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December 21, 2012

Ms. Cynthia W. Comer
Policy, Planning and Compliance Director
Virginia Retirement System
1200 E. Main Street
Richmond, VA 23219

Dear Ms. Comer:

Enclosed are 13 original bound copies of the "Report on the Actuarial Valuation of the Virginia Retirement System" prepared as of June 30, 2012.

Please let us know if you have any questions concerning the report.

Sincerely,

Jose I. Fernandez, ASA, FCA, EA, MAAA
Principal and Consulting Actuary

TJC/JIF:lam

Enclosure

S:\Virginia RS\2012\Valuations\Pension\Non-Locals\Valuation VRS 2012 with Locals (Linked).doc

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Virginia
Retirement
System

**Report on the Actuarial Valuation for
Virginia Retirement System**

Prepared as of June 30, 2012



Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

December 21, 2012

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

Dear Trustees:

We are pleased to submit the results of the annual actuarial valuation for the following divisions of the Virginia Retirement System (VRS), prepared as of June 30, 2012.

- State Employees
- Teachers
- State Police (SPORS)
- Judicial
- Virginia Law Officers (VaLORS)

In addition, this report includes information in aggregate on the actuarial valuations of the Political Subdivisions participating in VRS as of June 30, 2012. We have prepared and provided separately, actuarial valuation reports for each of the Political Subdivisions. Please refer to the individual reports for the valuation results, summary of actuarial assumptions and methods, and plan provisions for each of the Political Subdivision plans.

The purpose of this report is to provide a summary of the funded status of VRS as of June 30, 2012, to recommend rates of contribution and to provide accounting information under Governmental Accounting Standards Board Statements No. 25 and 27 (GASB 25 and 27). While not verifying the data at source, the actuary performed tests for consistency and reasonability.

The valuation results indicate that the employer contribution rates shown in the table below are sufficient to fund the normal cost for all members and finance the unfunded accrued liability of the plans. For comparison, in the table below we present the recommended employer contribution rates based on the June 30, 2011 actuarial valuations and the employer contribution rates approved by the General Assembly (GA) for fiscal years ending in 2013 and 2014.

Employer Contribution Rates			
Division	6/30/2012 Valuation	6/30/2011 Valuation	Approved by GA FY 2013 & 2014
State Employees	14.87%	13.07%	8.76%
Teachers	18.20	16.77	11.66%
State Police	35.16	32.62	24.74%
Judicial	55.18	54.11	45.44%
Virginia Law Officers	21.30	19.52	14.80%
Political Subdivisions*	11.11	10.63	10.63%

*Aggregate rate for 2012 valuation, and average rates for 2011 valuation and fiscal year's 2013 and 2014.

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December 21, 2012
The Board of Trustees
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Contribution rates for VRS employers are established every two years. The actuarially calculated employer contribution rates based on the June 30, 2012 results presented in this report are for informational purposes only.

The promised benefits of VRS are included in the calculated contribution rates which are developed using the entry age normal cost method. The valuation takes into account the differentiation between Plan 1 vested members, Plan 1 non-vested members as of 1/1/2013 resulting from HB 1130 and SB 498, and Plan 2 members. Five-year smoothed market value of assets is used for actuarial valuation purposes. Gains and losses are reflected in the unfunded accrued liability. In accordance with the supplemental contribution provision of House Bill 30 (from 2011), the portion of the unfunded accrued liability with respect to deferred contributions for the 2010 -2012 biennium is amortized using a level-dollar, closed, 10 year period beginning June 30, 2011. The balance of the unfunded accrued liability is being amortized by regular annual contributions as a level percentage of payroll within a 30-year period, on the assumption that payroll will increase by 3% annually and the amortization period will decrease by one year until reaching the minimum period of 20 years. The assumptions recommended by the actuary and adopted by the Board are in the aggregate reasonably related to the experience under the Fund and to reasonable expectations of anticipated experience under the Fund and meet the parameters for the disclosures under GASB 25 and 27.

We have prepared the Schedule of Funding Progress and Trend Information shown in the financial section of the Comprehensive Annual Financial Report and all supporting schedules, including the Schedule of Active Member Data, the Solvency Test and the Analysis of Financial Experience shown in the actuarial section of the Comprehensive Annual Financial Report. For completeness, the table of Changes in Unfunded Actuarial Accrued Liabilities in Section VII, the Solvency Test in Schedule A, and the Retiree and Beneficiary Data in Schedule H include the information with respect to the Political Subdivisions participating in VRS. All historical information that references a valuation date prior to June 30, 2008 was prepared by a previous actuarial firm.

This is to certify that the independent consulting actuary is a member of the American Academy of Actuaries and has experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the System and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

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



December 21, 2012
The Board of Trustees
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The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The Table of Contents, which immediately follows, outlines the material contained in the report.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Thomas J. Cavanaugh' in a cursive style.

Thomas J. Cavanaugh, FSA, FCA, EA, MAAA
Chief Executive Officer

A handwritten signature in blue ink that reads 'Jose I. Fernandez' in a cursive style.

Jose I. Fernandez, ASA, FCA, EA, MAAA
Principal and Consulting Actuary

TJC/JIF:lam



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Section I – Summary of Principal Results

1. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results for State Employees, Teachers, State Police, Judicial and Virginia Law Officers are summarized below. In addition, we present a summary of the valuation results for the political subdivisions.

**STATE EMPLOYEES
(\$ IN THOUSANDS)**

VALUATION DATE	June 30, 2012	June 30, 2011
Members:		
Active	76,274	75,820
Long Term Disability	2,106	2,087
Retirees and Beneficiaries	54,008	52,480
Inactive, Vested	10,537	10,195
Inactive, Non-Vested	21,055	19,739
Inactive, active elsewhere in VRS	<u>9,245</u>	<u>9,363</u>
Total	173,225	169,684
Annual Covered Payroll	\$ 3,713,119	\$ 3,686,259
Annual Retirement Benefits	\$ 967,750	\$ 912,995
Total Assets:		
Actuarial Value	\$ 13,740,366	\$ 14,406,275
Market Value	13,469,215	13,992,901
Actuarial Accrued Liability	\$ 20,944,258	\$ 20,407,958
Unfunded Actuarial Accrued Liability (UAAL)		
10-Year Payback of Deferred Contributions	\$ 258,064	\$ 278,155
Balance of UAAL	<u>6,945,828</u>	<u>5,723,528</u>
Total UAAL	\$ 7,203,892	\$ 6,001,683
RECOMMENDED CONTRIBUTIONS FOR FISCAL YEAR ENDING*	For Informational Purposes	2013 & 2014
Employer Contribution Rate:		
Normal Cost (net of employee contributions)	3.41 %	3.55 %
Amortization of Deferred Contributions	1.00 %	1.00 %
Amortization of Balance of UAAL	<u>10.46 %</u>	<u>8.52 %</u>
Annual Recommended Contribution	14.87 %	13.07 %
Amortization Period**		
Deferred Contributions	9 years	10 years
Balance of UAAL	29 years	30 years

* The adopted contribution rates for fiscal years ending 2013 and 2014 is 8.76%.

** The amortization period of the unfunded less the deferred contribution, will decrease by one each year until reaching the minimum period of 20 years. The deferred contribution, as defined under HB30, is to be amortized using a level-dollar, closed, 10 year period.



Section I – Summary of Principal Results

TEACHERS
(\$ IN THOUSANDS)

VALUATION DATE	June 30, 2012	June 30, 2011
Members:		
Active	147,216	146,152
Retirees and Beneficiaries	74,169	71,010
Inactive, Vested	17,922	17,146
Inactive, Non-Vested	28,713	27,342
Inactive, active elsewhere in VRS	<u>5,384</u>	<u>5,304</u>
Total	273,404	266,954
Annual Covered Payroll	\$ 7,004,577	\$ 6,922,130
Annual Retirement Benefits	\$ 1,611,894	\$ 1,501,649
Total Assets:		
Actuarial Value	\$ 24,391,761	\$ 25,166,124
Market Value	23,930,149	24,520,362
Actuarial Accrued Liability	\$ 39,090,408	\$ 37,771,732
Unfunded Actuarial Accrued Liability (UAAL)		
10-Year Payback of Deferred Contributions	\$ 691,780	\$ 741,432
Balance of UAAL	<u>14,006,867</u>	<u>11,864,176</u>
Total UAAL	\$ 14,698,647	\$ 12,605,608
RECOMMENDED CONTRIBUTIONS FOR FISCAL YEAR ENDING*	For Informational Purposes	2013 & 2014
Employer Contribution Rate:		
Normal Cost (net of employee contributions)	5.60 %	5.93 %
Amortization of Deferred Contributions	1.42 %	1.43 %
Amortization of Balance of UAAL	<u>11.18 %</u>	<u>9.41 %</u>
Annual Recommended Contribution	18.20 %	16.77 %
Amortization Period**		
Deferred Contributions	9 years	10 years
Balance of UAAL	29 years	30 years

* The adopted contribution rates for fiscal years ending 2013 and 2014 is 11.66%

** The amortization period of the unfunded less the deferred contribution, will decrease by one each year until reaching the minimum period of 20 years. The deferred contribution, as defined under HB30, is to be amortized using a level-dollar, closed, 10 year period.



Section I – Summary of Principal Results

**STATE POLICE
(\$ IN THOUSANDS)**

VALUATION DATE	June 30, 2012	June 30, 2011
Members:		
Active	1,881	1,738
Long-Term Disability	9	8
Retirees and Beneficiaries	1,327	1,289
Inactive, Vested	96	93
Inactive, Non-Vested	140	120
Inactive, active elsewhere in VRS	<u>196</u>	<u>210</u>
Total	3,649	3,458
Annual Covered Payroll	\$ 104,189	\$ 99,669
Annual Retirement Benefits	\$ 45,844	\$ 43,768
Total Assets:		
Actuarial Value	\$ 587,160	\$ 616,603
Market Value	575,468	598,686
Actuarial Accrued Liability	\$ 1,013,278	\$ 985,704
Unfunded Actuarial Accrued Liability (UAAL)		
10-Year Payback of Deferred Contributions	\$ 21,501	\$ 23,086
Balance of UAAL	<u>404,617</u>	<u>346,015</u>
Total UAAL	\$ 426,118	\$ 369,101
RECOMMENDED CONTRIBUTIONS FOR FISCAL YEAR ENDING*	For Informational Purposes	2013 & 2014
Employer Contribution Rate:		
Normal Cost (net of employee contributions)	10.49 %	10.49 %
Amortization of Deferred Contributions	2.96 %	3.08 %
Amortization of Balance of UAAL	<u>21.71 %</u>	<u>19.05 %</u>
Annual Recommended Contribution	35.16 %	32.62 %
Amortization Period**		
Deferred Contributions	9 years	10 years
Balance of UAAL	29 years	30 years

* The adopted contribution rates for fiscal years ending 2013 and 2014 is 24.74%

** The amortization period of the unfunded less the deferred contribution, will decrease by one each year until reaching the minimum period of 20 years. The deferred contribution, as defined under HB30, is to be amortized using a level-dollar, closed, 10 year period.



Section I – Summary of Principal Results

JUDICIAL
(\$ IN THOUSANDS)

VALUATION DATE	June 30, 2012	June 30, 2011
Members:		
Active	380	394
Retirees and Beneficiaries	476	459
Inactive, Vested	6	8
Inactive, Non-Vested	1	0
Inactive, active elsewhere in VRS	<u>4</u>	<u>4</u>
Total	867	865
Annual Covered Payroll	\$ 56,958	\$ 58,919
Annual Retirement Benefits	\$ 32,891	\$ 30,559
Total Assets:		
Actuarial Value	\$ 361,097	\$ 371,051
Market Value	354,250	361,401
Actuarial Accrued Liability	\$ 582,456	\$ 569,494
Unfunded Actuarial Accrued Liability (UAAL)		
10-Year Payback of Deferred Contributions	\$ 13,452	\$ 14,585
Balance of UAAL	<u>207,907</u>	<u>183,858</u>
Total UAAL	\$ 221,359	\$ 198,443
RECOMMENDED CONTRIBUTIONS FOR FISCAL YEAR ENDING*	For Informational Purposes	2013 & 2014
Employer Contribution Rate:		
Normal Cost (net of employee contributions)	31.39 %	33.69 %
Amortization of Deferred Contributions	3.39 %	3.29 %
Amortization of Balance of UAAL	<u>20.40 %</u>	<u>17.13 %</u>
Annual Recommended Contribution	55.18 %	54.11 %
Amortization Period**		
Deferred Contributions	9 years	10 years
Balance of UAAL	29 years	30 years

* The adopted contribution rates for fiscal years ending 2013 and 2014 is 45.44%

** The amortization period of the unfunded less the deferred contribution, will decrease by one each year until reaching the minimum period of 20 years. The deferred contribution, as defined under HB30, is to be amortized using a level-dollar, closed, 10 year period.



Section I – Summary of Principal Results

**VIRGINIA LAW OFFICERS
(\$ IN THOUSANDS)**

VALUATION DATE	June 30, 2012	June 30, 2011
Members:		
Active	9,383	9,631
Long Term Disability	555	525
Retirees and Beneficiaries	3,075	2,730
Inactive, Vested	630	569
Inactive, Non-Vested	3,154	2,932
Inactive, active elsewhere in VRS	<u>2,047</u>	<u>1,927</u>
Total	18,844	18,314
Annual Covered Payroll	\$ 344,616	\$ 356,240
Annual Retirement Benefits	\$ 63,962	\$ 57,030
Total Assets:		
Actuarial Value	\$ 909,399	\$ 926,082
Market Value	894,916	910,666
Actuarial Accrued Liability	\$ 1,753,014	\$ 1,683,191
Unfunded Actuarial Accrued Liability (UAAL)		
10-Year Payback of Deferred Contributions	\$ 44,339	\$ 48,155
Balance of UAAL	<u>799,276</u>	<u>708,954</u>
Total UAAL	\$ 843,615	\$ 757,109
RECOMMENDED CONTRIBUTIONS FOR FISCAL YEAR ENDING*	For Informational Purposes	2013 & 2014
Employer Contribution Rate:		
Normal Cost (net of employee contributions)	6.49 %	6.80 %
Amortization of Deferred Contributions	1.85 %	1.80 %
Amortization of Balance of UAAL	<u>12.96 %</u>	<u>10.92 %</u>
Annual Recommended Contribution	21.30 %	19.52 %
Amortization Period**		
Deferred Contributions	9 years	10 years
Balance of UAAL	29 years	30 years

* The adopted contribution rates for fiscal years ending 2013 and 2014 is 14.80%

** The amortization period of the unfunded less the deferred contribution, will decrease by one each year until reaching the minimum period of 20 years. The deferred contribution, as defined under HB30, is to be amortized using a level-dollar, closed, 10 year period.



