	5,422	117,923	164,656
40166	Northumberland County School Board	—	—	33,570	23,811	57,381	21,670	16,359	4,991	49,772	92,792
40167	Nottoway County School Board	—	—	43,660	—	43,660	28,184	21,276	6,491	147,826	203,777
40168	Orange County Public Schools	—	—	106,767	—	106,767	68,921	52,029	15,873	269,595	406,418
40169	Page County Public Schools	—	—	73,752	1,675	75,427	47,610	35,941	10,965	194,343	288,859
40170	Patrick County School Board	—	—	49,919	—	49,919	32,224	24,326	7,422	208,046	272,018
40171	Pittsylvania County School Board	—	—	176,928	129,160	306,088	114,213	86,220	26,305	340,144	566,882
40172	Powhatan County School Board	—	—	98,210	5,027	103,237	63,398	47,859	14,601	159,360	285,218
40173	Prince Edward County School Board	—	—	44,697	8,139	52,836	28,853	21,782	6,645	211,226	268,506
40174	Prince George County School Board	—	—	133,858	22,846	156,704	86,410	65,231	19,901	265,867	437,409
40176	Prince William County School Board	—	—	2,396,169	3,791,766	6,187,935	1,546,805	1,167,689	356,248	522,869	3,593,611
40177	Pulaski County School Board	—	—	86,146	1,005	87,151	55,610	41,980	12,808	241,419	351,817
40178	Rappahannock County School Board	—	—	24,392	21,326	45,718	15,746	11,887	3,626	33,864	65,123

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Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Inflows of Resources
40179	Richmond County School Board	—	—	28,795	24,225	53,020	18,588	14,032	4,281	21,119	58,020
40180	Roanoke County School Board	—	—	321,459	215,679	537,138	207,512	156,652	47,793	410,654	822,611
40181	Rockbridge County School Board	—	—	68,565	27,071	95,636	44,261	33,413	10,194	104,943	192,811
40182	Rockingham County School Board	—	—	279,025	144,188	423,213	180,120	135,973	41,484	279,019	636,596
40183	Russell County School Board	—	—	76,039	23,602	99,641	49,086	37,055	11,305	129,985	227,431
40184	Scott County School Board	—	—	84,786	23,952	108,738	54,732	41,318	12,605	61,255	169,910
40185	Shenandoah County School Board	—	—	150,700	122,133	272,833	97,282	73,439	22,405	191,550	384,676
40186	Smyth County School Board	—	—	90,077	—	90,077	58,148	43,896	13,392	247,066	362,502
40187	Southampton County School Board	—	—	52,056	—	52,056	33,604	25,368	7,739	138,751	205,462
40188	Spotsylvania County School Board	—	—	535,919	117,722	653,641	345,953	261,162	79,677	695,251	1,382,043
40189	Stafford County School Board	—	—	690,211	1,068,657	1,758,868	445,554	336,350	102,616	179,085	1,063,605
40190	Surry County Schools	—	—	28,573	—	28,573	18,445	13,924	4,248	158,938	195,555
40191	Sussex County School Board	—	—	31,724	4,340	36,064	20,479	15,459	4,716	79,417	120,071
40192	Tazewell County Schools	—	—	98,658	—	98,658	63,687	48,078	14,668	439,088	565,521
40193	Warren County School Board	—	—	126,850	56,600	183,450	81,886	61,816	18,859	54,456	217,017

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Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Inflows of Resources
40195	Washington County School Board	—	—	144,302	—	144,302	93,152	70,321	21,454	280,137	465,064
40196	Westmoreland County School Board	—	—	39,773	72,876	112,649	25,675	19,382	5,913	102,135	153,105
40197	Wise County School Board	—	—	120,240	299,240	419,480	77,619	58,595	17,877	294,273	448,364
40198	Wythe County School Board	—	—	83,662	—	83,662	54,007	40,770	12,438	201,714	308,929
40199	York County School Board	—	—	288,795	90,947	379,742	186,427	140,734	42,936	342,584	712,681
40200	Alexandria City School Board	—	—	644,175	235,686	879,861	415,836	313,916	95,772	282,527	1,108,051
40201	Bristol City School Board	—	—	53,763	82,771	136,534	34,706	26,200	7,993	76,902	145,801
40202	Buena Vista City Schools	—	—	18,684	—	18,684	12,061	9,105	2,778	131,757	155,701
40203	Charlottesville Public Schools	—	—	162,071	13,087	175,158	104,622	78,980	24,096	182,571	390,269
40205	Danville City Schools	—	—	144,927	299,953	444,880	93,555	70,625	21,547	231,141	416,868
40206	Fredericksburg City Schools	—	—	94,453	—	94,453	60,972	46,028	14,043	153,078	274,121
40207	Hampton City Schools	—	—	449,256	87,313	536,569	290,009	218,929	66,793	778,338	1,354,069
40208	Harrisonburg City School Board	—	—	175,800	325,272	501,072	113,485	85,670	26,137	—	225,292
40209	Hopewell City School Board	—	—	102,707	71,950	174,657	66,301	50,051	15,270	200,490	332,112
40210	Lynchburg Public Schools	—	—	213,832	—	213,832	138,036	104,204	31,791	896,418	1,170,449

