



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, 2024

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Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 28, 2025

Joint Legislative Audit
and Review Commission

Board of Trustees
Virginia Retirement System

Patricia S. Bishop, Director
Virginia Retirement System

INDEPENDENT AUDITOR'S REPORT

Report on the Schedules

Opinions

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, 2024, 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 the Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer of the Virginia Retirement System Teacher HIC Plan (schedules of OPEB amounts), as of and for the year ended June 30, 2024, and the related notes.

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 HIC Plan as of and for the year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

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Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Virginia Retirement System Teacher HIC Plan, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Schedules

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 and for 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 Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the Schedule of Employer Allocations and the specified column totals included in the schedules of OPEB amounts are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule of Employer Allocations and the specified column totals included in the schedules of OPEB amounts.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule of Employer Allocations and the specified column totals included in the schedules of OPEB amounts, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule of Employer Allocations and the specified column totals included in the schedules of OPEB amounts.

- Obtain an understanding of internal control relevant to the audit 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 Virginia Retirement System’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule of Employer Allocations and the specified column totals included in the schedules of OPEB amounts.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, 2024, and our report thereon, dated December 11, 2024, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Joint Legislative Audit and Review Commission, Virginia Retirement System management, the Virginia Retirement System Board of Trustees, and Virginia Retirement System Teacher HIC 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

EMS/clj

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40100	Accomack County School Board	\$ 380,156	0.29325%
40101	Albemarle County Schools	1,646,388	1.26999%
40102	Alleghany County School Board	234,852	0.18116%
40103	Amelia County School Board	130,236	0.10046%
40104	Amherst County School Board	357,873	0.27606%
40105	Appomattox County School Board	185,717	0.14326%
40106	Arlington Public Schools	4,670,429	3.60269%
40107	Augusta County School Board	904,790	0.69794%
40108	Bath County School Board	62,543	0.04824%
40109	Bedford County School Board	746,860	0.57611%
40110	Bland County School Board	54,543	0.04207%
40111	Botetourt County Schools	400,378	0.30884%
40112	Brunswick County Public Schools	104,533	0.08063%
40113	Buchanan County School Board	177,268	0.13674%
40114	Buckingham County School Board	170,447	0.13148%
40115	Campbell County School Board	618,628	0.47720%
40116	Caroline County School Board	329,302	0.25402%
40117	Carroll County School Board	303,746	0.23430%
40118	Charles City County School Board	60,546	0.04670%
40119	Charlotte County School Board	225,281	0.17378%
40120	Chesterfield County School Board	5,430,363	4.18889%
40121	Clarke County School Board	186,649	0.14398%
40122	Craig County School Board	49,868	0.03847%
40123	Culpeper County School Board	715,699	0.55208%
40124	Cumberland County School Board	122,428	0.09444%
40125	Dickenson County School Board	146,396	0.11293%
40126	Dinwiddie County School Board	366,893	0.28301%
40128	Essex County Public Schools	97,003	0.07483%
40129	Fairfax County School Board	22,694,437	17.50615%
40130	Fauquier County School Board	1,075,465	0.82959%
40131	Floyd County School Board	150,349	0.11598%
40132	Fluvanna County Public Schools	363,060	0.28006%
40133	Franklin County Public Schools	581,138	0.44828%
40134	Frederick County School Board	1,395,215	1.07624%

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40135	Giles County Schools	201,820	0.15568%
40136	Gloucester County School Board	482,490	0.37218%
40137	Goochland County School Board	241,676	0.18642%
40138	Grayson County School Board	148,727	0.11473%
40139	Greene County Public Schools	257,237	0.19843%
40140	Greensville County School Board	192,393	0.14841%
40141	Halifax County School Board	419,299	0.32344%
40142	Hanover County School Board	1,564,752	1.20702%
40143	Henrico County School Board	4,429,769	3.41705%
40144	Henry County Public Schools	567,826	0.43801%
40145	Highland County Public Schools	26,160	0.02018%
40146	Isle of Wight County Schools	485,187	0.37426%
40148	King George County School Board	388,984	0.30006%
40149	King & Queen County School Board	72,237	0.05572%
40150	King William County School Board	153,069	0.11807%
40151	Lancaster County Public Schools	90,097	0.06950%
40152	Lee County School Board	260,316	0.20080%
40153	Loudoun County School Board	10,878,343	8.39136%
40154	Louisa County Public Schools	493,029	0.38031%
40155	Lunenburg County School Board	133,578	0.10304%
40156	Madison County School Board	141,314	0.10901%
40157	Mathews County School Board	94,490	0.07289%
40158	Mecklenburg County School Board	337,666	0.26047%
40159	Middlesex County School Board	133,605	0.10306%
40160	Montgomery County School Board	846,573	0.65303%
40162	Nelson County Public Schools	161,998	0.12496%
40163	New Kent County School Board	287,404	0.22170%
40165	Northampton County Schools	134,977	0.10412%
40166	Northumberland County School Board	129,712	0.10006%
40167	Nottoway County School Board	150,856	0.11637%
40168	Orange County Public Schools	411,221	0.31721%
40169	Page County Public Schools	279,156	0.21534%
40170	Patrick County School Board	189,833	0.14643%
40171	Pittsylvania County School Board	639,125	0.49301%
40172	Powhatan County School Board	350,301	0.27022%

