



VIRGINIA RETIREMENT SYSTEM

REPORT ON MANAGEMENT'S ASSERTIONS RELATED TO CENSUS DATA FOR OPEB PLANS FOR THE YEAR ENDED JUNE 30, 2016

Auditor of Public Accounts

Martha S. Mavredes, CPA

www.apa.virginia.gov

(804) 225-3350





Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 5, 2018

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

INDEPENDENT ACCOUNTANT'S REPORT

We have examined management's assertion that the census data for other post-employment benefit plans sent to the actuary of the Virginia Retirement System (the System), for the year ended June 30, 2016, was complete and accurate based on the criteria included in the accompanying letter. The relevant census data elements for other post-employment benefit plans are also included in the accompanying letter. The System's management is responsible for the assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

The System does not use census data for retired members eligible for the Health Insurance Credit or Group Life Insurance Plans who are not 'Retirees in a VRS Pension Plan', as referenced in the accompanying letter. The System's actuary applies assumptions in accordance with Actuarial Standards of Practice (ASOP) in the absence of census data for these members. Our opinion is not modified with respect to this matter.

In our opinion, management's assertion that the census data for other post-employment benefit plans sent to the actuary of the System, for the year ended June 30, 2016, was complete and accurate based on the criteria included in the accompanying letter, is fairly stated, in all material respects.

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


AUDITOR OF PUBLIC ACCOUNTS

ZLB/clj



P.O. Box 2500, Richmond, Virginia 23218-2500
Toll free: 1-888-VARETIR (827-3847)
Web site: www.varetire.org
E-mail: vrs@varetire.org

September 5, 2018

Ms. Martha S. Mavredes
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

Dear Ms. Mavredes:

We are providing this assertion in connection with the census data submitted to the actuary of the Virginia Retirement System for other post-employment benefits. The census data provided by the Virginia Retirement System to the Plans' actuary, Cavanaugh MacDonald Consulting, LLC, used to prepare the actuarial valuations as of June 30, 2016 is complete and accurate based on the accumulation of census data reported by participating employers for the period from July 1, 2015 to June 30, 2016. The liabilities associated with the June 30, 2016 census data were rolled forward to June 30, 2017, in accordance with Government Accounting Standards Board Statement No. 75 (GASB 75), and were used in the GASB 75 Accounting Valuation reports as of June 30, 2017. The relevant census data elements as set forth in Title 51.1, Chapters 5, 11, 11.1, and 14 and Title 9.1, Chapter 4 of the *Code of Virginia*, as amended include the following:

Group Life Insurance:

- Active Members in a VRS Pension Plan:
 - Member status with current and prior employers
 - Current and previous employer code and employer type
 - Join date and eligibility date
 - Date of birth
 - Gender
 - Months of service with current employer and previous employers, months of total service
 - Current annual salary
 - Retirement plan code
 - Special coverage codes
 - Termination date and reason
 - VRS ID
- Active Members in an Optional Retirement Plan (no UVA or UVA Med) or Group Life Only:
 - Current Employer
 - Date of birth
 - Gender
 - Total service in months

- Current annual salary
- Status with current employer
- Life insurance join and termination date
- Date of death
- VRS ID
- Retirees in a VRS Pension Plan:
 - Retirement date and current retirement status
 - Date of birth
 - Date of death
 - Gender
 - Retirement plan code
 - Total service used in benefit calculation and by type
 - Current and previous employer code, employer type and career percentage for each
 - Special coverage codes
 - Current and previous special coverage employer code, employer type and career percentage for each
 - Original and current life insurance amount
 - VRS ID
- Retirees in an Optional Retirement Plan (no UVA or UVA Med) or Group Life Only:
 - Cavanaugh MacDonald Consulting, LLC applies assumptions in accordance with Actuarial Standards of Practice (ASOPs) for this member group.