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Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Inflows of Resources
40211	Newport News Public Schools	—	—	659,438	—	659,438	425,689	321,354	98,041	1,092,377	1,937,461
40212	Norfolk Public Schools	—	—	841,761	—	841,761	543,385	410,203	125,148	2,607,914	3,686,650
40213	Petersburg City Schools	—	—	100,216	57,649	157,865	64,693	48,837	14,900	130,148	258,578
40214	Portsmouth School Board	—	—	341,323	86,531	427,854	220,335	166,332	50,746	407,634	845,047
40215	Radford City School Board	—	—	35,131	14,452	49,583	22,678	17,120	5,223	87,573	132,594
40216	Richmond Public Schools	—	—	759,626	3,674,526	4,434,152	490,364	370,177	112,937	1,783,498	2,756,976
40217	Roanoke City School Board	—	—	340,827	134,147	474,974	220,015	166,090	50,672	298,339	735,116
40219	Staunton City Schools	—	—	70,199	—	70,199	45,316	34,209	10,437	135,614	225,576
40220	Suffolk City School Board	—	—	327,684	301,402	629,086	211,531	159,685	48,718	460,854	880,788
40222	Winchester Public Schools	—	—	122,353	4,721	127,074	78,983	59,624	18,191	175,826	332,624
40223	Martinsville City Schools	—	—	45,766	—	45,766	29,543	22,302	6,804	155,761	214,410
40224	Falls Church Public Schools	—	—	108,911	101,402	210,313	70,306	53,074	16,192	220,722	360,294
40225	Colonial Heights City Schools	—	—	78,926	—	78,926	50,949	38,462	11,734	90,413	191,558
40230	Covington City School Board	—	—	21,054	13,986	35,040	13,591	10,260	3,130	90,220	117,201
40231	Fairfax City School Board	—	—	382	—	382	246	186	57	688	1,177

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Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Inflows of Resources
40232	Franklin City Public Schools	—	—	26,807	55,491	82,298	17,305	13,063	3,986	202,216	236,570
40233	Chesapeake Public Schools	—	—	996,938	307,922	1,304,860	643,556	485,823	148,219	175,787	1,453,385
40234	Virginia Beach City School Board	—	—	1,667,454	—	1,667,454	1,076,396	812,576	247,907	2,629,883	4,766,762
40236	Manassas Park City Schools	—	—	94,560	68,695	163,255	61,042	46,081	14,059	67,227	188,409
40306	Town of West Point School Board	—	—	21,838	20,979	42,817	14,097	10,642	3,247	49,801	77,787
40307	Lexington City School Board	—	—	13,029	23,229	36,258	8,411	6,349	1,937	—	16,697
40308	Waynesboro Public Schools	—	—	73,863	28,695	102,558	47,681	35,995	10,982	139,800	234,458
40309	Town of Colonial Beach Schools	—	—	15,034	9,708	24,742	9,705	7,326	2,235	21,961	41,227
40313	Galax City Schools	—	—	29,309	335	29,644	18,920	14,283	4,357	54,034	91,594
40314	Norton City Schools	—	—	15,499	31,224	46,723	10,005	7,553	2,304	49,672	69,534
40332	Manassas City Schools	—	—	242,062	552,062	794,124	156,259	117,960	35,988	505,087	815,294
40335	City of Salem Schools	—	—	93,127	14,111	107,238	60,117	45,382	13,846	110,387	229,732
40402	Williamsburg-James City County School Board	—	—	288,771	100,012	388,783	186,411	140,722	42,933	451,259	821,325
40403	Poquoson City Public Schools	—	—	47,209	—	47,209	30,475	23,006	7,019	81,344	141,844
40410	Valley Vocational Technical Center	—	—	7,873	1,084	8,957	5,082	3,837	1,170	23,650	33,739