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40173	Prince Edward County School Board	142,854	0.11020%
40174	Prince George County School Board	462,224	0.35655%
40176	Prince William County School Board	9,414,174	7.26193%
40177	Pulaski County School Board	328,641	0.25351%
40178	Rappahannock County School Board	83,983	0.06478%
40179	Richmond County School Board	106,206	0.08193%
40180	Roanoke County School Board	1,212,221	0.93509%
40181	Rockbridge County School Board	240,677	0.18565%
40182	Rockingham County School Board	1,077,563	0.83121%
40183	Russell County School Board	253,288	0.19538%
40184	Scott County School Board	323,748	0.24973%
40185	Shenandoah County School Board	521,550	0.40231%
40186	Smyth County School Board	329,687	0.25431%
40187	Southampton County School Board	172,409	0.13299%
40188	Spotsylvania County School Board	2,020,887	1.55888%
40189	Stafford County School Board	2,833,398	2.18563%
40190	Surry County Schools	96,868	0.07472%
40191	Sussex County School Board	111,532	0.08603%
40192	Tazewell County Schools	375,669	0.28978%
40193	Warren County School Board	484,019	0.37336%
40195	Washington County School Board	525,368	0.40526%
40196	Westmoreland County School Board	152,463	0.11761%
40197	Wise County School Board	453,305	0.34967%
40198	Wythe County School Board	325,588	0.25115%
40199	York County School Board	1,087,686	0.83902%
40200	Alexandria City School Board	2,287,624	1.76463%
40201	Bristol City School Board	190,291	0.14679%
40202	Buena Vista City Schools	70,980	0.05475%
40203	Charlottesville Public Schools	577,856	0.44575%
40205	Danville City Schools	589,671	0.45486%
40206	Fredericksburg City Schools	363,317	0.28026%
40207	Hampton City Schools	1,731,606	1.33573%
40208	Harrisonburg City School Board	703,002	0.54228%
40209	Hopewell City School Board	387,849	0.29918%
40210	Lynchburg Public Schools	835,077	0.64416%

Virginia Retirement System
Health Insurance Credit Plan - Teachers
Schedule of Employer Allocations
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40211	Newport News Public Schools	2,454,532	1.89338%
40212	Norfolk Public Schools	2,863,288	2.20869%
40213	Petersburg City Schools	371,536	0.28660%
40214	Portsmouth School Board	1,062,496	0.81959%
40215	Radford City School Board	138,237	0.10663%
40216	Richmond Public Schools	2,705,432	2.08692%
40217	Roanoke City School Board	1,427,942	1.10149%
40219	Staunton City Schools	277,971	0.21442%
40220	Suffolk City School Board	1,209,124	0.93270%
40222	Winchester Public Schools	478,530	0.36913%
40223	Martinsville City Schools	168,542	0.13001%
40224	Falls Church Public Schools	409,573	0.31594%
40225	Colonial Heights City Schools	295,500	0.22794%
40231	Fairfax City School Board	908	0.00070%
40232	Franklin City Public Schools	109,205	0.08424%
40233	Chesapeake Public Schools	3,888,135	2.99924%
40234	Virginia Beach City School Board	6,142,858	4.73849%
40236	Manassas Park City Schools	355,355	0.27411%
40306	Town of West Point School Board	78,407	0.06048%
40307	Lexington City School Board	46,751	0.03606%
40308	Waynesboro Public Schools	302,449	0.23330%
40309	Town of Colonial Beach Schools	63,016	0.04861%
40313	Galax City Schools	116,071	0.08954%
40314	Norton City Schools	60,761	0.04687%
40332	Manassas City Schools	885,134	0.68278%
40335	City of Salem Schools	355,176	0.27398%
40402	Williamsburg-James City County School Board	1,096,122	0.84553%
40403	Poquoson City Public Schools	161,836	0.12484%
40410	Valley Vocational Technical Center	31,133	0.02402%
40412	Charlottesville/Albemarle Vo-Tech Center	14,302	0.01103%
40415	New Horizons Technical Center	131,044	0.10109%
40416	Northern Neck Regional Vocational Center	12,629	0.00974%
40417	Rowanty Vocational Technical Center	13,624	0.01051%
40418	Amelia-Nottoway Vocational Center	6,137	0.00473%
40421	Northern Neck Regional Special Education Program	9,960	0.00768%

**Virginia Retirement System
 Health Insurance Credit Plan - Teachers
 Schedule of Employer Allocations
 For the Plan Year Ended and Measurement Date of June 30, 2024**

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40423	Maggie Walker Governor's School for Govt & Intl Studies	65,906	0.05084%
40424	Appomattox Region Governor's School	31,524	0.02432%
40425	Bridging Communities Regional Career and Tech Center	8,245	0.00636%
Total for all Teacher Employers⁽¹⁾		\$ 129,637,371	100.00000%

(1) Employer-level results may not add to Health Insurance Credit - Teachers system-wide results due to rounding.