Section I – Summary of Principal Results

**POLITICAL SUBDIVISIONS
(\$ IN THOUSANDS)**

VALUATION DATE	June 30, 2012	June 30, 2011
Number of Political Subdivisions in VRS:	583	579
Members:		
Active	104,895	104,385
Long Term Disability	0	0
Retirees and Beneficiaries*	49,696	46,865
Inactive, Vested*	12,837	12,148
Inactive, Non-Vested*	30,344	29,132
Inactive, active elsewhere in VRS	<u>27,058</u>	<u>26,613</u>
Total	224,830	219,143
Annual Covered Payroll	\$ 4,162,579	\$ 4,100,470
Annual Retirement Benefits	\$ 634,291	\$ 585,297
Total Assets:**		
Actuarial Value	\$ 13,079,788	\$ 12,986,598
Market Value	12,867,355	12,767,072
Actuarial Accrued Liability**	\$ 17,824,190	\$ 17,005,070
Unfunded Actuarial Accrued Liability (UAAL)**	4,744,402	4,018,472
	For Informational Purposes	For Informational Purposes
Aggregate Annual Contribution Rate*** (net of employee contributions)	11.11 %	10.63 %
Amortization Period	29 years	30 years

* Includes count for each plan from which members are receiving pension benefits or entitled to deferred vested benefits. Therefore, members with benefits from more than one political subdivision are counted more than once. This does not include counts for Political Subdivisions with no active members.

** Includes Political Subdivisions with no active members.

*** Average Rate for 2011.



Section I – Summary of Principal Results

2. Comments on the valuation results as of June 30, 2012 are given in Section IV and further discussion of the contribution level for each plan is set out in Section V.
3. Schedule B shows the development of the actuarial value of assets. Schedule D and Schedule E of this report outline the full set of actuarial assumptions and methods used in the current valuation.
4. The valuation takes into account the effect of amendments to VRS through the valuation date. The main provisions of VRS, as summarized in Schedule F, were taken into account in the current valuation. The valuation takes into account applicable benefit changes under HB 1130 and SB 498.
5. In accordance with the supplemental contribution provision of House Bill 30, Item 469, the portion of the unfunded accrued liability with respect to deferred contributions for the 2010-2012 biennium will be paid back to the plans over a 10-year period. Below we provide an estimate of the deferred contributions as provided by VRS.

DIVISION	Deferred Contributions (\$ in thousands)	
	Outstanding Balance as of 6/30/2012	Deferred Contributions as of 6/30/2011
State Employees	\$ 258,064	\$ 278,197
Teachers	691,780	745,443
State Police	21,501	23,172
Virginia Law Officers	44,339	47,824
Judicial	<u>13,452</u>	<u>14,508</u>
Total	\$ 1,029,136	\$ 1,109,144



Section II – Membership Data

- Data regarding the membership of VRS for use as a basis of the valuation was furnished by VRS. The following table shows the number of active members and their annual compensation as of June 30, 2012 on the basis of which the valuation was prepared.

TABLE 1

THE NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS AS OF JUNE 30, 2012 (\$ IN THOUSANDS)

DIVISION	NUMBER	COMPENSATION
State Employees	76,274	\$3,713,119
Teachers	147,216	7,004,577
State Police	1,881	104,189
Judicial	380	56,958
Virginia Law Officers	9,383	344,616
Political Subdivisions	<u>104,895</u>	<u>4,162,579</u>
Total	340,029	\$15,386,038

- The following table shows a five-year history of active member valuation data. The data as of June 30, 2012 and June 30, 2011 includes the political subdivisions, while the data for valuation dates prior to June 30, 2011 does not include the political subdivisions.

TABLE 2

SCHEDULE OF TOTAL ACTIVE MEMBER VALUATION DATA

VALUATION DATE	NUMBER	ANNUAL PAYROLL (\$ IN THOUSANDS)	ANNUAL AVERAGE PAY	% CHANGE IN AVERAGE PAY
6/30/2012	340,029	\$ 15,386,038	\$ 45,249	0.50 %
6/30/2011	338,120	15,223,687	45,025	(4.44)%
6/30/2010	236,404	11,138,947	47,118	(0.19)%
6/30/2009	239,437	11,303,072	47,207	2.11 %
6/30/2008	239,420	11,068,331	46,230	4.50 %



Section II – Membership Data

- 3. The following table shows the number and annual retirement benefits payable to retired members and survivors on the roll of VRS as of the valuation date.

TABLE 3
THE NUMBER AND ANNUAL RETIREMENT BENEFITS
OF RETIRED MEMBERS AND SURVIVORS OF DECEASED MEMBERS
ON THE ROLL AS OF JUNE 30, 2012
(\$ IN THOUSANDS)

TYPE OF RETIREMENT	DIVISION						TOTAL
	STATE EMPLOYEES	TEACHERS	STATE POLICE	JUDICIAL	VIRGINIA LAW OFFICERS	POLITICAL SUBDIVISIONS*	
Service:							
Number	45,019	67,520	945	336	2,693	38,759	155,272
Annual Benefits	\$848,042	\$1,492,725	\$36,842	\$26,434	\$59,571	\$499,680	\$2,963,294
Disability:							
Number	4,441	4,177	202	1	216	7,548	16,585
Annual Benefits	\$66,835	\$86,431	\$6,110	\$102	\$3,080	\$105,979	\$268,537
Survivors:							
Number	4,548	2,472	180	139	166	3,389	10,894
Annual Benefits	\$52,873	\$32,738	\$2,892	\$6,355	\$1,311	\$28,632	\$124,801
Total:							
Number	54,008	74,169	1,327	476	3,075	49,696	182,751
Annual Benefits	\$967,750	\$1,611,894	\$45,844	\$32,891	\$63,962	\$634,291	\$3,356,632

* Includes count for each plan from which members are receiving pension benefits or entitled to deferred vested benefits. Therefore, members with benefits from more than one political subdivision are counted more than once. This does not include counts for Political Subdivisions with no active members.

- 4. The five tables of Schedule G, which can be found at the end of this document, show the distribution by age and service of the number and average annual compensation of active members for each division included in the valuation.



Section III – Assets

- Schedule C, appearing on pages 40 to 45, shows the additions and deductions to the assets of VRS for the year preceding the valuation date and a reconciliation of the fund balances at market value. As of June 30, 2012, the market value of assets used to determine the actuarial value of assets for each division is shown below:

TABLE 4

**COMPARISON OF MARKET VALUE OF ASSETS
(\$ IN THOUSANDS)**

DIVISION	JUNE 30, 2012 MARKET VALUE	JUNE 30, 2011 MARKET VALUE
State Employees	\$13,469,215	\$13,992,901
Teachers	23,930,149	24,520,362
State Police	575,468	598,686
Judicial	354,250	361,401
Virginia Law Officers	894,916	910,666
Political Subdivisions	<u>12,867,355</u>	<u>12,767,072</u>
Total Market Value of Assets	\$52,091,353	\$53,151,088

- Schedule B shows the development of the actuarial value of assets as of June 30, 2012. The following table shows the actuarial value of assets allocated among all divisions.

TABLE 5

**COMPARISON OF ACTUARIAL VALUE OF ASSETS
(\$ IN THOUSANDS)**

DIVISION	JUNE 30, 2012 ACTUARIAL VALUE	JUNE 30, 2011 ACTUARIAL VALUE
State Employees	\$13,740,366	\$14,406,275
Teachers	24,391,761	25,166,124
State Police	587,160	616,603
Judicial	361,097	371,051
Virginia Law Officers	909,399	926,082
Political Subdivisions	<u>13,079,788</u>	<u>12,986,598</u>
Total Actuarial Value of Assets	\$53,069,571	\$54,472,733



Section IV – Comments on Valuation

State Employees

1. The total valuation balance sheet on account of benefits as of June 30, 2012 shows that the State Employees plan has total prospective benefit liabilities of \$23,079,366,952, of which \$10,503,734,392 is for the prospective benefits payable on account of present retired members and survivors of deceased members, \$859,280,181 is for the prospective benefits payable on account of present inactive members, and \$11,716,352,379 is for the prospective benefits payable on account of present active members. Against these benefit liabilities the State Employees plan has a total present actuarial value of assets of \$13,740,366,000 as of June 30, 2012. The difference of \$9,339,000,952 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of benefits. Of this amount, \$1,385,654,339 is the present value of future contributions expected to be made by members (at the rate of 5% of salary), and the balance of \$7,953,346,613 represents the present value of future contributions payable by the employers.
2. The employers' contributions to the State Employees plan on account of retirement benefits consist of normal contributions and accrued liability contributions. The valuation indicates that employer normal contributions at the rate of 3.41% of salary are required. This is net of the 5% employee contribution.
3. Prospective employer normal contributions at the above rate have a present value of \$749,454,980. When this amount is subtracted from \$7,953,346,613, which is the present value of the total future contributions to be made by the employers, there remains \$7,203,891,633 as the amount of future accrued liability contributions.
4. It is recommended that the accrued liability contribution rate payable by employers on account of retirement benefits be set at 11.46% of salary. This rate is sufficient to liquidate the unfunded accrued liability of \$7,203,891,633 over a closed 9-year period as level-dollar amounts with respect to the deferred contributions and over 29 years for the balance of the unfunded accrued liability, on the assumption that the aggregate payroll for State employees will increase by 3% each year.



Section IV – Comments on Valuation

Teachers

1. The total valuation balance sheet on account of benefits as of June 30, 2012 shows that the Teachers plan has total prospective benefit liabilities of \$45,260,577,250, of which \$19,503,928,334 is for the prospective benefits payable on account of present retired members and survivors of deceased members, \$857,161,022 is for the prospective benefits payable on account of present inactive members, and \$24,899,487,894 is for the prospective benefits payable on account of present active members. Against these benefit liabilities the Teachers plan has a total present actuarial value of assets of \$24,391,761,000 as of June 30, 2012. The difference of \$20,868,816,250 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of benefits. Of this amount, \$3,144,007,104 is the present value of future contributions expected to be made by members (at the rate of 5% of salary), and the balance of \$17,724,809,146 represents the present value of future contributions payable by the employers.
2. The employers' contributions to the Teachers plan on account of retirement benefits consist of normal contributions and accrued liability contributions. The valuation indicates that employer normal contributions at the rate of 5.60% of salary are required. This is net of the 5% employee contribution.
3. Prospective employer normal contributions at the above rate have a present value of \$3,026,162,034. When this amount is subtracted from \$17,724,809,146, which is the present value of the total future contributions to be made by the employers, there remains \$14,698,647,112 as the amount of future accrued liability contributions.
4. It is recommended that the accrued liability contribution rate payable by the employers on account of retirement benefits be set at 12.60% of salary. This rate is sufficient to liquidate the unfunded accrued liability of \$14,698,647,112 over a closed 9-year period as level-dollar amounts with respect to the deferred contributions and over 29 years for the balance of the unfunded accrued liability, on the assumption that the aggregate payroll for Teachers will increase by 3% each year.



Section IV – Comments on Valuation

State Police (SPORS)

1. The total valuation balance sheet on account of benefits as of June 30, 2012 shows that the SPORS plan has total prospective benefit liabilities of \$1,154,846,599, of which \$547,805,179 is for the prospective benefits payable on account of present retired members and survivors of deceased members, \$15,807,246 is for the prospective benefits payable on account of present inactive members, and \$591,234,175 is for the prospective benefits payable on account of present active members. Against these benefit liabilities SPORS has a total present actuarial value of assets of \$587,160,000 as of June 30, 2012. The difference of \$567,686,599 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of benefits. Of this amount, \$45,399,413 is the present value of future contributions expected to be made by members (at the rate of 5% of salary), and the balance of \$522,287,186 represents the present value of future contributions payable by the employers.
2. The employers' contributions to SPORS on account of retirement benefits consist of normal contributions and accrued liability contributions. The valuation indicates that employer normal contributions at the rate of 10.49% of salary are required. This is net of the 5% employee contribution.
3. Prospective employer normal contributions at the above rate have a present value of \$96,169,672. When this amount is subtracted from \$522,287,186, which is the present value of the total future contributions to be made by the employers, there remains \$426,117,514 as the amount of future accrued liability contributions.
4. It is recommended that the accrued liability contribution rate payable by the employers on account of retirement benefits be set at 24.67% of salary. This rate is sufficient to liquidate the unfunded accrued liability of \$426,117,514 over a closed 9-year period as level-dollar amounts with respect to the deferred contributions and over 29 years for the balance of the unfunded accrued liability, on the assumption that the aggregate payroll for SPORS employees will increase by 3% each year.



Section IV – Comments on Valuation

Judicial

1. The total valuation balance sheet on account of benefits as of June 30, 2012 shows that the Judicial plan has total prospective benefit liabilities of \$700,736,439, of which \$332,182,898 is for the prospective benefits payable on account of present retired members and survivors of deceased members, \$3,318,566 is for the prospective benefits payable on account of present inactive members, and \$365,234,975 is for the prospective benefits payable on account of present active members. Against these benefit liabilities the Judicial plan has a total present actuarial value of assets of \$361,097,000 as of June 30, 2012. The difference of \$339,639,439 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of benefits. Of this amount, \$16,968,714 is the present value of future contributions expected to be made by members (at the rate of 5% of salary), and the balance of \$322,670,725 represents the present value of future contributions payable by the employers.
2. The employers' contributions to the Judicial plan on account of retirement benefits consist of normal contributions and accrued liability contributions. The valuation indicates that employer normal contributions at the rate of 31.39% of salary are required. This is net of the 5% employee contribution.
3. Prospective employer normal contributions at the above rate have a present value of \$101,311,533. When this amount is subtracted from \$322,670,725, which is the present value of the total future contributions to be made by the employers, there remains \$221,359,192 as the amount of future accrued liability contributions.
4. It is recommended that the accrued liability contribution rate payable by employers on account of retirement benefits be set at 23.79% of salary. This rate is sufficient to liquidate the unfunded accrued liability of \$221,359,192 over a closed 9-year period as level-dollar amounts with respect to the deferred contributions and over 29 years for the balance of the unfunded accrued liability, on the assumption that the aggregate payroll for Judicial employees will increase by 3% each year.