Health Insurance Credit:

- Active Members in a VRS Pension Plan:
 - Member status with current and prior employers
 - Current and previous employer code and employer type
 - Join date and eligibility date
 - Date of birth
 - Gender
 - Months of service with current employer and previous employers, months of total service
 - Current annual salary
 - Retirement plan code
 - Special coverage codes
 - Termination date and reason
 - VRS ID
- Active Members in an Optional Retirement Plan (no UVA or UVA Med):

Ms. Martha S. Mavredes

Page 3

September 5, 2018

- Current Employer
- Date of birth
- Gender
- Total service in months
- Current annual salary
- Status with current employer
- Life insurance join and termination date
- Date of death
- VRS ID
- Retirees in a VRS Pension Plan:
 - Retirement date and current retirement status
 - Date of birth
 - Date of death
 - Gender
 - Retirement plan code
 - Total service used in benefit calculation and by type
 - Current and previous employer code, employer type and career percentage for each
 - Special coverage codes
 - Current and previous special coverage employer code, employer type and career percentage for each
 - Current benefit paid and maximum benefit payable
 - VRS ID
- Retirees in an Optional Retirement Plan (no UVA or UVA Med):
 - Cavanaugh MacDonald Consulting, LLC applies assumptions in accordance with Actuarial Standards of Practice (ASOPs) for this member group.

UVA and UVA Medical Center Health Insurance Credit:

- Active Members in a VRS Pension Plan:
 - Member status with current and prior employers
 - Current and previous employer code and employer type
 - Join date and eligibility date
 - Date of birth
 - Gender
 - Months of service with current employer and previous employers, months of total service
 - Current annual salary
 - Retirement plan code

Ms. Martha S. Mavredes
Page 4
September 5, 2018

- Termination date and reason
- VRS ID
- Active Members in an Optional Retirement Plan:
 - VRS ID
 - Employer Number
 - Date of Birth
 - Gender
 - Date of Hire
 - Current annual salary
- Retirees in a VRS Pension Plan:
 - Retirement date and current retirement status
 - Date of birth
 - Date of death
 - Gender
 - Retirement plan code
 - Total service used in benefit calculation and by type
 - Current and previous employer code, employer type and career percentage for each
 - Current benefit paid and maximum benefit payable
 - VRS ID
- Retirees in an Optional Retirement Plan:
 - Cavanaugh MacDonald Consulting, LLC applies assumptions in accordance with Actuarial Standards of Practice (ASOPs) for this member group.

Virginia Sickness and Disability Program (including LTC):

- Active Members in a VRS Pension Plan:
 - Member status with current and prior employers
 - Current and previous employer code and employer type
 - Join date and eligibility date
 - Date of birth
 - Gender
 - Months of service with current employer and previous employers, months of total service
 - Current annual salary
 - Retirement plan code
 - Special coverage codes
 - Termination date and reason

- VSDP Election (VSDPflag)
- VRS ID
- Disabled Members in a VRS Pension Plan:
 - Retirement date and current retirement status
 - Date of birth
 - Date of death
 - Gender
 - Retirement plan code
 - Average final compensation
 - Total service used in benefit calculation and by type
 - Current and previous employer code, employer type and career percentage for each
 - Special coverage codes
 - Current and previous special coverage employer code, employer type and career percentage for each
 - VRS ID

Line of Duty Act

- Active Members:
 - Employer
 - Name
 - Gender (member)
 - Date of Birth
 - Personnel Type
 - Date of Hire/Start Date of Service
- Beneficiaries/Claimants:
 - Employer
 - Name
 - Status (disabled, deceased)
 - Date of Death/Disability (member, spouse)
 - Marital Status
 - Gender
 - Date of Birth (member, spouse)


The census data provided by the Virginia Retirement System to the Plans' actuary, Cavanaugh MacDonald Consulting, LLC, on June 30, 2016 properly reflects current benefit provisions in effect through the

Ms. Martha S. Mavredes
Page 6
September 5, 2018


measurement period ended June 30, 2017 included in Title 51.1, Chapters 5, 11, 11.1, and 14 and Title 9.1, Chapter 4 of the *Code of Virginia*, as amended.

The census data provided by the Virginia Retirement System to the Plans' actuary, Cavanaugh MacDonald Consulting, LLC, as of June 30, 2016 properly excludes the service and dollars associated with deceased members. The Virginia Retirement System has contracted with Life Status 360, LLC, also known as Small World Solutions, to validate the existence of inactive and retired members by cross-matching social security numbers of inactive and retired members using the Social Security Administration death match service and other information.


Sincerely,



Patricia S. Bishop, Director



Barry C. Faison, Chief Financial Officer



Leslie B. Weldon, Controller



Rory J. Badura, Senior Staff Actuary