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
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Net HIC OPEB Liability	Total HIC OPEB Expense (Revenue)
40100	Accomack County School Board	\$ 3,388,938	\$ 169,369
40101	Albemarle County Schools	14,676,614	1,376,470
40102	Alleghany County School Board	2,093,572	71,133
40103	Amelia County School Board	1,160,964	74,829
40104	Amherst County School Board	3,190,282	195,669
40105	Appomattox County School Board	1,655,581	137,700
40106	Arlington Public Schools	41,634,415	3,198,187
40107	Augusta County School Board	8,065,730	561,415
40108	Bath County School Board	557,485	22,743
40109	Bedford County School Board	6,657,804	423,631
40110	Bland County School Board	486,181	25,358
40111	Botetourt County Schools	3,569,103	211,055
40112	Brunswick County Public Schools	931,799	(5,471)
40113	Buchanan County School Board	1,580,233	33,106
40114	Buckingham County School Board	1,519,446	104,382
40115	Campbell County School Board	5,514,752	406,319
40116	Caroline County School Board	2,935,577	215,362
40117	Carroll County School Board	2,707,683	145,594
40118	Charles City County School Board	539,688	19,592
40119	Charlotte County School Board	2,008,285	202,937
40120	Chesterfield County School Board	48,408,824	4,641,461
40121	Clarke County School Board	1,663,902	111,439
40122	Craig County School Board	444,578	21,727
40123	Culpeper County School Board	6,380,102	486,865
40124	Cumberland County School Board	1,091,394	69,939
40125	Dickenson County School Board	1,305,073	66,169
40126	Dinwiddie County School Board	3,270,599	232,373
40128	Essex County Public Schools	864,771	11,901
40129	Fairfax County School Board	202,309,474	14,381,303
40130	Fauquier County School Board	9,587,140	542,796

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Net HIC OPEB Liability	Total HIC OPEB Expense (Revenue)
40131	Floyd County School Board	1,340,321	73,362
40132	Fluvanna County Public Schools	3,236,508	205,034
40133	Franklin County Public Schools	5,180,539	270,892
40134	Frederick County School Board	12,437,546	909,764
40135	Giles County Schools	1,799,113	138,286
40136	Gloucester County School Board	4,301,091	323,245
40137	Goochland County School Board	2,154,359	161,270
40138	Grayson County School Board	1,325,875	107,847
40139	Greene County Public Schools	2,293,152	140,215
40140	Greensville County School Board	1,715,097	111,752
40141	Halifax County School Board	3,737,828	215,562
40142	Hanover County School Board	13,948,903	959,010
40143	Henrico County School Board	39,489,070	3,216,767
40144	Henry County Public Schools	5,061,854	346,728
40145	Highland County Public Schools	233,210	11,682
40146	Isle of Wight County Schools	4,325,128	338,356
40148	King George County School Board	3,467,637	309,498
40149	King & Queen County School Board	643,927	48,238
40150	King William County School Board	1,364,474	43,443
40151	Lancaster County Public Schools	803,175	10,957
40152	Lee County School Board	2,320,541	119,913
40153	Loudoun County School Board	96,974,585	10,289,711
40154	Louisa County Public Schools	4,395,045	397,867
40155	Lunenburg County School Board	1,190,780	90,634
40156	Madison County School Board	1,259,772	66,009
40157	Mathews County School Board	842,352	44,476
40158	Mecklenburg County School Board	3,010,116	181,430
40159	Middlesex County School Board	1,191,011	106,333
40160	Montgomery County School Board	7,546,728	622,981
40162	Nelson County Public Schools	1,444,098	71,968
40163	New Kent County School Board	2,562,072	238,877