Section IV – Comments on Valuation

Virginia Law Officers (VaLORS)

1. The total valuation balance sheet on account of benefits as of June 30, 2012 shows that VaLORS has total prospective benefit liabilities of \$1,995,186,469, of which \$764,239,156 is for the prospective benefits payable on account of present retired members and survivors of deceased members, \$97,103,093 is for the prospective benefits payable on account of present inactive members, and \$1,133,844,220 is for the prospective benefits payable on account of present active members. Against these benefit liabilities VaLORS has a total present actuarial value of assets of \$909,399,000 as of June 30, 2012. The difference of \$1,085,787,469 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future on account of benefits. Of this amount, \$116,473,471 is the present value of future contributions expected to be made by members (at the rate of 5% of salary), and the balance of \$969,313,998 represents the present value of future contributions payable by the employers.
2. The employers' contributions to VaLORS on account of retirement benefits consist of normal contributions and accrued liability contributions. The valuation indicates that employer normal contributions at the rate of 6.49% of salary are required. This is net of the 5% employee contribution.
3. Prospective employer normal contributions at the above rate have a present value of \$125,699,290. When this amount is subtracted from \$969,313,998, which is the present value of the total future contributions to be made by the employers, there remains \$843,614,708 as the amount of future accrued liability contributions.
4. It is recommended that the accrued liability contribution rate payable by employers on account of retirement benefits be set at 14.81% of salary. This rate is sufficient to liquidate the unfunded accrued liability of \$843,614,708 over a closed 9-year period as level-dollar amounts with respect to the deferred contributions and over 29 years for the balance of the unfunded accrued liability, on the assumption that the aggregate payroll for VaLORS employees will increase by 3% each year.



Section V – Contribution Rates

1. The actuarially determined employer contribution rates for each division based on the June 30, 2012 actuarial valuation are shown in the following table:

TABLE 6

Division	Employer Contribution Rate
State Employees	14.87%
Teachers	18.20
State Police	35.16
Judicial	55.18
Virginia Law Officers	21.30

The rates shown are net of 5% member contributions.



Section V – Contribution Rates

2. The table below shows the development of the normal contribution rate, the unfunded accrued liability (UAL), amortization period and the actuarially recommended contribution rate for each division as of June 30, 2012.

TABLE 7
EMPLOYER CONTRIBUTION RATE
EXPRESSED AS PERCENT OF ACTIVE MEMBER PAYROLL

	State Employees	Teachers	State Police	Judicial	Virginia Law Officers
<u>Contribution for</u>					
Normal Cost					
Service Retirement Benefits	6.40%	8.72%	12.61%	31.88%	8.15%
Disability Benefits	0.69%	0.61%	1.07%	2.71%	0.50%
Survivor Benefits	0.41%	0.30%	0.72%	1.81%	0.55%
Separation Benefits	<u>0.91%</u>	<u>0.97%</u>	<u>1.09%</u>	<u>0.00%</u>	<u>2.29%</u>
Total	8.41%	10.60%	15.49%	36.39%	11.49%
Member Current Contributions	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>
Employer Normal Cost	3.41%	5.60%	10.49%	31.39%	6.49%
Amortization of UAAL (<i>net of deferred contributions</i>) *	1.00%	1.42%	2.96%	3.39%	1.85%
Amortization of Deferred Contributions *	10.46%	11.18%	21.71%	20.40%	12.96%
Actuarially Recommended Employer Contribution Rate to pay Normal Cost and amortize UAAL	14.87%	18.20%	35.16%	55.18%	21.30%

* The amortization period of the unfunded less the deferred contribution begins at 30 years on June 30, 2011 and will decrease by one each year until reaching the minimum period of 20 years. The deferred contribution, as defined under HB30, is to be amortized using a level-dollar, closed, 10 year period.



Section VI – Accounting Information

1. Governmental Accounting Standards Board Statements 25 and 27 set forth certain items of required supplementary information to be disclosed in the financial statements of VRS and the employer. One such item is a distribution of the number of members by type of membership, as follows:

**NUMBER OF ALL MEMBERS
AS OF June 30, 2012**

GROUP	COUNT					
	State Employees	Teachers	State Police	Judicial	Virginia Law Officers	Political Subdivisions
Active Members	76,274	147,216	1,881	380	9,383	104,895
LTD	2,106	0	9	0	555	0
Total Active Members	78,380	147,216	1,890	380	9,938	104,895
Inactive Members						
Vested	10,537	17,922	96	6	630	12,837
Non-Vested	21,055	28,713	140	1	3,154	30,344
Active Elsewhere in VRS	9,245	5,384	196	4	2,047	27,058
Total Inactive Members	40,837	52,019	432	11	5,831	70,239
Retirees						
Service	45,019	67,520	945	336	2,693	38,759
Disabled	4,441	4,177	202	1	216	7,548
Beneficiaries	4,548	2,472	180	139	166	3,389
Total Retirees	54,008	74,169	1,327	476	3,075	49,696
Totals	173,225	273,404	3,649	867	18,844	224,830



Section VI – Accounting Information

2. Another such item is the schedule of funding progress as shown below.

**SCHEDULE OF FUNDING PROGRESS
(\$ IN THOUSANDS)**

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
STATE EMPLOYEES						
6/30/2012	\$13,740,366	\$20,944,258	\$7,203,892	65.6 %	\$3,713,119	194.0 %
6/30/2011	14,406,275	20,407,958	6,001,683	70.6 %	3,686,259	162.8 %
6/30/2010	14,700,854	19,539,453	4,838,599	75.2 %	3,514,396	137.7 %
6/30/2009	15,049,901	17,925,879	2,875,978	84.0 %	3,619,478	79.5 %
6/30/2008	15,046,348	17,096,942	2,050,594	88.0 %	3,640,692	56.3 %
6/30/2007	13,857,342	16,279,781	2,422,439	85.1 %	3,467,388	69.9 %
TEACHERS						
6/30/2012	\$24,391,761	\$39,090,408	\$14,698,647	62.4 %	\$7,004,577	209.8 %
6/30/2011	25,166,124	37,771,732	12,605,608	66.6 %	6,922,130	182.1 %
6/30/2010	25,447,677	37,088,576	11,640,899	68.6 %	7,119,889	163.5 %
6/30/2009	25,764,665	33,860,514	8,095,849	76.1 %	7,160,842	113.1 %
6/30/2008	25,502,482	31,958,321	6,455,839	79.8 %	6,896,432	93.6 %
6/30/2007	23,204,871	29,669,838	6,464,967	78.2 %	6,604,643	97.9 %
STATE POLICE						
6/30/2012	\$587,160	\$1,013,278	\$426,118	57.9 %	\$104,189	409.0 %
6/30/2011	616,603	985,704	369,101	62.6 %	99,669	370.3 %
6/30/2010	633,415	948,892	315,477	66.8 %	97,601	323.2 %
6/30/2009	646,960	879,180	232,220	73.6 %	100,974	230.0 %
6/30/2008	646,277	844,195	197,918	76.6 %	102,466	193.2 %
6/30/2007	594,985	806,028	211,043	73.8 %	100,785	209.4 %
JUDICIAL						
6/30/2012	\$361,097	\$582,456	\$221,359	62.0 %	\$56,958	388.6 %
6/30/2011	371,051	569,494	198,443	65.2 %	58,919	336.8 %
6/30/2010	372,096	559,920	187,824	66.5 %	61,021	307.8 %
6/30/2009	378,212	521,463	143,251	72.5 %	62,709	228.4 %
6/30/2008	373,850	494,768	120,918	75.6 %	60,486	199.9 %
6/30/2007	340,200	442,498	102,298	76.9 %	57,687	177.3 %
VIRGINIA LAW OFFICERS						
6/30/2012	\$909,399	\$1,753,014	\$843,615	51.9 %	\$344,616	244.8 %
6/30/2011	926,082	1,683,191	757,109	55.0 %	356,240	212.5 %
6/30/2010	925,443	1,579,321	653,878	58.6 %	346,040	189.0 %
6/30/2009	912,922	1,411,844	498,922	64.7 %	359,070	138.9 %
6/30/2008	873,473	1,281,477	408,004	68.2 %	368,255	110.8 %
6/30/2007	766,243	1,165,979	399,736	65.7 %	341,035	117.2 %
POLITICAL SUBDIVISIONS						
6/30/2012	\$ 13,079,788	\$ 17,824,190	\$4,744,402	73.4 %	\$ 4,162,579	114.0 %
6/30/2011	\$ 12,986,598	\$ 17,005,070	\$4,018,472	76.4 %	\$ 4,100,470	98.0 %



Section VI – Accounting Information

3. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2012.

	State Employees	Teachers	State Police	Judicial	Virginia Law Officers	Political Subdivisions
Valuation Date	6/30/2012	6/30/2012	6/30/2012	6/30/2012	6/30/2012	6/30/2012
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method*	Level percent, open	Level percent, open	Level percent, open	Level percent, open	Level percent, open	Level percent, open
Payroll Growth Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Remaining amortization period	9 and 29 years*	9 and 29 years*	9 and 29 years*	9 and 29 years*	9 and 29 years*	29 years*
Asset valuation method	5 year Smoothed Market	5 year Smoothed Market	5 year Smoothed Market	5 year Smoothed Market	5 year Smoothed Market	5 year Smoothed Market
Actuarial assumptions:						
Investment rate of return**	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Projected salary increases**	3.75 – 5.60%	3.75 – 6.20%	3.50 – 4.75%	4.50%	3.50 – 4.75%	3.75 – 5.60% General Employees 3.5% - 4.75% Public Safety
Post-Retirement Benefit Increases:	compounded annually	compounded annually	compounded annually	compounded annually	compounded annually	compounded annually
Prior Plan	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
New Plan	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%

* For non political subdivisions:

The amortization period of the unfunded less the deferred contribution begins at 30 years on June 30, 2011 and will decrease by one each year until reaching the minimum period of 20 years. The deferred contribution, as defined under HB30, is to be amortized using a level-dollar, closed, 10 year period beginning June 30, 2011.

For political subdivisions:

The amortization period of the unfunded begins at 30 years on June 30, 2011 and will decrease by one each year until reaching the minimum period of 20 years

** Includes inflation at 2.50%.



Section VI – Accounting Information

SCHEDULE OF ADOPTED EMPLOYER CONTRIBUTIONS

Fiscal Year End	ARC \$	ARC % (Percent of Payroll)	% of ARC Contributed	Statutory Required Contribution Paid \$	Statutory Required Contribution % (Percent of Payroll)	% Statutory Contribution Contributed
State						
2012	\$309,930	8.46%	37.98%	\$117,696	3.21%	100%
2011	294,363	8.46%	25.18%	74,113	2.13%	100%
2010	285,209	8.02%	61.97%	176,751	6.26%	100%
2009	290,653	8.02%	77.68%	225,782	6.23%	100%
2008	260,965	7.33%	83.90%	218,954	6.15%	100%
Teachers						
2012	\$903,655	12.91%	49.03%	\$443,078	6.33%	100%
2011	891,237	12.91%	30.44%	271,306	3.93%	100%
2010	839,550	11.84%	53.63%	450,218	8.81%	100%
2009	845,999	11.84%	74.41%	629,497	8.81%	100%
2008	766,559	11.18%	92.30%	706,222	10.30%	100%
State Police						
2012	\$26,250	25.56%	43.58%	\$11,441	11.09%	100%
2011	24,570	25.56%	30.36%	7,460	7.76%	100%
2010	23,791	24.09%	66.05%	15,714	20.05%	100%
2009	24,241	24.09%	83.23%	20,175	20.05%	100%
2008	22,941	22.69%	91.49%	20,989	20.76%	100%
Judicial						
2012	\$27,631	46.79%	68.43%	\$18,907	32.13%	100%
2011	28,101	46.79%	61.57%	17,303	28.81%	100%
2010	23,638	38.04%	72.20%	17,065	34.51%	100%
2009	23,148	38.04%	90.72%	21,000	34.51%	100%
2008	23,599	40.08%	94.86%	22,386	38.01%	100%
Virginia Law Officers						
2012	\$55,306	15.93%	44.27%	\$24,481	7.08%	100%
2011	53,686	15.93%	32.14%	17,255	5.12%	100%
2010	57,894	16.78%	67.41%	39,027	14.23%	100%
2009	60,059	16.78%	84.80%	50,932	14.23%	100%
2008	61,325	17.39%	91.20%	55,929	15.86%	100%

* Reported in the Comprehensive Annual Financial Report as a percentage of Covered Payroll, including revisions adopted by the General Assembly of the actuarially determined rates. The statutory required contribution percentages for the fiscal year ending in 2012 are a blend of a rate payable for nine months and three months at another rate.



Section VII – Derivation of Experience Gains and Losses

**CHANGES IN UNFUNDED ACTUARIAL ACCRUED LIABILITIES (UAAL)
DURING FISCAL YEAR 2012
(\$ IN THOUSANDS)**

	State Employees	Teachers	State Police	Judicial	Virginia Law Officers	Local Agencies	Total
A. Calculation of Expected Unfunded Actuarial Accrued Liability							
1. UAAL as of June 30,2011	\$ 6,001,683	\$ 12,605,608	\$ 369,101	\$ 198,443	\$ 757,109	\$ 4,018,472	\$ 23,950,416
2. Normal Cost for previous year	315,244	756,662	15,438	22,793	42,051	495,107	1,647,295
3. Actual contributions during the year	(307,844)	(814,680)	(16,611)	(21,875)	(42,202)	(613,543)	(1,816,755)
4. Interest at previous year's rate of 0.07							
a. on UAAL	420,118	882,393	25,837	13,891	52,998	281,293	1,676,530
b. on normal cost	22,067	52,966	1,081	1,596	2,944	34,657	115,311
c. on contributions	(10,775)	(28,514)	(581)	(766)	(1,477)	(21,474)	(63,587)
d. total: (a)+(b)+(c)	\$ 431,410	\$ 906,845	\$ 26,337	\$ 14,721	\$ 54,465	\$ 294,476	\$ 1,728,254
5. Expected UAAL as of June 30, 2012 A1+A2+A3+A4	6,440,493	13,454,435	394,265	214,082	811,423	4,194,512	25,509,210
6. Actual UAAL as of June 30, 2012	7,203,892	14,698,647	426,118	221,359	843,615	4,744,402	28,138,033
7. Total Gain/(Loss): A5-A6	\$ (763,399)	\$ (1,244,212)	\$ (31,853)	\$ (7,277)	\$ (32,192)	\$ (549,890)	\$ (2,628,823)
B. Calculation of Asset Gain/(Loss)							
1. Actuarial Value of Assets (AVA) as of June 30,2011	\$ 14,406,275	\$ 25,166,124	\$ 616,603	\$ 371,051	\$ 926,082	\$ 12,986,598	\$ 54,472,733
2. Contributions during the year	\$ 307,844	\$ 814,680	\$ 16,611	\$ 21,875	\$ 42,202	\$ 613,543	\$ 1,816,755
3. Benefit payments during the year	(984,072)	(1,684,845)	(46,432)	(33,454)	(68,876)	(672,992)	(3,490,671)
4. Interest at previous year's rate of 0.07							
a. on AVA at beginning of year	\$ 1,008,439	\$ 1,761,629	\$ 43,162	\$ 25,974	\$ 64,826	\$ 909,062	\$ 3,813,092
b. on contributions	10,775	28,514	581	766	1,477	21,474	63,587
c. on benefit payments	(34,443)	(58,970)	(1,625)	(1,171)	(2,411)	(23,555)	(122,175)
d. total: (a)+(b)+(c)	\$ 984,771	\$ 1,731,173	\$ 42,118	\$ 25,569	\$ 63,892	\$ 906,981	\$ 3,754,504
5. Expected AVA as of June 30, 2012 B1+B2+B3+B4	14,714,818	26,027,132	628,900	385,041	963,300	13,834,130	56,553,321
6. Actual AVA as of June 30, 2012	13,740,366	24,391,761	587,160	361,097	909,399	13,079,789	53,069,572
7. Gain/(Loss) on assets: B6-B5	\$ (974,452)	\$ (1,635,371)	\$ (41,740)	\$ (23,944)	\$ (53,901)	\$ (754,341)	\$ (3,483,749)
C. Calculation of Liability Gain/(Loss)							
1. Gain/(Loss) due to changes in actuarial assumptions	0	0	0	0	0	0	\$ -
2. Gain/(Loss) due to plan amendments	33,093	118,411	1,260	0	5,601	65,172	223,537
3. Gain/(Loss) due to change in methods	0	0	0	0	0	0	0
4. Liability Experience Gain/(Loss): A7-B7-C1-C2	\$ 177,960	\$ 272,748	\$ 8,627	\$ 16,667	\$ 16,108	\$ 139,279	\$ 631,388