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
As of the Measurement Date of June 30, 2021

Employer Code	Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	Change of Assumptions	Changes in Proportionate Share	Total Deferred Inflows of Resources
40412	Charlottesville/Albemarle Vo-Tech Center	—	—	5,059	20,414	25,473	3,266	2,465	752	13,023	19,506
40414	Jackson River Technical Center	—	—	2,401	2,714	5,115	1,550	1,170	357	21,884	24,961
40415	New Horizons Technical Center	—	—	36,741	53,571	90,312	23,717	17,904	5,462	37,937	85,020
40416	Northern Neck Regional Vocational Center	—	—	4,781	2,018	6,799	3,086	2,330	711	8,328	14,455
40417	Rowanty Vocational Technical Center	—	—	3,400	12,624	16,024	2,195	1,657	506	7,978	12,336
40418	Amelia-Nottoway Vocational Center	—	—	885	4,255	5,140	571	431	132	7,067	8,201
40421	Northern Neck Regional Special Education Program	—	—	2,415	4,034	6,449	1,559	1,177	359	37,755	40,850
40423	Maggie Walker Governor's School for Govt & Intl Studies	—	—	18,095	22,620	40,715	11,681	8,818	2,690	44,014	67,203
40424	Appomattox Region Governor's School	—	—	8,570	34,748	43,318	5,532	4,176	1,274	11,489	22,471
40425	Bridging Communities Regional Career and Tech Center	—	—	1,766	4,884	6,650	1,140	861	263	14,747	17,011
Total for all Teacher Employers		\$ —	\$ —	\$ 34,697,211	\$ 35,906,674	\$ 70,603,885	\$ 22,398,188	\$ 16,908,478	\$ 5,158,575	\$ 35,906,674	\$ 80,371,915

The accompanying notes are an integral part of the Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer.

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Notes to GASB No. 75 Schedules
For the Plan Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies

Description of the Entity

The Virginia Retirement System (the System) is an independent agency of the Commonwealth of Virginia. The System administers four separate pension trust funds – the Virginia Retirement System (VRS), the State Police Officers’ Retirement System (SPORS), the Virginia Law Officers’ Retirement System (VaLORS), and the Judicial Retirement System (JRS) as well as several Other Post-Employment Benefit trust funds – the Group Life Insurance Program, the Retiree Health Insurance Credit Program, the Disability Insurance Program for state employees, the Line of Duty Act Program and the Virginia Local Disability Program for participating schools systems and local governments. The VRS Teacher Health Insurance Credit Plan is part of the Retiree Health Insurance Credit Program.

Administration and Management

The Board of Trustees (the Board) is responsible for the general administration and operation of the pension plans and the other employee benefit plans. The Board has full power to invest and reinvest the trust funds of the System through the adoption of investment policies and guidelines that fulfill the Board’s investment objective to maximize long-term investment returns while targeting an acceptable level of risk.

The Board consists of nine members. Five members are appointed by the Governor and four members are appointed by the Joint Rules Committee of the General Assembly subject to confirmation by the General Assembly. The Board appoints a Director to serve as the Chief Administrative Officer of the System and a Chief Investment Officer to direct, manage, and administer the investment of the System’s funds.

The System issues an *Annual Comprehensive Financial Report* (Annual Report) containing the financial statements and required supplementary information for all of the System’s pension and other employee benefit trust funds. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500. The pension and other employee benefit trust funds administered by the VRS are classified as fiduciary funds and are included in the basic financial statements of the Commonwealth of Virginia.

Other Post-Employment Benefits – Health Insurance Credit

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program is a multiple-employer, cost-sharing plan. The Teacher Employee 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. The Teacher Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net HIC OPEB liability, deferred outflows of resources and

deferred inflows of resources related to the HIC OPEB, and HIC OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Teacher Health Insurance Credit Plan and the additions to/deductions from the VRS Teacher Health Insurance Credit Plan'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.

Note 2. General Information about the HIC OPEB Plan

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. 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 for the Teacher Health Insurance Credit Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS

Eligible Employees

The Teacher Health Insurance Credit Program was established July 1, 1993, for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.

Eligible employees are enrolled automatically upon employment. They include:

- Full-time permanent (professional) salaried employees of public school divisions covered under VRS.

Benefit Amounts

The Teacher Health Insurance Credit Program provides the following benefits for eligible employees:

- **At Retirement:** For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.
- **Disability Retirement:** For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either:
 - \$4.00 per month multiplied by twice the amount of service credit, or
 - \$4.00 per month multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

Health Insurance Credit Program Notes:

- The monthly health insurance credit benefit cannot exceed the individual premium amount.
- Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by § 51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021, was 1.21% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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.