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Net HIC OPEB Liability	Total HIC OPEB Expense (Revenue)
40165	Northampton County Schools	1,203,261	67,653
40166	Northumberland County School Board	1,156,341	90,273
40167	Nottoway County School Board	1,344,828	53,770
40168	Orange County Public Schools	3,665,831	242,936
40169	Page County Public Schools	2,488,572	152,764
40170	Patrick County School Board	1,692,215	88,607
40171	Pittsylvania County School Board	5,697,460	375,112
40172	Powhatan County School Board	3,122,792	180,089
40173	Prince Edward County School Board	1,273,524	23,166
40174	Prince George County School Board	4,120,463	207,314
40176	Prince William County School Board	83,922,349	7,678,455
40177	Pulaski County School Board	2,929,683	179,679
40178	Rappahannock County School Board	748,629	42,147
40179	Richmond County School Board	946,822	69,976
40180	Roanoke County School Board	10,806,349	785,090
40181	Rockbridge County School Board	2,145,461	128,608
40182	Rockingham County School Board	9,605,862	750,010
40183	Russell County School Board	2,257,905	105,924
40184	Scott County School Board	2,886,000	218,504
40185	Shenandoah County School Board	4,649,288	284,519
40186	Smyth County School Board	2,938,928	158,273
40187	Southampton County School Board	1,536,896	61,731
40188	Spotsylvania County School Board	18,015,166	1,274,705
40189	Stafford County School Board	25,258,190	2,437,207
40190	Surry County Schools	863,500	20,150
40191	Sussex County School Board	994,204	51,205
40192	Tazewell County Schools	3,348,837	165,675
40193	Warren County School Board	4,314,727	340,452
40195	Washington County School Board	4,683,379	273,176
40196	Westmoreland County School Board	1,359,158	102,741
40197	Wise County School Board	4,040,954	291,406

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Net HIC OPEB Liability	Total HIC OPEB Expense (Revenue)
40198	Wythe County School Board	2,902,410	195,822
40199	York County School Board	9,696,118	698,359
40200	Alexandria City School Board	20,392,911	1,380,008
40201	Bristol City School Board	1,696,376	108,572
40202	Buena Vista City Schools	632,717	25,210
40203	Charlottesville Public Schools	5,151,301	325,047
40205	Danville City Schools	5,256,581	484,065
40206	Fredericksburg City Schools	3,238,819	231,856
40207	Hampton City Schools	15,436,337	1,081,329
40208	Harrisonburg City School Board	6,266,848	614,976
40209	Hopewell City School Board	3,457,468	249,219
40210	Lynchburg Public Schools	7,444,222	431,456
40211	Newport News Public Schools	21,880,808	1,419,689
40212	Norfolk Public Schools	25,524,682	953,839
40213	Petersburg City Schools	3,312,087	228,096
40214	Portsmouth School Board	9,471,576	345,617
40215	Radford City School Board	1,232,267	89,665
40216	Richmond Public Schools	24,117,449	1,930,568
40217	Roanoke City School Board	12,729,347	1,145,084
40219	Staunton City Schools	2,477,940	182,217
40220	Suffolk City School Board	10,778,729	772,856
40222	Winchester Public Schools	4,265,843	315,886
40223	Martinsville City Schools	1,502,458	79,004
40224	Falls Church Public Schools	3,651,154	263,885
40225	Colonial Heights City Schools	2,634,184	182,080
40231	Fairfax City School Board	8,090	(251)
40232	Franklin City Public Schools	973,518	50,339
40233	Chesapeake Public Schools	34,660,657	2,893,632
40234	Virginia Beach City School Board	54,760,265	3,526,477
40236	Manassas Park City Schools	3,167,747	242,559
40306	Town of West Point School Board	698,936	44,878

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Net HIC OPEB Liability and Total HIC OPEB Expense
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Net HIC OPEB Liability	Total HIC OPEB Expense (Revenue)
40307	Lexington City School Board	416,727	33,583
40308	Waynesboro Public Schools	2,696,127	216,875
40309	Town of Colonial Beach Schools	561,760	49,382
40313	Galax City Schools	1,034,767	76,426
40314	Norton City Schools	541,652	37,862
40332	Manassas City Schools	7,890,533	549,223
40335	City of Salem Schools	3,166,244	232,554
40402	Williamsburg-James City County School Board	9,771,351	703,516
40403	Poquoson City Public Schools	1,442,711	72,740
40410	Valley Vocational Technical Center	277,587	19,109
40412	Charlottesville/Albemarle Vo-Tech Center	127,468	4,092
40415	New Horizons Technical Center	1,168,245	84,595
40416	Northern Neck Regional Vocational Center	112,560	(110)
40417	Rowanty Vocational Technical Center	121,459	11,070
40418	Amelia-Nottoway Vocational Center	54,662	7,857
40421	Northern Neck Regional Special Education Program	88,754	2,763
40423	Maggie Walker Governor's School for Govt & Intl Studies	587,531	36,965
40424	Appomattox Region Governor's School	281,054	24,292
40425	Bridging Communities Regional Career and Tech Center	73,499	6,466
Total for all Teacher Employers		\$ 1,155,648,006	\$ 87,890,076

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
For the Plan Year Ended and Measurement Date of June 30, 2024