Section VII – Derivation of Experience Gains and Losses

**GAINS & LOSSES
DURING FISCAL YEAR 2012
(\$ IN MILLIONS)**

Type of Activity	State Employees	Teachers	State Police	Judges	Virginia Law Officers	Political Subdivisions
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	\$35.9	\$148.6	\$4.0	\$9.6	(\$10.1)	\$9.5
Disability Before Retirement. If disability claims are less than assumed, there is a gain. If more claims, a loss.	(\$15.0)	\$12.4	\$0.0	\$1.8	(\$0.5)	\$19.4
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	\$0.6	(\$8.1)	\$0.3	\$0.3	\$1.2	\$5.3
Withdrawal from Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	(\$46.1)	(\$149.3)	(\$1.2)	\$0.8	\$0.7	(\$9.8)
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	\$234.9	\$443.3	\$9.4	\$8.5	\$22.7	\$129.8
New Members. Additional unfunded accrued liability will produce a loss.	(\$5.8)	(\$37.1)	(\$0.5)	(\$0.3)	(\$0.7)	(\$10.4)
Death after Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	(\$18.7)	(\$23.1)	(\$1.8)	(\$3.5)	\$4.0	\$25.4
Data and Other Adjustments.	\$13.1	\$16.2	\$2.3	\$2.2	\$6.2	(\$16.8)
Benefit Payments. If benefit payments are greater than expected, there is a loss. If the benefits payments are less, a gain.	\$35.6	(\$35.1)	(\$0.9)	(\$1.1)	(\$3.6)	\$24.9
Cost of Living Allowance (COLA). If COLA is greater than expected, there is a loss. If COLA is less, a gain.	(\$56.4)	(\$95.0)	(\$3.0)	(\$1.7)	(\$3.9)	(\$37.9)
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	(\$974.5)	(\$1,635.4)	(\$41.7)	(\$23.9)	(\$53.9)	(\$754.3)
Gain or (Loss) During Year	(\$796.4)	(\$1,362.6)	(\$33.1)	(\$7.3)	(\$37.9)	(\$614.9)
Non-Recurring Items. Adjustments for plan amendments, assumption changes, etc.	33.1	118.4	1.3	0.0	5.6	\$65.2
Expected Contributions vs. Actual Contributions. If the difference in the actual contribution to the plan is more or less than what was expected based on the previous valuation then there will be a gain or loss associated with this difference.	(394.2)	(769.3)	(22.9)	(14.6)	(49.8)	(\$81.5)
Total Gain or (Loss) During Year	(\$1,157.5)	(\$2,013.5)	(\$54.8)	(\$21.9)	(\$82.1)	(\$631.2)



Schedule A – Balance Sheet

STATE EMPLOYEES
As Of June 30, 2012

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Assets		\$ 13,740,366,000
Present value of future members' contributions		1,385,654,339
Present value of future employer contributions		
Normal contributions	\$ 749,454,980	
Unfunded accrued liability contributions	<u>7,203,891,633</u>	
Total prospective employer contributions		<u>7,953,346,613</u>
Total Present and Prospective Assets		<u>\$ 23,079,366,952</u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		\$ 10,503,734,392
Present value of prospective benefits payable on account of inactive members		859,280,181
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 10,545,526,270	
Disability retirement benefits	459,288,198	
Survivor benefits	420,301,282	
Separation benefits	<u>291,236,629</u>	
Total		<u>11,716,352,379</u>
Total Actuarial Liabilities		<u>\$ 23,079,366,952</u>



Schedule A – Balance Sheet

TEACHERS
As Of June 30, 2012

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Assets		\$ 24,391,761,000
Present value of future members' contributions		3,144,007,104
Present value of future employer contributions		
Normal contributions	\$ 3,026,162,034	
Unfunded accrued liability contributions	<u>14,698,647,112</u>	
Total prospective employer contributions		<u>17,724,809,146</u>
Total Present and Prospective Assets		<u>\$ 45,260,577,250</u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		\$ 19,503,928,334
Present value of prospective benefits payable on account of inactive members		857,161,022
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 22,798,122,620	
Disability retirement benefits	822,056,136	
Survivor benefits	561,808,826	
Separation benefits	<u>717,500,312</u>	
Total		<u>24,899,487,894</u>
Total Actuarial Liabilities		<u>\$ 45,260,577,250</u>



Schedule A – Balance Sheet

STATE POLICE
As Of June 30, 2012

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Assets		\$ 587,160,000
Present value of future members' contributions		45,399,413
Present value of future employer contributions		
Normal contributions	\$ 96,169,672	
Unfunded accrued liability contributions	<u>426,117,514</u>	
Total prospective employer contributions		<u>522,287,186</u>
Total Present and Prospective Assets		<u>\$ 1,154,846,599</u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		\$ 547,805,179
Present value of prospective benefits payable on account of inactive members		15,807,246
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 529,736,685	
Disability retirement benefits	24,435,689	
Survivor benefits	15,048,993	
Separation benefits	<u>22,012,808</u>	
Total		<u>591,234,175</u>
Total Actuarial Liabilities		<u>\$ 1,154,846,600</u>



Schedule A – Balance Sheet

JUDICIAL
As Of June 30, 2012

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Assets	\$	361,097,000
Present value of future members' contributions		16,968,714
Present value of future employer contributions		
Normal contributions	\$ 101,311,533	
Unfunded accrued liability contributions	<u>221,359,192</u>	
Total prospective employer contributions		<u>322,670,725</u>
Total Present and Prospective Assets	\$	<u><u>700,736,439</u></u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits	\$	332,182,898
Present value of prospective benefits payable on account of inactive members		3,318,566
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 338,589,881	
Disability retirement benefits	12,576,178	
Survivor benefits	14,068,916	
Separation benefits	<u>-</u>	
Total		<u>365,234,975</u>
Total Actuarial Liabilities	\$	<u><u>700,736,439</u></u>



Schedule A – Balance Sheet

VIRGINIA LAW OFFICERS
As Of June 30, 2012

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Assets		\$ 909,399,000
Present value of future members' contributions		116,473,471
Present value of future employer contributions		
Normal contributions	\$ 125,699,290	
Unfunded accrued liability contributions	<u>843,614,708</u>	
Total prospective employer contributions		<u>969,313,998</u>
Total Present and Prospective Assets		<u>\$ 1,995,186,469</u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		\$ 764,239,156
Present value of prospective benefits payable on account of inactive members		97,103,093
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 946,621,317	
Disability retirement benefits	29,419,948	
Survivor benefits	30,932,564	
Separation benefits	<u>126,870,391</u>	
Total		<u>1,133,844,220</u>
Total Actuarial Liabilities		<u>\$ 1,995,186,469</u>



Schedule A – Balance Sheet

POLITICAL SUBDIVISIONS
As Of June 30, 2012

PRESENT AND PROSPECTIVE ASSETS		
Actuarial Value of Assets		\$ 13,079,789,219
Present value of future members' contributions		1,658,407,079
Present value of future employer contributions		
Normal contributions	\$ 2,016,443,070	
Unfunded accrued liability contributions	<u>4,744,418,311</u>	
Total prospective employer contributions		<u>6,760,861,381</u>
Total Present and Prospective Assets		<u><u>\$ 21,499,057,679</u></u>
ACTUARIAL LIABILITIES		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		\$ 7,302,542,594
Present value of prospective benefits payable on account of inactive members		969,795,600
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	\$ 11,118,466,694	
Disability retirement benefits	1,090,939,011	
Survivor benefits	414,196,251	
Separation benefits	<u>603,117,529</u>	
Total		<u>13,226,719,485</u>
Total Actuarial Liabilities		<u><u>\$ 21,499,057,679</u></u>



Schedule A – Solvency Test

SOLVENCY TEST

Virginia Retirement System (State Employees, Teachers, and Political Subdivisions)
(\$ in thousands)

Valuation Date	Aggregate Accrued Liabilities For				Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Total		(1)	(2)	(3)
6/30/2012	\$9,479,988	\$39,996,442	\$28,382,426	\$77,858,856	\$51,211,915	100.00%	100.00%	6.11%
6/30/2011	9,116,662	37,539,539	28,528,577	75,184,778	52,558,997	100.00	100.00	20.69
6/30/2010	9,246,421	35,117,915	28,436,065	72,800,401	52,728,575	100.00	100.00	29.41
6/30/2009	8,876,564	31,589,747	25,856,699	66,323,010	53,185,033	100.00	100.00	49.19
6/30/2008	8,389,773	29,225,652	24,939,054	62,554,479	52,548,375	100.00	100.00	59.88

State Employees Retirement System
(\$ in thousands)

Valuation Date	Aggregate Accrued Liabilities For				Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Total		(1)	(2)	(3)
6/30/2012	\$2,559,930	\$11,363,015	\$7,021,313	\$20,944,258	\$13,740,366	100.00%	98.40%	0.00%
6/30/2011	2,475,123	10,844,164	7,088,671	20,407,958	14,406,275	100.00	100.00	15.33
6/30/2010	2,511,650	10,279,653	6,748,150	19,539,453	14,700,854	100.00	100.00	28.30
6/30/2009	2,501,163	9,024,592	6,400,124	17,925,879	15,049,901	100.00	100.00	55.06
6/30/2008	2,398,033	8,411,441	6,287,468	17,096,942	15,046,348	100.00	100.00	67.39



Schedule A – Solvency Test

Teachers Retirement System
(\$ in thousands)

Valuation Date	Aggregate Accrued Liabilities For				Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Total		(1)	(2)	(3)
6/30/2012	\$4,573,244	\$20,361,089	\$14,156,075	\$39,090,408	\$24,391,761	100.00%	97.30%	0.00%
6/30/2011	4,394,657	19,066,272	14,310,803	37,771,732	25,166,124	100.00	100.00	11.92
6/30/2010	4,376,385	17,935,907	14,776,284	37,088,576	25,447,677	100.00	100.00	21.22
6/30/2009	4,155,034	16,383,311	13,322,169	33,860,514	25,764,665	100.00	100.00	39.23
6/30/2008	3,922,647	15,181,246	12,854,428	31,958,321	25,502,482	100.00	100.00	49.78

Political Subdivisions Retirement System
(\$ in thousands)

Valuation Date	Aggregate Accrued Liabilities For				Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Total		(1)	(2)	(3)
6/30/2012	\$2,346,814	\$8,272,338	\$7,205,038	\$17,824,190	\$13,079,788	100.00%	100.00%	34.15%
6/30/2011	2,246,882	7,629,103	7,129,103	17,005,088	12,986,598	100.00	100.00	43.63
6/30/2010	2,358,386	6,902,355	6,911,631	16,172,372	12,580,044	100.00	100.00	48.02
6/30/2009	2,220,367	6,181,844	6,134,406	14,536,617	12,370,467	100.00	100.00	64.69
6/30/2008	2,069,093	5,632,966	5,797,158	13,499,217	11,999,545	100.00	100.00	74.13



Schedule A – Solvency Test

State Police Retirement System
(\$ in thousands)

Valuation Date	Aggregate Accrued Liabilities For				Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Total		(1)	(2)	(3)
6/30/2012	\$78,465	\$563,612	\$371,201	\$1,013,278	\$587,160	100.00%	90.30%	0.00%
6/30/2011	74,943	540,097	370,664	985,704	616,603	100.00	100.00	0.42
6/30/2010	77,759	510,491	360,642	948,892	633,415	100.00	100.00	12.52
6/30/2009	74,662	474,622	329,896	879,180	646,960	100.00	100.00	29.61
6/30/2008	71,160	444,025	329,010	844,195	646,277	100.00	100.00	39.84

Judicial Retirement System
(\$ in thousands)

Valuation Date	Aggregate Accrued Liabilities For				Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Total		(1)	(2)	(3)
6/30/2012	\$38,578	\$335,501	\$208,377	\$582,456	\$361,097	100.00%	96.10%	0.00%
6/30/2011	37,981	312,423	219,091	569,494	371,051	100.00	100.00	9.42
6/30/2010	43,217	310,305	206,398	559,920	372,096	100.00	100.00	9.00
6/30/2009	41,793	287,543	192,127	521,463	378,212	100.00	100.00	25.44
6/30/2008	38,785	271,276	184,707	494,768	373,850	100.00	100.00	34.54



Schedule A – Solvency Test

Virginia Law Officers Retirement System
(\$ in thousands)

Valuation Date	Aggregate Accrued Liabilities For				Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Total		(1)	(2)	(3)
6/30/2012	\$176,172	\$861,342	\$715,499	\$1,753,014	\$909,399	100.00%	85.10%	0.00%
6/30/2011	174,963	763,631	744,597	1,683,191	926,082	100.00	98.40	0.00
6/30/2010	186,792	682,378	710,151	1,579,321	925,443	100.00	100.00	7.92
6/30/2009	181,760	581,887	648,197	1,411,844	912,922	100.00	100.00	23.03
6/30/2008	173,039	510,878	597,560	1,281,477	873,473	100.00	100.00	31.72

All Retirement Systems Combined
(\$ in thousands)