Actuarial Assumptions and Methods

The total Teacher Health Insurance Credit OPEB liability for the VRS Teacher Health Insurance Credit Program was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation	2.50%
Salary increases, including inflation – Teacher Employees	3.50% – 5.95%
Investment rate of return	6.75%, net of plan investment expenses, including inflation

Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally;
110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected
generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally;
110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected
generationally

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, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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
Discount Rate	No change

Note 3. Net Health Insurance Credit OPEB Liability

The net Health Insurance Credit OPEB liability (NOL) is calculated separately for each plan and represents that particular plan's total Health Insurance Credit OPEB liability determined in accordance with GASB Statement No. 74, less the System's fiduciary net position for the plan. As of June 30, 2021, NOL amounts for the VRS Teacher Health Insurance Credit Program are as follows (amounts expressed in thousands):

Total Teacher HIC OPEB Liability	\$ 1,477,874
Plan Fiduciary Net Position	194,305
Teacher HIC Net OPEB Liability (Asset)	<u>\$ 1,283,569</u>

Plan Fiduciary Net Position as a Percentage of the Total Teacher HIC OPEB Liability	13.15 %
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The total Teacher HIC OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net Teacher HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Discount Rate

The discount rate used to measure the total Teacher 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 and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2021, the rate contributed by each school division for the VRS Teacher HIC OPEB Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher HIC OPEB liability.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP- Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.39%

*The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Sensitivity Analysis

The following table presents the collective net Teacher HIC OPEB liability of the participating employers in the VRS Teacher HIC OPEB Plan using the discount rate of 6.75%, as well as what the collective net Teacher HIC OPEB liability of the participating employers 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 (amounts expressed in thousands):

Net Teacher HIC OPEB Liability – 1.00% Decrease (5.75%)	\$	1,444,945
Net Teacher HIC OPEB Liability – Current Discount Rate (6.75%)	\$	1,283,569
Net Teacher HIC OPEB Liability – 1.00% Increase (7.75%)	\$	1,147,011

Note 4. Deferred Outflows / (Inflows) of Resources

The following schedule reflects the amortization of the net balance of remaining deferred outflows/ (inflows) of resources at June 30, 2021. The average remaining service lives of all employees provided with health insurance credit benefits through the VRS Teacher HIC OPEB Plan at June 30, 2021, was 7.17 years. Deferred outflows of resources related to the health insurance credit resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the financial statements for the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the health insurance credit will be recognized in the health insurance credit expense as follows:

Measurement Period Ending June 30, 2022	\$(3,094,356)
Measurement Period Ending June 30, 2023	\$(3,286,358)
Measurement Period Ending June 30, 2024	\$(2,701,332)
Measurement Period Ending June 30, 2025	\$(2,428,489)
Measurement Period Ending June 30, 2026	\$(1,357,022)
Thereafter	\$382,950

Note 5. Employer Contributions

Employers' proportionate shares were calculated on the basis of historical employer contributions. Although GASB Statement No. 75 encourages the use of the employer's projected long-term contribution effort to the Other Post-Employment Benefit plan, allocating on the basis of historical employer contributions is considered acceptable. Employer contributions recognized by the VRS Teacher HIC OPEB Plan that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions for adjustments for prior periods.

The employer contributions used in the determination of employers' proportionate shares of collective Other Post-Employment Benefit amounts reported in the Schedule of Employer Allocations were based on the total employer contributions using the plan's contribution rates and the employer's covered payroll for FY 2021. This total was \$107,011,691. The employer contributions of \$107,171,678 reported in the VRS Teacher HIC OPEB Program's Statement of Changes in Net Position (per the System's separately issued financial statements) reflects the calculated amount plus approximately \$159,987 in other employer contributions and adjustments that were not representative of future contribution efforts.

Note 6. Additional Financial and Actuarial Information

Information contained in the VRS Teacher HIC OPEB Program Notes to the Schedule of Employer Allocations and Schedule of Teacher HIC OPEB Program Amounts by Employer (Schedules) was extracted from the audited financial statements of the Virginia Retirement System for the fiscal year ended June 30, 2021. Additional financial information supporting the preparation of the VRS Teacher HIC OPEB Program Schedules (including the financial statements and the unmodified audit opinion thereon, and required supplementary information) is presented in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.