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	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on OPEB Plan	Change of Assumptions	Changes in Proportionate Share and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40100	Accomack County School Board	\$ —	\$ —	\$ 58,382	\$ 76,923	\$ 135,305	\$ 160,560	\$ 12,055	\$ —	\$ 436,235	\$ 608,850
40101	Albemarle County Schools	—	—	252,836	1,263,987	1,516,823	695,343	52,205	—	171,544	919,092
40102	Alleghany County School Board	—	—	36,066	480,633	516,699	99,188	7,447	—	694,942	801,577
40103	Amelia County School Board	—	—	20,000	26,043	46,043	55,004	4,130	—	40,718	99,852
40104	Amherst County School Board	—	—	54,959	20,692	75,651	151,148	11,348	—	111,278	273,774
40105	Appomattox County School Board	—	—	28,521	82,101	110,622	78,437	5,889	—	25,740	110,066
40106	Arlington Public Schools	—	—	717,241	1,452,164	2,169,405	1,972,539	148,095	—	1,991,643	4,112,277
40107	Augusta County School Board	—	—	138,949	171,049	309,998	382,135	28,690	—	225,319	636,144
40108	Bath County School Board	—	—	9,604	12	9,616	26,412	1,983	—	50,988	79,383
40109	Bedford County School Board	—	—	114,695	9,917	124,612	315,431	23,682	—	348,489	687,602
40110	Bland County School Board	—	—	8,375	19,321	27,696	23,034	1,729	—	31,383	56,146
40111	Botetourt County Schools	—	—	61,485	56	61,541	169,096	12,695	—	143,261	325,052
40112	Brunswick County Public Schools	—	—	16,052	17	16,069	44,146	3,314	—	242,531	289,991
40113	Buchanan County School Board	—	—	27,223	25	27,248	74,868	5,621	—	214,245	294,734
40114	Buckingham County School Board	—	—	26,176	43,109	69,285	71,988	5,405	—	45,008	122,401
40115	Campbell County School Board	—	—	95,003	82,597	177,600	261,276	19,616	—	96,184	377,076
40116	Caroline County School Board	—	—	50,572	118,957	169,529	139,081	10,442	—	141,615	291,138
40117	Carroll County School Board	—	—	46,646	7,181	53,827	128,284	9,631	—	173,749	311,664
40118	Charles City County School Board	—	—	9,297	53,127	62,424	25,569	1,920	—	74,073	101,562
40119	Charlotte County School Board	—	—	34,597	1,505,723	1,540,320	95,148	7,144	—	1,487,834	1,590,126

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
For the Plan Year Ended and Measurement Date of June 30, 2024

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 and Differences Between Actual and Expected Contributions	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 and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40120	Chesterfield County School Board	—	—	833,944	4,132,663	4,966,607	2,293,494	172,192	—	252,317	2,718,003
40121	Clarke County School Board	—	—	28,664	46,500	75,164	78,832	5,919	—	77,877	162,628
40122	Craig County School Board	—	—	7,659	558	8,217	21,063	1,581	—	39,656	62,300
40123	Culpeper County School Board	—	—	109,911	245,713	355,624	302,274	22,694	—	106,281	431,249
40124	Cumberland County School Board	—	—	18,802	20,392	39,194	51,708	3,882	—	48,903	104,493
40125	Dickenson County School Board	—	—	22,483	33,737	56,220	61,831	4,642	—	54,482	120,955
40126	Dinwiddie County School Board	—	—	56,343	106,399	162,742	154,953	11,634	—	118,266	284,853
40128	Essex County Public Schools	—	—	14,898	7,708	22,606	40,971	3,076	—	193,705	237,752
40129	Fairfax County School Board	—	—	3,485,209	1,122,127	4,607,336	9,584,939	719,622	—	8,173,205	18,477,766
40130	Fauquier County School Board	—	—	165,159	216,925	382,084	454,216	34,102	—	807,437	1,295,755
40131	Floyd County School Board	—	—	23,090	5,636	28,726	63,501	4,768	—	128,689	196,958
40132	Fluvanna County Public Schools	—	—	55,756	91,891	147,647	153,338	11,512	—	149,184	314,034
40133	Franklin County Public Schools	—	—	89,246	10,076	99,322	245,442	18,427	—	481,978	745,847
40134	Frederick County School Board	—	—	214,263	130,297	344,560	589,261	44,241	—	282,927	916,429
40135	Giles County Schools	—	—	30,994	106,295	137,289	85,238	6,400	—	57,000	148,638
40136	Gloucester County School Board	—	—	74,095	181,158	255,253	203,775	15,299	—	167,227	386,301
40137	Goochland County School Board	—	—	37,113	55,015	92,128	102,068	7,663	—	73,463	183,194
40138	Grayson County School Board	—	—	22,841	79,819	102,660	62,817	4,716	—	21,356	88,889
40139	Greene County Public Schools	—	—	39,504	91,443	130,947	108,644	8,157	—	200,878	317,679
40140	Greensville County School Board	—	—	29,546	27,893	57,439	81,257	6,101	—	102,037	189,395
40141	Halifax County School Board	—	—	64,392	112,625	177,017	177,089	13,296	—	139,449	329,834
40142	Hanover County School Board	—	—	240,299	188,238	428,537	660,866	49,617	—	376,691	1,087,174

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
For the Plan Year Ended and Measurement Date of June 30, 2024