Valuation Date	Aggregate Accrued Liabilities For				Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Total		(1)	(2)	(3)
6/30/2012	\$9,773,203	\$41,756,897	\$29,677,503	\$81,207,603	\$53,069,571	100.00%	100.00%	5.19%
6/30/2011	9,404,549	39,155,690	29,862,929	78,423,167	54,472,733	100.00	100.00	19.80
6/30/2010	9,554,189	36,621,088	29,713,256	75,888,534	54,659,529	100.00	100.00	28.55
6/30/2009	9,174,779	32,933,799	27,026,919	69,135,497	55,123,127	100.00	100.00	48.15
6/30/2008	8,672,757	30,451,831	26,050,331	65,174,919	54,441,975	100.00	100.00	58.80



Schedule B – Development of Actuarial Value of Assets

STATE EMPLOYEES
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)

(1) Actuarial Value Beginning of Year	\$	14,406,275
(2) Market Value End of Year	\$	13,469,215
(3) Market Value Beginning of Year	\$	13,992,901
(4) Cash Flow		
a. Contributions	\$	307,844
b. Benefit Payments		(984,072)
c. Administrative Expenses		(10,929)
d. Net Transfers		(249)
e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	(687,406)
(5) Investment Income		
a. Market total: (2) – (3) – (4)e	\$	163,720
b. Assumed Rate		7.00%
c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e - (4)c] x (5)b x 0.5] - (4)c	\$	966,755
d. Amount for Phased-in Recognition: (5)a – (5)c	\$	(803,035)
(6) Phased-In Recognition of Investment Income		
a. Current Year: 0.20 x (5)d	\$	(160,607)
b. First Prior Year		294,458
c. Second Prior Year		174,123
d. Third Prior Year		(860,345)
e. Fourth Prior Year		(392,887)
f. Total Recognized Investment Gain	\$	(945,258)
(7) Actuarial Value End of Year: [(1) + (4) + (5)c + (6)f]	\$	13,740,366



Schedule B – Development of Actuarial Value of Assets

TEACHERS
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)

(1) Actuarial Value Beginning of Year	\$	25,166,124
(2) Market Value End of Year	\$	23,930,149
(3) Market Value Beginning of Year	\$	24,520,362
(4) Cash Flow		
a. Contributions	\$	814,680
b. Benefit Payments		(1,684,845)
c. Administrative Expenses		(18,958)
d. Net Transfers		105
e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	(889,018)
(5) Investment Income		
a. Market total: (2) – (3) – (4)e	\$	298,805
b. Assumed Rate		7.00%
c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e - (4)c] x (5)b x 0.5] - (4)c	\$	1,704,931
d. Amount for Phased-in Recognition: (5)a – (5)c	\$	(1,406,126)
(6) Phased-In Recognition of Investment Income		
a. Current Year: 0.20 x (5)d	\$	(281,225)
b. First Prior Year		509,063
c. Second Prior Year		293,625
d. Third Prior Year		(1,451,149)
e. Fourth Prior Year		(660,590)
f. Total Recognized Investment Gain	\$	(1,590,276)
(7) Actuarial Value End of Year: [(1) + (4) + (5)c + (6)f]	\$	24,391,761



Schedule B – Development of Actuarial Value of Assets

STATE POLICE
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)

(1) Actuarial Value Beginning of Year	\$	616,603
(2) Market Value End of Year	\$	575,468
(3) Market Value Beginning of Year	\$	598,686
(4) Cash Flow		
a. Contributions	\$	16,611
b. Benefit Payments		(46,432)
c. Administrative Expenses		(449)
d. Net Transfers		-
e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	(30,270)
(5) Investment Income		
a. Market total: (2) – (3) – (4)e	\$	7,052
b. Assumed Rate		7.00%
c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e - (4)c] x (5)b x 0.5] - (4)c	\$	41,313
d. Amount for Phased-in Recognition: (5)a – (5)c	\$	(34,261)
(6) Phased-In Recognition of Investment Income		
a. Current Year: 0.20 x (5)d	\$	(6,852)
b. First Prior Year		12,548
c. Second Prior Year		7,368
d. Third Prior Year		(36,662)
e. Fourth Prior Year		(16,888)
f. Total Recognized Investment Gain	\$	(40,486)
(7) Actuarial Value End of Year: [(1) + (4) + (5)c + (6)f]	\$	587,160



Schedule B – Development of Actuarial Value of Assets

JUDICIAL
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)

(1) Actuarial Value Beginning of Year	\$	371,051
(2) Market Value End of Year	\$	354,250
(3) Market Value Beginning of Year	\$	361,401
(4) Cash Flow		
a. Contributions	\$	21,875
b. Benefit Payments		(33,454)
c. Administrative Expenses		(269)
d. Net Transfers		-
e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	(11,848)
(5) Investment Income		
a. Market total: (2) – (3) – (4)e	\$	4,697
b. Assumed Rate		7.00%
c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e - (4)c] x (5)b x 0.5] - (4)c	\$	25,162
d. Amount for Phased-in Recognition: (5)a – (5)c	\$	(20,465)
(6) Phased-In Recognition of Investment Income		
a. Current Year: 0.20 x (5)d	\$	(4,093)
b. First Prior Year		7,353
c. Second Prior Year		4,277
d. Third Prior Year		(21,088)
e. Fourth Prior Year		(9,717)
f. Total Recognized Investment Gain	\$	(23,268)
(7) Actuarial Value End of Year: [(1) + (4) + (5)c + (6)f]	\$	361,097



Schedule B – Development of Actuarial Value of Assets

VIRGINIA LAW OFFICERS
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)

(1) Actuarial Value Beginning of Year	\$	926,082
(2) Market Value End of Year	\$	894,916
(3) Market Value Beginning of Year	\$	910,666
(4) Cash Flow		
a. Contributions	\$	42,202
b. Benefit Payments		(68,876)
c. Administrative Expenses		(682)
d. Net Transfers		106
e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	(27,250)
(5) Investment Income		
a. Market total: (2) – (3) – (4)e	\$	11,500
b. Assumed Rate		7.00%
c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e - (4)c] x (5)b x 0.5] - (4)c	\$	63,499
d. Amount for Phased-in Recognition: (5)a – (5)c	\$	(51,999)
(6) Phased-In Recognition of Investment Income		
a. Current Year: 0.20 x (5)d	\$	(10,400)
b. First Prior Year		18,608
c. Second Prior Year		10,260
d. Third Prior Year		(49,227)
e. Fourth Prior Year		(22,173)
f. Total Recognized Investment Gain	\$	(52,932)
(7) Actuarial Value End of Year: [(1) + (4) + (5)c + (6)f]	\$	909,399



Schedule B – Development of Actuarial Value of Assets

POLITICAL SUBDIVISIONS
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)

(1)	Actuarial Value Beginning of Year	\$	12,986,598
(2)	Market Value End of Year	\$	12,867,357
(3)	Market Value Beginning of Year	\$	12,767,072
(4)	Cash Flow		
	a. Contributions	\$	613,572
	b. Benefit Payments		(673,019)
	c. Administrative Expenses		(9,703)
	d. Net Transfers		(1)
	e. Net Cash Flow: [(4)a + (4)b + (4)c + (4)d]	\$	(69,151)
(5)	Investment Income		
	a. Market total: (2) – (3) – (4)e	\$	169,436
	b. Assumed Rate		7.00%
	c. Amount of Immediate Recognition [(3) x (5)b] + [(4)e – (4)c] x (5)b x 0.5] – (4)c	\$	901,316
	d. Amount for Phased-in Recognition: (5)a – (5)c	\$	(731,880)
(6)	Phased-In Recognition of Investment Income		
	a. Current Year: 0.20 x (5)d	\$	(146,376)
	b. First Prior Year		258,796
	c. Second Prior Year		140,754
	d. Third Prior Year		(684,826)
	e. Fourth Prior Year		(307,323)
	f. Total Recognized Investment Gain	\$	(738,975)
(7)	Actuarial Value End of Year: (1) + (4) + (5)c + (6)f	\$	13,079,788



Schedule C – Summary of Changes in Net Assets

**STATE EMPLOYEES
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)**

Additions for the Year

Contributions:	
Members	\$ 188,266
Members (paid by employer)	1,412
Employers	<u>118,166</u>
Total	\$ 307,844
Miscellaneous Revenue	(35)
Net Investment Income	<u>163,720</u>
TOTAL	\$ <u>471,529</u>

Deductions for the Year

Benefit Payments	\$ 961,209
Refunds	22,863
Transfers	214
Administrative Expenses	<u>10,929</u>
TOTAL	\$ <u>995,215</u>

Excess of Additions Over Deductions \$ (523,686)

Reconciliation of Asset Balances

Market Value of Assets as of 6/30/2011	\$ 13,992,901
Excess of Additions over Deductions	<u>(523,686)</u>
Market Value of Assets as of 6/30/2012*	<u>\$ 13,469,215</u>

*The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B).



Schedule C – Summary of Changes in Net Assets

TEACHERS
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)

Additions for the Year

Contributions:	
Members	\$ 7,203
Members (paid by employer)	357,044
Employers	<u>450,433</u>
Total	\$ 814,680
Miscellaneous Revenue	1
Net Investment Income	<u>298,805</u>
TOTAL	\$ 1,113,486

Deductions for the Year

Benefit Payments	\$ 1,654,377
Refunds	30,468
Transfers	(104)
Administrative Expenses	<u>18,958</u>
TOTAL	<u>\$ 1,703,699</u>

Excess of Additions Over Deductions \$ (590,213)

Reconciliation of Asset Balances

Market Value of Assets as of 6/30/2011	\$ 24,520,362
Excess of Additions over Deductions	<u>(590,213)</u>
Market Value of Assets as of 6/30/2012*	<u>\$ 23,930,149</u>

*The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B).



Schedule C – Summary of Changes in Net Assets

**STATE POLICE
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)**

Additions for the Year

Contributions:	
Members	\$ 5,167
Members (paid by employer)	1
Employers	<u>11,443</u>
Total	\$ 16,611
Miscellaneous Revenue	-
Net Investment Income	<u>7,052</u>
TOTAL	\$ <u>23,663</u>

Deductions for the Year

Benefit Payments	\$ 46,113
Refunds	319
Transfers	-
Administrative Expenses	<u>449</u>
TOTAL	\$ <u>46,881</u>

Excess of Additions Over Deductions \$ (23,218)

Reconciliation of Asset Balances

Market Value of Assets as of 6/30/2011	\$ 598,686
Excess of Additions over Deductions	<u>(23,218)</u>
Market Value of Assets as of 6/30/2012*	<u>\$ 575,468</u>

*The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B).



Schedule C – Summary of Changes in Net Assets

JUDICIAL
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)

Additions for the Year

Contributions:	
Members	\$ 47
Members (paid by employer)	2,921
Employers	<u>18,907</u>
Total	\$ 21,875
Miscellaneous Revenue	-
Net Investment Income	<u>4,697</u>
TOTAL	\$ <u>26,572</u>

Deductions for the Year

Benefit Payments	\$ 33,454
Refunds	-
Transfers	-
Administrative Expenses	<u>269</u>
TOTAL	\$ <u>33,723</u>

Excess of Additions Over Deductions \$ (7,151)

Reconciliation of Asset Balances

Market Value of Assets as of 6/30/2011	\$ 361,401
Excess of Additions over Deductions	<u>(7,151)</u>
Market Value of Assets as of 6/30/2012*	<u>\$ 354,250</u>

*The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B).



Schedule C – Summary of Changes in Net Assets

**VIRGINIA LAW OFFICERS
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)**

Additions for the Year

Contributions:		
Members	\$	17,510
Members (paid by employer)		48
Employers		<u>24,644</u>
Total	\$	42,202
Miscellaneous Revenue		(4)
Net Investment Income		<u>11,500</u>
TOTAL	\$	<u>53,698</u>

Deductions for the Year

Benefit Payments	\$	64,849
Refunds		4,027
Transfers		(110)
Administrative Expenses		<u>682</u>
TOTAL	\$	<u>69,448</u>

Excess of Additions Over Deductions \$ (15,750)

Reconciliation of Asset Balances

Market Value of Assets as of 6/30/2011	\$	910,666
Excess of Additions over Deductions		<u>(15,750)</u>
Market Value of Assets as of 6/30/2012*	\$	<u>894,916</u>

*The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B).



Schedule C – Summary of Changes in Net Assets

**POLITICAL SUBDIVISIONS
FOR THE YEAR ENDING June 30, 2012
(\$ IN THOUSANDS)**

Additions for the Year

Contributions:	
Members	\$ 12,774
Members (paid by employer)	199,066
Employers	<u>401,732</u>
Total	\$ 613,572
Miscellaneous Revenue	(1)
Net Investment Income	<u>169,436</u>
TOTAL	\$ <u>783,007</u>

Deductions for the Year

Benefit Payments	\$ 641,773
Refunds	31,246
Transfers	-
Administrative Expenses	<u>9,703</u>
TOTAL	\$ <u>682,722</u>

Excess of Additions Over Deductions \$ 100,285

Reconciliation of Asset Balances

Market Value of Assets as of 6/30/2011	\$ 12,767,072
Excess of Additions over Deductions	<u>100,285</u>
Market Value of Assets as of 6/30/2012*	\$ 12,867,357

*The Market Value of Assets shown above is used in the determination of the Actuarial Value of Assets (Schedule B).



Schedule D – Outline of Actuarial Assumptions and Methods

Assumptions and Methods which apply to all VRS Plans

Investment Return Rate:	7.00% per annum, compounded annually (net of administrative expenses).
Inflation Assumption:	2.50% per year.
Actuarial Cost Method:	Entry age normal cost method. Actuarial gains and losses are reflected in the unfunded actuarial accrued liability. See Section E for a detailed explanation.
Funding Period:	29 years from valuation date. The amortization period of the unfunded less the deferred contribution, will decrease by one each year until reaching the minimum period of 20 years. The deferred contribution, as defined under HB30, is to be amortized using a level-dollar, closed, 10 year period beginning June 30, 2011.
Payroll Growth Rate:	3% per annum.
Asset Valuation Method:	The method of valuing assets is intended to recognize a “smoothed” market value of assets. Under this method, the difference between actual return on market value from investment experience and the expected return on market value is recognized over a five-year period. The resulting actuarial value of assets cannot be less than 80% or more than 120% of the market value of assets.
Cost-of-living Increase:	2.5% per year compounded annually for Plan 1 members receiving benefits or vested as of January 1, 2013 and 2.25% compounded annually for all other members. The temporary supplement for SPORS and VaLORS members is assumed to be adjusted biennially based on increases of 2.5% per annum compounded annually.
Percent Electing a Deferred Termination Benefit:	Terminating members are assumed to elect a return of contributions or a deferred annuity, whichever is most valuable benefit at the time of termination. Termination benefits are assumed to commence at normal retirement age.
Marriage Assumption:	100% of active employees are assumed to be married, with spouses the same age as participants.



Schedule D – State Employees’ Actuarial Assumptions and Methods

STATE EMPLOYEES
Plan Specific Assumptions and Methods

MORTALITY RATES:

Pre-Retirement:

1994 Group Annuity Mortality Tables for males and females with a one year setback in age for males and females.

Post-Retirement:

1994 Group Annuity Mortality Tables for males and females with a one year setback in age for males and females.

Post-Disablement:

70% of PBGC Disabled Mortality Table 5a for Males.
90% of PBGC Disabled Mortality Table 6a for Females.

Mortality Rates				
Age	Male		Female	
	Pre- and Post-retirement	Post-disablement	Pre- and Post-retirement	Post-disablement
20	0.0484%	3.3810%	0.0280%	2.3670%
25	0.0624	3.3810	0.0291	2.3670
30	0.0779	2.5340	0.0331	2.1330
35	0.0849	1.9460	0.0449	1.9260
40	0.0999	1.9740	0.0652	1.8810
45	0.1458	2.2540	0.0923	2.0160
50	0.2326	2.6810	0.1310	2.3130
55	0.3979	3.3740	0.2084	2.6550
60	0.7090	4.2210	0.3863	2.9790
65	1.2940	4.7460	0.7621	3.3300
70	2.1729	5.1730	1.2709	3.6990
75	3.4051	5.8940	2.0381	4.4280
80	5.5861	7.8960	3.5362	6.7140
85	8.9613	11.7740	6.0979	10.1520
90	13.9452	17.6750	10.4594	15.1380

14% of pre-retirement deaths are assumed to be service related. Mortality improvement is anticipated under the post-retirement mortality assumption as recent mortality experience shows actual deaths approximately 70% greater than expected under the selected tables.



Schedule D – State Employees’ Actuarial Assumptions and Methods

RETIREMENT RATES: The following rates of retirement are assumed for members eligible to retire from the Prior Plan.

Separations from Active Service due to Retirement				
Percentage of Members Separating within the Next Year				
Age	Male		Female	
	Less than 30 Years of Service	More than 30 Years of Service	Less than 30 Years of Service	More than 30 Years of Service
<=49	0.00%	0.00%	0.00%	0.00%
50	3.00	10.00	3.22	10.00
51	3.00	10.00	3.07	10.00
52	3.00	10.00	3.00	10.00
53	3.00	10.00	3.00	10.00
54	3.00	10.00	3.50	10.00
55	5.00	10.00	5.00	10.00
56	5.00	10.00	5.00	10.00
57	4.50	10.00	4.50	10.00
58	4.00	10.00	5.50	10.00
59	5.00	10.00	5.50	10.00
60	5.00	10.00	5.50	15.00
61	10.00	15.00	10.00	20.00
62	15.00	25.00	15.00	30.00
63	15.00	20.00	15.00	20.00
64	15.00	20.00	15.00	20.00
65	40.00	30.00	40.00	40.00
66	40.00	25.00	40.00	30.00
67	40.00	25.00	40.00	25.00
68	40.00	20.00	40.00	25.00
69	40.00	20.00	40.00	20.00
>=70	100.00	100.00	100.00	100.00



Schedule D – State Employees’ Actuarial Assumptions and Methods

RETIREMENT RATES: The following rates of retirement are assumed for members eligible to retire from the New Plan.

Separations from Active Service due to Retirement				
Percentage of Members Separating within the Next Year				
Age	Male		Female	
	Reduced Retirement	Unreduced Retirement	Reduced Retirement	Unreduced Retirement
<=49	0.00%	0.00%	0.00%	0.00%
50	0.00	10.00	0.00	10.00
51	0.00	10.00	0.00	10.00
52	0.00	10.00	0.00	10.00
53	0.00	10.00	0.00	10.00
54	0.00	10.00	0.00	10.00
55	0.00	10.00	0.00	10.00
56	0.00	10.00	0.00	10.00
57	0.00	10.00	0.00	10.00
58	0.00	10.00	0.00	10.00
59	0.00	10.00	0.00	10.00
60	5.00	10.00	5.50	15.00
61	10.00	15.00	10.00	20.00
62	15.00	25.00	15.00	30.00
63	15.00	20.00	15.00	20.00
64	15.00	20.00	15.00	20.00
65	40.00	30.00	40.00	40.00
66	40.00	25.00	40.00	30.00
67	40.00	25.00	40.00	25.00
68	40.00	20.00	40.00	25.00
69	40.00	20.00	40.00	20.00
>=70	100.00	100.00	100.00	100.00



Schedule D – State Employees’ Actuarial Assumptions and Methods

DISABILITY RATES: As shown below for selected ages. 14% of disability cases are assumed to be service related.

Separations from Active Service due to Disability Percentage of Members Separating within the Next Year		
Age	Male	Female
20	0.1000%	0.0100%
25	0.1000	0.1000
30	0.2000	0.1500
35	0.2000	0.2500
40	0.2000	0.2900
45	0.4000	0.3400
50	0.5000	0.5500
55	0.6000	0.8100
60	0.8000	1.0000
65	0.7000	0.9000



Schedule D – State Employees’ Actuarial Assumptions and Methods

TERMINATION RATES: The following withdrawal rates for members of the Prior Plan are used based on age and years of service. (For causes other than death, disability, or retirement)

Separations from Active Service due to Termination Percentage of Male Members Separating within the Next Year											
Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	>=10
20	26.0%	26.0%	26.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	0.0%
25	22.0	22.0	22.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	0.0
30	20.0	20.0	20.0	11.5	11.5	11.5	11.5	11.5	11.5	11.5	5.0
35	17.0	17.0	17.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	4.5
40	15.0	15.0	15.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	3.4
45	14.0	14.0	14.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	2.3
50	12.0	12.0	12.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	2.0
55	10.0	10.0	10.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5	0.0
60	12.0	12.0	12.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0
65	12.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	0.0

Separations from Active Service due to Termination Percentage of Female Members Separating within the Next Year											
Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	>=10
20	30.0%	30.0%	30.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	0.0%
25	25.5	25.5	25.5	16.0	16.0	16.0	16.0	16.0	16.0	16.0	0.0
30	22.5	22.5	22.5	14.0	14.0	14.0	14.0	14.0	14.0	14.0	6.0
35	19.0	19.0	19.0	11.5	11.5	11.5	11.5	11.5	11.5	11.5	5.0
40	16.5	16.5	16.5	9.0	9.0	9.0	9.0	9.0	9.0	9.0	3.6
45	14.0	14.0	14.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	2.5
50	13.5	13.5	13.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	2.0
55	12.0	12.0	12.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0
60	12.5	12.5	12.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0
65	13.0	13.0	13.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	0.0



Schedule D – State Employees’ Actuarial Assumptions and Methods

TERMINATION RATES: The following withdrawal rates for members of the New Plan are used based on age and years of service. (For causes other than death, disability, or retirement)

Separations from Active Service due to Termination Percentage of Male Members Separating within the Next Year											
Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	>=10
20	26.0%	26.0%	26.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	0.0%
25	22.0	22.0	22.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	0.0
30	20.0	20.0	20.0	11.5	11.5	11.5	11.5	11.5	11.5	11.5	5.0
35	17.0	17.0	17.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	4.5
40	15.0	15.0	15.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	3.4
45	14.0	14.0	14.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	2.3
50	12.0	12.0	12.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	2.0
55	10.0	10.0	10.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5	0.4
60	12.0	12.0	12.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0
65	12.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	0.0

Separations from Active Service due to Termination Percentage of Female Members Separating within the Next Year											
Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	>=10
20	30.0%	30.0%	30.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	0.0%
25	25.5	25.5	25.5	16.0	16.0	16.0	16.0	16.0	16.0	16.0	0.0
30	22.5	22.5	22.5	14.0	14.0	14.0	14.0	14.0	14.0	14.0	6.0
35	19.0	19.0	19.0	11.5	11.5	11.5	11.5	11.5	11.5	11.5	5.0
40	16.5	16.5	16.5	9.0	9.0	9.0	9.0	9.0	9.0	9.0	3.6
45	14.0	14.0	14.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	2.5
50	13.5	13.5	13.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	2.0
55	12.0	12.0	12.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.4
60	12.5	12.5	12.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0
65	13.0	13.0	13.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	0.0



Schedule D – State Employees’ Actuarial Assumptions and Methods

SALARY INCREASE RATES: The following salary increase rates are used. Inflation rate of 2.50% plus productivity component of 1.25% plus step-rate/promotional component as shown:

Pay Increase Assumptions for an Individual Member			
Years of Service	Annual Step Rate/ Promotional Rates	Inflation & Productivity (Economy)	Total Increase (Next Year)
1	1.85%	3.75%	5.60%
2	1.85	3.75	5.60
3	1.25	3.75	5.00
4	0.95	3.75	4.70
5	0.95	3.75	4.70
6	0.95	3.75	4.70
7	0.85	3.75	4.60
8	0.75	3.75	4.50
9	0.50	3.75	4.25
10	0.50	3.75	4.25
11-19	0.15	3.75	3.90
20 or more	0.00	3.75	3.75

DISABILITY ELECTION: All active members hired on or after January 1, 1999 will enter the Virginia Sickness and Disability Program (VSDP) and will not be eligible to receive non-VSDP disability benefits. For members hired before January 1, 1999 we measure the liabilities based upon the member’s actual election contained in the valuation data.



Schedule D – Teachers’ Actuarial Assumptions and Methods

TEACHERS
Plan Specific Assumptions and Methods

MORTALITY RATES:

Pre-Retirement:

1994 Group Annuity Mortality Tables for males and females with a one year setback in age for males and females.

Post-Retirement:

1994 Group Annuity Mortality Tables for males and females with a three year setback in age for males and females.

Post-Disablement:

70% of PBGC Disabled Mortality Table 5a for Males.
90% of PBGC Disabled Mortality Table 6a for Females.

Mortality Rates						
Age	Male			Female		
	Pre-retirement	Post-retirement	Post-disablement	Pre-retirement	Post-retirement	Post-disablement
20	0.0484%	0.0430%	3.3810%	0.0280%	0.0262%	2.3670%
25	0.0624	0.0556	3.3810	0.0291	0.0289	2.3670
30	0.0779	0.0727	2.5340	0.0331	0.0302	2.1330
35	0.0849	0.0839	1.9460	0.0449	0.0397	1.9260
40	0.0999	0.0891	1.9740	0.0652	0.0551	1.8810
45	0.1458	0.1252	2.2540	0.0923	0.0825	2.0160
50	0.2326	0.1899	2.6810	0.1310	0.1112	2.3130
55	0.3979	0.3213	3.3740	0.2084	0.1734	2.6550
60	0.7090	0.5581	4.2210	0.3863	0.2919	2.9790
65	1.2940	1.0147	4.7460	0.7621	0.5832	3.3300
70	2.1729	1.8034	5.1730	1.2709	1.0764	3.6990
75	3.4051	2.8481	5.8940	2.0381	1.6506	4.4280
80	5.5861	4.5171	7.8960	3.5362	2.8366	6.7140
85	8.9613	7.5532	11.7740	6.0979	4.9153	10.1520
90	13.9452	11.5671	17.6750	10.4594	8.4023	15.1380

5% of pre-retirement deaths are assumed to be service related. Mortality improvement is anticipated under the post-retirement mortality assumption as recent mortality experience shows actual deaths approximately 34% greater than expected under the selected tables.



Schedule D – Teachers’ Actuarial Assumptions and Methods

RETIREMENT RATES: The following rates of retirement are assumed for members eligible to retire from the Prior Plan.

Separations from Active Service due to Retirement Percentage of Members Separating within the Next Year				
Age	Male		Female	
	Less than 30 Years of Service	More than 30 Years of Service	Less than 30 Years of Service	More than 30 Years of Service
<=49	0.00%	0.00%	0.00%	0.00%
50	2.00	17.50	2.00	15.00
51	2.00	17.50	2.40	15.00
52	2.00	17.50	2.70	15.00
53	2.30	17.50	2.40	15.00
54	4.00	17.50	3.70	15.00
55	5.70	22.50	6.10	22.50
56	4.60	22.50	5.40	22.50
57	4.50	22.50	5.70	22.50
58	6.60	22.50	6.20	22.50
59	7.00	22.50	7.50	22.50
60	7.50	22.50	8.50	22.50
61	11.00	30.00	12.00	30.00
62	17.00	35.00	17.00	40.00
63	14.00	35.00	16.00	35.00
64	18.00	30.00	16.50	25.00
65	40.00	40.00	40.00	40.00
66	40.00	35.00	40.00	35.00
67	40.00	20.00	40.00	30.00
68	40.00	20.00	40.00	25.00
69	40.00	20.00	40.00	20.00
>=70	100.00	100.00	100.00	100.00



Schedule D – Teachers’ Actuarial Assumptions and Methods

RETIREMENT RATES: The following rates of retirement are assumed for members eligible to retire from the New Plan.

Separations from Active Service due to Retirement Percentage of Members Separating within the Next Year				
Age	Male		Female	
	Reduced Retirement	Unreduced Retirement	Reduced Retirement	Unreduced Retirement
<=49	0.00%	0.00%	0.00%	0.00%
50	0.00	17.50	0.00	15.00
51	0.00	17.50	0.00	15.00
52	0.00	17.50	0.00	15.00
53	0.00	17.50	0.00	15.00
54	0.00	17.50	0.00	15.00
55	0.00	22.50	0.00	22.50
56	0.00	22.50	0.00	22.50
57	0.00	22.50	0.00	22.50
58	0.00	22.50	0.00	22.50
59	0.00	22.50	0.00	22.50
60	7.50	22.50	8.50	22.50
61	11.00	30.00	12.00	30.00
62	17.00	35.00	17.00	40.00
63	14.00	35.00	16.00	35.00
64	18.00	30.00	16.50	25.00
65	40.00	40.00	40.00	40.00
66	40.00	35.00	40.00	35.00
67	40.00	20.00	40.00	30.00
68	40.00	20.00	40.00	25.00
69	40.00	20.00	40.00	20.00
>=70	100.00	100.00	100.00	100.00



Schedule D – Teachers’ Actuarial Assumptions and Methods

DISABILITY RATES: As shown below for selected ages. 5% of disability cases are assumed to be service related.