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 and Differences Between Actual and Expected Contributions	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 and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40143	Henrico County School Board	—	—	680,283	1,539,287	2,219,570	1,870,898	140,464	—	565,761	2,577,123
40144	Henry County Public Schools	—	—	87,201	95,361	182,562	239,819	18,005	—	202,091	459,915
40145	Highland County Public Schools	—	—	4,018	235	4,253	11,049	830	—	20,119	31,998
40146	Isle of Wight County Schools	—	—	74,509	152,742	227,251	204,914	15,385	—	103,937	324,236
40148	King George County School Board	—	—	59,737	219,647	279,384	164,288	12,335	—	51,648	228,271
40149	King & Queen County School Board	—	—	11,093	28,865	39,958	30,508	2,290	—	38,906	71,704
40150	King William County School Board	—	—	23,506	26	23,532	64,645	4,853	—	241,357	310,855
40151	Lancaster County Public Schools	—	—	13,836	11	13,847	38,053	2,857	—	163,417	204,327
40152	Lee County School Board	—	—	39,976	18,419	58,395	109,942	8,254	—	213,613	331,809
40153	Loudoun County School Board	—	—	1,670,592	7,386,460	9,057,052	4,594,424	344,942	—	1,798,402	6,737,768
40154	Louisa County Public Schools	—	—	75,714	246,018	321,732	208,227	15,633	—	58,464	282,324
40155	Lunenburg County School Board	—	—	20,514	85,351	105,865	56,416	4,236	—	59,566	120,218
40156	Madison County School Board	—	—	21,702	26,465	48,167	59,685	4,481	—	136,250	200,416
40157	Mathews County School Board	—	—	14,511	36,397	50,908	39,909	2,996	—	138,706	181,611
40158	Mecklenburg County School Board	—	—	51,856	69,471	121,327	142,612	10,707	—	259,961	413,280
40159	Middlesex County School Board	—	—	20,518	58,992	79,510	56,427	4,236	—	48,774	109,437
40160	Montgomery County School Board	—	—	130,008	397,354	527,362	357,546	26,844	—	471,492	855,882
40162	Nelson County Public Schools	—	—	24,878	620	25,498	68,418	5,137	—	108,189	181,744
40163	New Kent County School Board	—	—	44,137	175,364	219,501	121,385	9,113	—	10,525	141,023
40165	Northampton County Schools	—	—	20,729	54,611	75,340	57,008	4,280	—	102,516	163,804
40166	Northumberland County School Board	—	—	19,920	48,248	68,168	54,785	4,113	—	43,115	102,013
40167	Nottoway County School Board	—	—	23,167	22	23,189	63,715	4,784	—	131,944	200,443

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
For the Plan Year Ended and Measurement Date of June 30, 2024

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 and Differences Between Actual and Expected Contributions	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 and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40168	Orange County Public Schools	—	—	63,152	76,895	140,047	173,678	13,039	—	102,723	289,440
40169	Page County Public Schools	—	—	42,871	68,458	111,329	117,903	8,852	—	107,367	234,122
40170	Patrick County School Board	—	—	29,152	35,022	64,174	80,173	6,019	—	87,541	173,733
40171	Pittsylvania County School Board	—	—	98,151	104,127	202,278	269,932	20,266	—	410,657	700,855
40172	Powhatan County School Board	—	—	53,797	29,761	83,558	147,950	11,108	—	218,449	377,507
40173	Prince Edward County School Board	—	—	21,939	1,300	23,239	60,337	4,530	—	237,725	302,592
40174	Prince George County School Board	—	—	70,984	10,176	81,160	195,218	14,657	—	366,873	576,748
40176	Prince William County School Board	—	—	1,445,740	4,829,561	6,275,301	3,976,040	298,515	—	357,660	4,632,215
40177	Pulaski County School Board	—	—	50,470	151,685	202,155	138,801	10,421	—	206,935	356,157
40178	Rappahannock County School Board	—	—	12,897	21,646	34,543	35,468	2,663	—	78,338	116,469
40179	Richmond County School Board	—	—	16,311	30,019	46,330	44,858	3,368	—	48,273	96,499
40180	Roanoke County School Board	—	—	186,162	132,091	318,253	511,979	38,439	—	140,177	690,595
40181	Rockbridge County School Board	—	—	36,960	9,102	46,062	101,647	7,631	—	153,894	263,172
40182	Rockingham County School Board	—	—	165,481	283,985	449,466	455,103	34,168	—	104,826	594,097
40183	Russell County School Board	—	—	38,897	10,483	49,380	106,974	8,031	—	253,961	368,966
40184	Scott County School Board	—	—	49,717	110,899	160,616	136,732	10,266	—	50,273	197,271
40185	Shenandoah County School Board	—	—	80,094	40,972	121,066	220,272	16,538	—	376,557	613,367
40186	Smyth County School Board	—	—	50,629	55,128	105,757	139,239	10,454	—	192,856	342,549
40187	Southampton County School Board	—	—	26,476	21,198	47,674	72,814	5,467	—	258,055	336,336
40188	Spotsylvania County School Board	—	—	310,349	253,767	564,116	853,515	64,081	—	281,148	1,198,744
40189	Stafford County School Board	—	—	435,126	2,095,732	2,530,858	1,196,673	89,844	—	46,484	1,333,001
40190	Surry County Schools	—	—	14,876	14	14,890	40,911	3,072	—	138,960	182,943