Separations from Active Service due to Disability Percentage of Members Separating within the Next Year		
Age	Male	Female
20	0.0000%	0.0000%
25	0.0120	0.0070
30	0.0150	0.0170
35	0.0270	0.0500
40	0.0320	0.0600
45	0.1530	0.0700
50	0.2040	0.1500
55	0.3000	0.3400
60	0.4740	0.4000
65	0.4250	0.5500



Schedule D – Teachers’ Actuarial Assumptions and Methods

TERMINATION RATES: The following withdrawal rates are used based on age and years of service.
(For causes other than death, disability, or retirement)

Separations from Active Service due to Termination Percentage of Male Members Separating within the Next Year											
Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	>=10
20	20.0%	20.0%	20.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	0.8%
25	15.0	15.0	15.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	0.8
30	15.0	15.0	15.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	4.0
35	14.0	14.0	14.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	3.2
40	14.0	14.0	14.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	2.5
45	15.0	15.0	15.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	1.9
50	13.5	13.5	13.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0	1.5
55	14.0	14.0	14.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	0.0
60	17.0	17.0	17.0	8.3	8.3	8.3	8.3	8.3	8.3	8.3	0.0
>=65	17.0	17.0	17.0	8.3	8.3	8.3	8.3	8.3	8.3	8.3	0.0

Separations from Active Service due to Termination Percentage of Female Members Separating within the Next Year											
Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	>=10
20	17.0%	17.0%	17.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	0.0%
25	14.0	14.0	14.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	15.0
30	17.0	17.0	17.0	11.5	11.5	11.5	11.5	11.5	11.5	11.5	5.0
35	15.0	15.0	15.0	9.7	9.7	9.7	9.7	9.7	9.7	9.7	4.0
40	12.5	12.5	12.5	7.7	7.7	7.7	7.7	7.7	7.7	7.7	2.8
45	11.5	11.5	11.5	6.3	6.3	6.3	6.3	6.3	6.3	6.3	2.0
50	11.8	11.8	11.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	1.7
55	12.5	12.5	12.5	5.7	5.7	5.7	5.7	5.7	5.7	5.7	0.0
60	13.0	13.0	13.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	0.0
>=65	13.0	13.0	13.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	0.0



Schedule D – Teachers’ Actuarial Assumptions and Methods

SALARY INCREASE RATES: The following salary increase rates are used. Inflation rate of 2.50% plus productivity component of 1.25% plus step-rate/promotional component as shown:

Pay Increase Assumptions for an Individual Member			
Years of Service	Annual Step Rate/ Promotional Rates	Inflation & Productivity (Economy)	Total Increase (Next Year)
1	2.45%	3.75%	6.20%
2	2.35	3.75	6.10
3	2.35	3.75	6.10
4	1.95	3.75	5.70
5	1.95	3.75	5.70
6	1.95	3.75	5.70
7	1.85	3.75	5.60
8	1.85	3.75	5.60
9	1.85	3.75	5.60
10	1.35	3.75	5.10
11	1.35	3.75	5.10
12	1.35	3.75	5.10
13	1.25	3.75	5.00
14	1.25	3.75	5.00
15	1.15	3.75	4.90
16	1.15	3.75	4.90
17	1.05	3.75	4.80
18	0.95	3.75	4.70
19	0.95	3.75	4.70
20 or more	0	3.75	3.75



Schedule D – State Police Actuarial Assumptions and Methods

STATE POLICE
Plan Specific Assumptions and Methods

MORTALITY RATES:

Pre-Retirement:

1994 Group Annuity Mortality Tables for males and females with a one year setback in age for males and females.

Post-Retirement:

1994 Group Annuity Mortality Tables for males and females with a four year setback in age for males and females.

Post-Disablement:

70% of PBGC Disabled Mortality Table 5a for Males.
90% of PBGC Disabled Mortality Table 6a for Females.

Mortality Rates						
Age	Male			Female		
	Pre-retirement	Post-retirement	Post-disablement	Pre-retirement	Post-retirement	Post-disablement
20	0.0484%	0.0391%	3.3810%	0.0280%	0.0242%	2.3670%
25	0.0624	0.0530	3.3810	0.0291	0.0286	2.3670
30	0.0779	0.0696	2.5340	0.0331	0.0294	2.1330
35	0.0849	0.0821	1.9460	0.0449	0.0373	1.9260
40	0.0999	0.0862	1.9740	0.0652	0.0512	1.8810
45	0.1458	0.1156	2.2540	0.0923	0.0768	2.0160
50	0.2326	0.1722	2.6810	0.1310	0.1033	2.3130
55	0.3979	0.2872	3.3740	0.2084	0.1568	2.6550
60	0.7090	0.4949	4.2210	0.3863	0.2563	2.9790
65	1.2940	0.8986	4.7460	0.7621	0.5093	3.3300
70	2.1729	1.6239	5.1730	1.2709	0.9694	3.6990
75	3.4051	2.5951	5.8940	2.0381	1.4953	4.4280
80	5.5861	4.0858	7.8960	3.5362	2.5325	6.7140
85	8.9613	6.8615	11.7740	6.0979	4.3952	10.1520
90	13.9452	10.5792	17.6750	10.4594	7.5347	15.1380

60% of pre-retirement deaths are assumed to be service related. Mortality improvement is anticipated under the post-retirement mortality assumption as recent mortality experience shows actual deaths approximately 95% greater than expected under the selected tables.



Schedule D – State Police Actuarial Assumptions and Methods

RETIREMENT RATES: The following rates of retirement are assumed for members eligible to retire.

Separations from Active Service due to Retirement Percentage of Members Separating within the Next Year		
Age	Both Sexes	
	Less than 25 Years of Service	More than 25 Years of Service
<=49	0.00%	0.00%
50	10.00	15.00
51	10.00	15.00
52	10.00	15.00
53	10.00	15.00
54	10.00	10.00
55	10.00	15.00
56	10.00	15.00
57	10.00	15.00
58	12.00	20.00
59	12.00	20.00
60	25.00	40.00
61	35.00	40.00
62	50.00	100.00
63	50.00	100.00
>=64	100.00	100.00



Schedule D – State Police Actuarial Assumptions and Methods

DISABILITY RATES: As shown below for selected ages. 60% of disability cases are assumed to be service related.

Separations from Active Service due to Disability Percentage of Members Separating within the Next Year	
Age	Unisex
<=29	0.0000%
30	0.0281
35	0.1341
40	0.2100
45	0.4106
50	0.6750
55	1.0013
>=60	0.0000



Schedule D – State Police Actuarial Assumptions and Methods

TERMINATION RATES: The following withdrawal rates are used based on age and years of service.
(For causes other than death, disability, or retirement)

Separations from Active Service due to Termination Percentage of Male Members Separating within the Next Year											
Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	>=10
20	7.5%	7.5%	7.5%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	3.0%
25	7.5	7.5	7.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	3.0
30	7.5	7.5	7.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	3.0
35	7.5	7.5	7.5	4.8	4.8	4.8	4.8	4.8	4.8	4.8	2.4
40	7.5	7.5	7.5	4.8	4.8	4.8	4.8	4.8	4.8	4.8	1.8
45	10.0	10.0	10.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	1.4
50	10.0	10.0	10.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	1.2
55	10.0	10.0	10.0	6.7	6.7	6.7	6.7	6.7	6.7	6.7	1.2
60	10.0	10.0	10.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	1.2
65	10.0	10.0	10.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	1.2

Separations from Active Service due to Termination Percentage of Female Members Separating within the Next Year											
Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	>=10
20	18.4%	12.5%	10.1%	10.8%	11.6%	12.2%	12.3%	9.6%	7.0%	5.3%	3.6%
25	18.3	13.3	10.8	10.5	10.4	10.5	10.2	8.3	6.6	5.4	4.4
30	18.1	14.4	11.9	10.2	9.1	8.4	7.8	6.9	6.2	5.7	5.5
35	17.0	14.4	12.1	10.0	8.5	7.4	6.7	6.3	6.2	6.0	6.1
40	15.2	13.5	11.7	9.8	8.4	7.4	6.7	6.5	6.4	6.2	6.2
45	12.7	11.7	10.8	9.8	9.0	8.2	7.7	7.5	6.8	6.4	5.9
50	9.4	9.1	9.3	10.0	10.1	10.0	9.8	9.2	7.5	6.6	5.2
55	5.2	5.7	7.4	10.2	11.9	12.6	12.9	11.8	8.4	6.7	4.1
60	1.0	1.3	4.9	10.6	14.2	16.2	17.1	15.1	9.6	6.8	2.6
65	0.0	0.0	1.5	11.1	17.1	20.5	22.2	19.1	11.0	6.9	0.6



Schedule D – State Police Actuarial Assumptions and Methods

SALARY INCREASE RATES: The following salary increase rates are used. Inflation rate of 2.50% plus productivity component of 1.00% plus step-rate/promotional component as shown:

Pay Increase Assumptions for an Individual Member			
Years of Service	Annual Step Rate/ Promotional Rates	Inflation & Productivity (Economy)	Total Increase (Next Year)
1	1.25%	3.50%	4.75%
2	1.25	3.50	4.75
3	1.25	3.50	4.75
4	1.25	3.50	4.75
5	1.15	3.50	4.65
6-9	0.90	3.50	4.40
10-19	0.50	3.50	4.00
20 or more	0.00	3.50	3.50

It is assumed members covered under VSDP receive a 3.50% annual increase in pay while disabled and this adjusted pay is used to determine deferred benefits payable from the System.

DISABILITY ELECTION: All active members hired on or after January 1, 1999 will enter the Virginia Sickness and Disability Program (VSDP) and will not be eligible to receive non-VSDP disability benefits. For members hired before January 1, 1999 we measure the liabilities based upon the member's actual election contained in the valuation data.



Schedule D – Judicial Actuarial Assumptions and Methods

JUDICIAL
Plan Specific Assumptions and Methods

MORTALITY RATES:

Pre-Retirement:

1994 Group Annuity Mortality Tables for males and females with a one year setback in age for males and females.

Post-Retirement:

1994 Group Annuity Mortality Tables for males and females with a one year setback in age for males and females.

Post-Disablement:

70% of PBGC Disabled Mortality Table 5a for Males.
90% of PBGC Disabled Mortality Table 6a for Females.

Table with 5 columns: Age, Male (Pre- and Post-retirement, Post-disablement), Female (Pre- and Post-retirement, Post-disablement). Rows for ages 20 to 90.

5% of pre-retirement deaths are assumed to be service related.



Schedule D – Judicial Actuarial Assumptions and Methods

RETIREMENT RATES: The following rates of retirement are assumed for members eligible to retire with an unreduced retirement benefit.

Separations from Active Service due to Retirement Percentage of Members Separating within the Next Year								
Age	Service Multiplier = 2.5 Years of Service				Service Multiplier = 3.5 Years of Service			
	<=1	2-11	12	>=13	<1	1-8	9	>=10
<=59	0%	0%	0%	0%	0%	0%	0%	0%
60	0	0	50	50	0	0	50	50
61	0	0	50	15	0	0	50	15
62	0	0	50	15	0	0	50	15
63	0	0	50	15	0	0	50	15
64	0	0	50	15	0	0	50	15
65	0	50	15	15	0	50	50	15
66	0	15	15	15	0	15	15	15
67	0	15	15	15	0	15	15	15
68	0	15	15	15	0	15	15	15
69	0	15	15	15	0	15	15	15
>=70	0	100	100	100	0	100	100	100

DISABILITY RATES: As shown below for selected ages. 5% of disability cases are assumed to be service related.

Separations from Active Service due to Disability Percentage of Members Separating within the Next Year		
Age	Male	Female
<=29	0.0000%	0.0000%
30	0.0070	0.0070
35	0.0370	0.0450
40	0.1420	0.0900
45	0.2920	0.2100
50	0.4800	0.3970
55	0.7120	0.6000
>=60	0.0000	0.0000



Schedule D – Judicial Actuarial Assumptions and Methods

TERMINATION RATES: There are no assumed rates of withdrawal prior to service retirement. (For causes other than death, disability, or retirement).

SALARY INCREASE RATES: Salary increase rates are 4.5%.



Schedule D – Virginia Law Officers’ Actuarial Assumptions and Methods

VIRGINIA LAW OFFICERS
Plan Specific Assumptions and Methods

MORTALITY RATES:

Pre-Retirement:

1994 Group Annuity Mortality Tables for males and females with a one year setback in age for males and females.

Post-Retirement:

1994 Group Annuity Mortality Tables for males and females with a four year setback in age for males and females.

Post-Disablement:

70% of PBGC Disabled Mortality Table 5a for Males.
90% of PBGC Disabled Mortality Table 6a for Females.

Table with 7 columns: Age, Male Pre-retirement, Male Post-retirement, Male Post-disablement, Female Pre-retirement, Female Post-retirement, Female Post-disablement. Rows range from age 20 to 90.

60% of pre-retirement deaths are assumed to be service related. Mortality improvement is anticipated under the post-retirement mortality assumption as recent mortality experience shows actual deaths approximately 99% greater than expected under the selected tables.



Schedule D – Virginia Law Officers’ Actuarial Assumptions and Methods

RETIREMENT RATES: The following rates of retirement are assumed for members eligible to retire.

Separations from Active Service due to Retirement Percentage of Members Separating within the Next Year		
Age	Unisex	
	Less than 25 Years of Service	More than 25 Years of Service
<=49	0.00%	0.00%
50	9.20	25.00
51	9.00	15.00
52	9.00	15.00
53	9.00	15.00
54	10.00	15.00
55	9.50	20.00
56	9.00	20.00
57	12.00	20.00
58	10.00	25.00
59	12.00	25.00
60	20.00	40.00
61	26.00	50.00
62	40.00	100.00
63	20.00	100.00
64	20.00	100.00
>=65	100.00	100.00



Schedule D – Virginia Law Officers’ Actuarial Assumptions and Methods

DISABILITY RATES: As shown below for selected ages. 60% of disability cases are assumed to be service related.