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
For the Plan Year Ended and Measurement Date of June 30, 2024

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 and Differences Between Actual and Expected Contributions	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 and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40191	Sussex County School Board	—	—	17,127	697	17,824	47,103	3,536	—	73,663	124,302
40192	Tazewell County Schools	—	—	57,691	60,052	117,743	158,660	11,912	—	138,559	309,131
40193	Warren County School Board	—	—	74,330	139,803	214,133	204,421	15,348	—	89,081	308,850
40195	Washington County School Board	—	—	80,681	24,890	105,571	221,887	16,659	—	198,067	436,613
40196	Westmoreland County School Board	—	—	23,414	94,548	117,962	64,394	4,835	—	72,992	142,221
40197	Wise County School Board	—	—	69,614	209,398	279,012	191,451	14,374	—	99,030	304,855
40198	Wythe County School Board	—	—	50,000	93,024	143,024	137,509	10,324	—	68,767	216,600
40199	York County School Board	—	—	167,036	328,867	495,903	459,379	34,489	—	271,452	765,320
40200	Alexandria City School Board	—	—	351,311	61,295	412,606	966,167	72,538	—	903,323	1,942,028
40201	Bristol City School Board	—	—	29,224	63,335	92,559	80,370	6,034	—	107,408	193,812
40202	Buena Vista City Schools	—	—	10,900	18,797	29,697	29,977	2,251	—	71,865	104,093
40203	Charlottesville Public Schools	—	—	88,742	28,197	116,939	244,056	18,323	—	304,156	566,535
40205	Danville City Schools	—	—	90,556	465,521	556,077	249,044	18,698	—	64,452	332,194
40206	Fredericksburg City Schools	—	—	55,796	144,390	200,186	153,448	11,521	—	172,545	337,514
40207	Hampton City Schools	—	—	265,924	489,355	755,279	731,337	54,908	—	298,073	1,084,318
40208	Harrisonburg City School Board	—	—	107,960	378,373	486,333	296,908	22,291	—	4,543	323,742
40209	Hopewell City School Board	—	—	59,562	199,208	258,770	163,807	12,298	—	305,842	481,947
40210	Lynchburg Public Schools	—	—	128,242	268,591	396,833	352,689	26,479	—	327,593	706,761
40211	Newport News Public Schools	—	—	376,943	270,764	647,707	1,036,660	77,831	—	638,730	1,753,221
40212	Norfolk Public Schools	—	—	439,717	420	440,137	1,209,298	90,792	—	2,572,450	3,872,540
40213	Petersburg City Schools	—	—	57,058	107,661	164,719	156,919	11,781	—	145,859	314,559
40214	Portsmouth School Board	—	—	163,168	44,622	207,790	448,741	33,691	—	1,559,928	2,042,360

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
For the Plan Year Ended and Measurement Date of June 30, 2024

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 and Differences Between Actual and Expected Contributions	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 and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40215	Radford City School Board	—	—	21,228	66,480	87,708	58,382	4,383	—	63,119	125,884
40216	Richmond Public Schools	—	—	415,474	1,793,160	2,208,634	1,142,627	85,787	—	1,653,889	2,882,303
40217	Roanoke City School Board	—	—	219,290	1,300,205	1,519,495	603,086	45,279	—	280,411	928,776
40219	Staunton City Schools	—	—	42,688	102,112	144,800	117,399	8,814	—	46,929	173,142
40220	Suffolk City School Board	—	—	185,686	306,385	492,071	510,670	38,340	—	410,503	959,513
40222	Winchester Public Schools	—	—	73,488	149,995	223,483	202,105	15,174	—	50,132	267,411
40223	Martinsville City Schools	—	—	25,883	43,639	69,522	71,183	5,344	—	103,586	180,113
40224	Falls Church Public Schools	—	—	62,899	132,250	195,149	172,983	12,987	—	184,065	370,035
40225	Colonial Heights City Schools	—	—	45,379	36,804	82,183	124,801	9,370	—	54,018	188,189
40231	Fairfax City School Board	—	—	139	3	142	383	29	—	4,260	4,672
40232	Franklin City Public Schools	—	—	16,771	124,236	141,007	46,123	3,463	—	85,837	135,423
40233	Chesapeake Public Schools	—	—	597,103	1,273,055	1,870,158	1,642,139	123,289	—	157,127	1,922,555
40234	Virginia Beach City School Board	—	—	943,361	1,004,518	1,947,879	2,594,411	194,784	—	2,405,354	5,194,549
40236	Manassas Park City Schools	—	—	54,571	130,963	185,534	150,080	11,268	—	74,691	236,039
40306	Town of West Point School Board	—	—	12,041	25,309	37,350	33,114	2,486	—	68,388	103,988
40307	Lexington City School Board	—	—	7,179	13,744	20,923	19,744	1,482	—	22,187	43,413
40308	Waynesboro Public Schools	—	—	46,446	240,320	286,766	127,736	9,590	—	108,235	245,561
40309	Town of Colonial Beach Schools	—	—	9,678	69,382	79,060	26,615	1,998	—	22,656	51,269
40313	Galax City Schools	—	—	17,826	47,661	65,487	49,025	3,681	—	27,829	80,535
40314	Norton City Schools	—	—	9,331	51,243	60,574	25,662	1,927	—	35,993	63,582
40332	Manassas City Schools	—	—	135,931	265,864	401,795	373,835	28,067	—	252,350	654,252
40335	City of Salem Schools	—	—	54,545	97,480	152,025	150,009	11,262	—	114,349	275,620

Virginia Retirement System
VRS Teacher Health Insurance Credit Plan
Schedule of Deferred Outflows and Deferred Inflows of Resources by Employer
For the Plan Year Ended and Measurement Date of June 30, 2024

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 and Differences Between Actual and Expected Contributions	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 and Differences Between Actual and Expected Contributions	Total Deferred Inflows of Resources
40402	Williamsburg-James City County School Board	—	—	168,332	211,660	379,992	462,943	34,757	—	292,812	790,512
40403	Poquoson City Public Schools	—	—	24,854	21	24,875	68,352	5,132	—	129,850	203,334
40410	Valley Vocational Technical Center	—	—	4,782	18,691	23,473	13,151	987	—	13,766	27,904
40412	Charlottesville/Albemarle Vo-Tech Center	—	—	2,196	29,968	32,164	6,039	453	—	73,107	79,599
40415	New Horizons Technical Center	—	—	20,125	15,387	35,512	55,349	4,155	—	61,926	121,430
40416	Northern Neck Regional Vocational Center	—	—	1,939	725	2,664	5,333	400	—	39,047	44,780
40417	Rowanty Vocational Technical Center	—	—	2,092	13,935	16,027	5,754	432	—	4,839	11,025
40418	Amelia-Nottoway Vocational Center	—	—	942	20,684	21,626	2,590	194	—	3,508	6,292
40421	Northern Neck Regional Special Education Program	—	—	1,529	12,591	14,120	4,205	316	—	23,092	27,613
40423	Maggie Walker Governor's School for Govt & Intl Studies	—	—	10,121	11,055	21,176	27,836	2,090	—	28,947	58,873
40424	Appomattox Region Governor's School	—	—	4,842	21,196	26,038	13,316	1,000	—	12,364	26,680
40425	Bridging Communities Regional Career and Tech Center	—	—	1,266	11,605	12,871	3,482	261	—	8,115	11,858
Total for all Teacher Employers		\$ —	\$ —	\$ 19,908,479	\$ 42,572,863	\$ 62,481,342	\$ 54,751,841	\$ 4,110,680	\$ —	\$ 43,393,931	\$ 102,256,452

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, 2024

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 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500. 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 (HIC)

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 years 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, 2024, 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, 2021. 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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation – 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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
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, 2024, NOL amounts for the VRS Teacher Health Insurance Credit Program are as follows (amounts expressed in thousands):

Total Teacher HIC OPEB Liability	\$ 1,478,105
Plan Fiduciary Net Position	<u>322,457</u>
Teacher HIC Net OPEB Liability (Asset)	<u><u>\$ 1,155,648</u></u>

Plan Fiduciary Net Position as a Percentage of the Total Teacher HIC OPEB Liability	21.82%
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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, 2024, 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, 2024 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	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP – Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00%)	3.50%	(0.11%)
Total	100.00%		7.07%
			7.07%

* Expected arithmetic nominal return

** The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.*

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

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%)	\$	1,314,260
Net Teacher HIC OPEB Liability – Current Discount Rate (6.75%)	\$	1,155,648
Net Teacher HIC OPEB Liability – 1.00% Increase (7.75%)	\$	1,021,210

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, 2024. The average remaining service lives of all employees provided with health insurance credit benefits through the VRS Teacher HIC OPEB Plan at June 30, 2024, was 6.83 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, 2026. 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, 2025	\$	(8,947,808)
Measurement Period Ending June 30, 2026	\$	(5,162,932)
Measurement Period Ending June 30, 2027	\$	(9,289,257)
Measurement Period Ending June 30, 2028	\$	(9,617,984)
Measurement Period Ending June 30, 2029	\$	(4,765,255)
Thereafter	\$	(1,991,859)

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 2024. This total was \$129,637,371. The employer contributions of 130,581,567 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 \$944,196 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, 2024. 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 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.