Separations from Active Service due to Disability Percentage of Members Separating within the Next Year	
Age	Unisex
<=27	0.0000%
28	0.0250
29	0.0250
30	0.0250
35	0.1140
40	0.1810
45	0.2690
50	0.4740
55	0.7820
60	0.6200
61	0.6200
62	0.6200
>=63	0.0000



Schedule D – Virginia Law Officers’ Actuarial Assumptions and Methods

TERMINATION RATES: The following withdrawal rates are used based on age and years of service.
(For causes other than death, disability, or retirement)

Separations from Active Service due to Termination Percentage of Male Members Separating within the Next Year											
Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	>=10
20	25.0%	25.0%	25.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	5.0%
25	20.0	20.0	20.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	5.0
30	20.0	20.0	20.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	5.0
35	20.0	20.0	20.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	5.0
40	15.0	15.0	15.0	10.5	10.5	10.5	10.5	10.5	10.5	10.5	4.0
45	15.0	15.0	15.0	10.5	10.5	10.5	10.5	10.5	10.5	10.5	4.0
50	15.0	15.0	15.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	4.0
55	12.0	12.0	12.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5	4.0
60	12.5	12.5	12.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0	4.0
65	15.0	15.0	15.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	4.0

Separations from Active Service due to Termination Percentage of Female Members Separating within the Next Year											
Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	>=10
20	20.0%	20.0%	20.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	7.5%
25	20.0	20.0	20.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	7.5
30	20.0	20.0	20.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	7.5
35	20.0	20.0	20.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	7.5
40	17.5	17.5	17.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	6.2
45	17.5	17.5	17.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0	5.9
50	17.5	17.5	17.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0	6.0
55	10.0	10.0	10.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	6.0
60	10.0	10.0	10.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	6.0
65	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	6.0



Schedule D – Virginia Law Officers’ Actuarial Assumptions and Methods

SALARY INCREASE RATES: The following salary increase rates are used. Inflation rate of 2.50% plus productivity component of 1.00% plus step-rate/promotional component as shown:

Pay Increase Assumptions for an Individual Member			
Years of Service	Annual Step Rate/ Promotional Rates	Inflation & Productivity (Economy)	Total Increase (Next Year)
1	1.25%	3.50%	4.75%
2	1.25	3.50	4.75
3	1.25	3.50	4.75
4	1.25	3.50	4.75
5	1.15	3.50	4.65
6-9	0.90	3.50	4.40
10-19	0.50	3.50	4.00
20 or more	0.00	3.50	3.50

It is assumed members covered under VSDP receive a 3.50% annual increase in pay while disabled and this adjusted pay is used to determine deferred benefits payable from the System.

DISABILITY ELECTION: All active members hired on or after January 1, 1999 will enter the Virginia Sickness and Disability Program (VSDP) and will not be eligible to receive non-VSDP disability benefits. For members hired before January 1, 1999 we measure the liabilities based upon the member’s actual election contained in the valuation data.



Schedule D – Summary of Actuarial Assumption and Method Changes

2009 Valuation

1. Changes to the actuarial assumptions as a result of the experience study for the four-year period ending June 30, 2008 are stated below.

SYSTEM	ASSUMPTION CHANGE
State	Increase rates of withdrawals Increase rates of disability retirement up to age 52, females Decrease rates of disability retirement after age 52, all members Decrease rates of service retirement
Teachers	Increase rates of withdrawals Increase rates of disability retirement Decrease rates of service retirement
SPORS	Decrease rates of withdrawals, males Decrease rates of service retirement
VaLORS	Increase rates of withdrawals Decrease rates of disability retirement Change rates of service retirement
Judicial	Increase rates of salary increases

2. For the June 30, 2009 valuation the Board suspended application of the 80%/120% market value of assets corridor on the actuarial value of assets.

2010 Valuation

The investment return rate was decreased from 7.50% per annum to 7.00% per annum.

2011 Valuation

The amortization period of the unfunded less the deferred contribution begins at 30 years on June 30, 2011 and will decrease by one each year until reaching the minimum period of 20 years. The deferred contribution, as defined under HB30, is to be amortized using a level-dollar, closed, 10 year period.



Schedule E – Actuarial Cost Method

ACTUARIAL COST METHOD

1. The valuation is prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability, termination from service or death. The calculations are based on the member's age, years of service, sex, compensation, expected future salary increases, and an assumed future interest earnings rate (currently 7.00%). The calculations consider the probability of a member's death or termination of employment prior to becoming eligible for a benefit and the probability of the member terminating with a service, disability, or survivor's benefit. The present value of the expected benefits payable to active members is added to the present value of the expected future payments to current benefit recipients to obtain the present value of all expected benefits payable to the present group of members and survivors.
2. The employer contributions required to support the benefits of VRS are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made for pension benefits to determine the uniform and constant percentage rate of employer contribution which, if applied to the compensation of the average new member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions and member contributions from the present value of expected benefits to be paid from the VRS. The accrued liability contribution amortizes the balance of the unfunded accrued liability over a period of years from the valuation date.



Schedule F – Summary of Plan Provisions

Benefit Provisions which apply to all VRS Plans

Plan Year:	Twelve-month period ending June 30th.
Administration:	All plans are administered by the Board of Trustees of the Virginia Retirement System.
Plan 1:	Members hired prior to July 1, 2010.
Plan 2:	Members hired on or after July 1, 2010.
Prior Plan:	Members in Plan 1 that are vested as of January 1, 2013.
New Plan:	Members in Plan 1 that are not vested as of January 1, 2013 and all Plan 2 members.
Eligibility:	All full-time, salaried, permanent employees of the Commonwealth of Virginia or of any participating Virginia city, county, town or political subdivision or of any local Virginia school boards are eligible to become members of VRS. This summary covers the provisions relating to state employees.
Employee Contributions:	All active members contribute 5.00% of their creditable compensation per year. The employer may "pick-up" the member's assessments under the provisions of Internal Revenue Code Section 414(h).
Creditable Compensation:	Annual salary minus any overtime pay, payments of a temporary nature, or payments for extra duties.
Optional Forms of Payment:	There are optional forms of payment available on an actuarially equivalent basis, as follows: 100% Survivor Option: Payable for the member's life. Upon the member's death, 100% of the benefit continues to the contingent annuitant. 50% Survivor Option: Upon the member's death, 50% of the benefit continues to the contingent annuitant. Leveling Option: A temporarily increased retirement allowance payable to a date specified by the member and a reduced retirement allowance (on an actuarially equivalent basis) payable after the specified date for the member's remaining lifetime.



Schedule F – Summary of Plan Provisions

Partial Lump Sum Option:

The member may elect to receive a lump sum payment equal to the sum of 12, 24, or 36 payments of the standard monthly life annuity. The member's monthly benefit will be actuarially reduced to reflect the lump sum payment. The member may then elect to receive the reduced monthly annuity under any of the other optional forms of payment.

Actuarial equivalence is based on tables adopted by the Board of Trustees.



Schedule F – State Employees' Plan Provisions

STATE EMPLOYEES
Plan Specific Benefit Provisions

Effective Date:	March 1, 1952
Type of Plan:	VRS is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is considered an agent multiple-employer PERS with separate cost-sharing pools for state employees and teachers.
Service:	Employees receive credit of one month of service for each month a contribution is made on their behalf to VRS. A member may also purchase credit for certain periods, such as time spent in the military, by paying a purchase rate (5 or 15 percent of the larger of current creditable compensation or final average compensation times the number of years to be purchased). Special rules and limits govern the purchase of additional service.
Average Final Compensation:	
Prior Plan:	The average of the member's highest 36 consecutive months of salary.
New Plan:	The average of the member's highest 60 consecutive months of salary.
Normal Retirement:	
Prior Plan:	Eligibility: A member may retire upon Normal Retirement on or after age 65 with credit for 5 years of service. Annual Benefit: 1.7% of average final compensation (AFC) times years of service. Payment Form: Benefits are paid as a monthly life annuity, with a guarantee that if the payments do not exceed the member's contributions plus interest, determined as of the date at retirement, the balance will be paid in a lump sum to the member's beneficiary. Optional forms of payment are available.



Schedule F – State Employees' Plan Provisions

New Plan:

Eligibility:

A member may retire upon Normal Retirement after reaching Social Security normal retirement age plus five years of service.

Annual Benefit:

1.70% of average final compensation (AFC) times years of service up to January 1, 2013 plus 1.65% of AFC times years of service from January 1, 2013.

Payment Form:

Benefits are paid as a monthly life annuity, with a guarantee that if the payments do not exceed the member's contributions plus interest, determined as of the date at retirement, the balance will be paid in a lump sum to the member's beneficiary. Optional forms of payment are available.

Early Retirement:

Prior Plan:

Eligibility:

A member may retire early after reaching age 50 with at least ten years of service credit, or age 55 with credit for at least five years of service.

Annual Benefit:

Calculated the same as the normal retirement benefit, using actual service at retirement and multiplied by a reduction factor. No reduction applies if the member has credit for thirty years of service at retirement and is at least age 50. For members at least age 55, the reduction is 0.5% per month for the first 60 months and 0.4% per month for the next 60 months. This reduction is applied for each month that the retirement age precedes 65, or if more favorable, for each month the service at retirement is less than 30. For members younger than 55 at retirement, the reduction factor determined as though the member were 55 is further reduced by multiplying it by a second factor, to reflect a 0.6% reduction for each month retirement precedes age 55.

Payment Form:

Same as for Normal Retirement above.



Schedule F – State Employees' Plan Provisions

New Plan:

Eligibility:

A member may retire early after reaching age 60 with five years of service, or upon the sum of their age and their service being 90 (Rule of 90).

Annual Benefit:

Calculated the same as the normal retirement benefit, using actual service at retirement and multiplied by a reduction factor. The reduction is an actuarially equivalent factor. No reduction is applied if the sum of the member's age and service is equal to 90.

Payment Form:

Same as for Normal Retirement above.

Disability Retirement - Non-VSDP:

Eligibility:

A member hired prior to 1/1/1999 and who has declined VSDP coverage is eligible from the first day of employment.

Annual Benefit:

For members with less than five years of service credit, the minimum guaranteed benefit. For members with greater than five years of service credit, the greater of the minimum guaranteed benefit and 1.7% of AFC times service credit. Benefit is reduced by Worker's Compensation (if any).

Minimum Guaranteed Benefit:

- Workers Compensation Guarantee:
66 2/3% of AFC if member does not qualify for primary Social Security and 50% of AFC if member qualifies for primary Social Security.
- Special Retirement Allowance Guarantee:
50% of AFC if member does not qualify for primary Social Security and 33 1/3% of AFC if member qualifies for primary Social Security.



Schedule F – State Employees' Plan Provisions

Service Credit:

If disability occurs before age 60, service is the smaller of 1) twice actual service, and 2) rendered service plus the number of years remaining between age at disability and age 60.

Payment Form:

The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump sum to the member's beneficiary. 100% and 50% Survivor Options are also permitted for disability retirement. (A refund of the member's contribution account is paid out for a work-related disability.)

Disability Retirement – VSDP:

Provisions applying to members entering in 1999 or later and continuing members who have elected this benefit: In lieu of the above benefits, these members will be covered by the Virginia Sickness and Disability Program (VSDP). Under VSDP, these members will receive a deferred benefit payable at age 65 from this plan. The deferred benefit will be computed like a normal retirement benefit. For this calculation, a member's creditable service will include the period of disability, and the Average Final Compensation will be adjusted to reflect increases in the cost-of-living between the date of disability and age 65. If the member dies while disabled before age 65, a death benefit will be determined as though the employee were an active member.

Deferred Termination Benefit:

Prior Plan:

Eligibility:

A member with at least five years of service who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Annual Benefit:

Same as normal retirement benefit, but both AFC and service are determined at the time the member leaves active employment. Benefits may commence unreduced at age 65 or at age 50 with at least 30 years of service. Reduced benefits may commence at or after age 55 with more than 5 years of service or age 50 with at least 10 years of service.



Schedule F – State Employees' Plan Provisions

Payment Form:

Same as for Normal Retirement above.

Death Benefit:

The beneficiary of a member who dies after leaving active service but before retiring is entitled to receive a lump sum distribution of the deceased member's contribution account.

New Plan:

Eligibility:

A member with at least five years of service who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Annual Benefit:

Same as normal retirement benefit, but both AFC and service are determined at the time the member leaves active employment. Benefits commence unreduced at Social Security Normal Retirement Age. Reduced benefits may commence on or after age 60 with five years of service.

Payment Form:

Same as for Normal Retirement above.

Death Benefit:

The beneficiary of a member who dies after leaving active service but before retiring is entitled to receive a lump sum distribution of the deceased member's contribution account.

Withdrawal (Refund) Benefit:

Eligibility:

All members leaving covered employment with less than five years of service are eligible. Optionally, vested members (those with five or more years of service) may withdraw their contributions plus interest in lieu of the deferred benefits otherwise due.

Benefit:

The member who withdraws receives a lump-sum payment of his/her employee contributions, plus the interest credited on these contributions. Interest is credited at 4%.



Schedule F – State Employees' Plan Provisions

Death Benefit:

Eligibility:

Death must have occurred while an active or inactive, non-retired member.

Benefit:

Upon the death of a non-vested member, a refund of the member's contributions and interest is paid. Upon the death of a vested member, if death occurs while in active service the qualifying survivor of the member is entitled to receive a benefit determined as though the member retired, elected the 100% Survivor Option, then died. If the member dies before reaching age 55, the member is assumed to be 55 for benefit calculation purposes. The qualifying survivor may elect to receive a refund of the contributions plus interest in lieu of the monthly benefit. If the death occurs while inactive, benefits payable are described in Section 9(d).

Work-Related Death:

Qualifying survivor would receive 50% of AFC if beneficiary does not qualify for Social Security survivor benefits and 33 1/3% of AFC if beneficiary qualifies for Social Security survivor benefits. This benefit is reduced by Worker's Compensation. In addition, a refund of the member's contribution account is paid to the beneficiary.

Cost-of-Living Increase:

Prior Plan:

Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 3% of the Consumer Price Index increase plus half of each percentage increase from 3% to 7%.

New Plan:

Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 2% increase of the Consumer Price Index plus half of each percent from 2% to 4%, with the maximum cost-of-living increase of 3%.

Prior & New Plan:

The COLA is deferred for one full calendar year after the member reaches unreduced retirement age. The deferred COLA does not apply to employees within 5 years of eligibility for unreduced retirement as of January 1, 2013 and to members who retire with twenty or more years of service.



Schedule F – Teachers’ Plan Provisions

TEACHERS
Plan Specific Benefit Provisions

Effective Date:	March 1, 1952
Type of Plan:	VRS is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is considered an agent multiple-employer PERS with separate cost-sharing pools for state employees and teachers.
Service:	Employees receive credit of one month of service for each month a contribution is made on their behalf to VRS. A member may also purchase credit for certain periods, such as time spent in the military, by paying a purchase rate (5 or 15 percent of the larger of current creditable compensation or final average compensation times the number of years to be purchased). Special rules and limits govern the purchase of additional service.
Average Final Compensation:	
Prior Plan:	The average of the member’s highest 36 consecutive months of salary.
New Plan:	The average of the member’s highest 60 consecutive months of salary.
Normal Retirement:	
Prior Plan:	Eligibility: A member may retire upon Normal Retirement on or after age 65 with credit for 5 years of service. Annual Benefit: 1.7% of average final compensation (AFC) times years of service. Payment Form: Benefits are paid as a monthly life annuity, with a guarantee that if the payments do not exceed the member's contributions plus interest, determined as of the date at retirement, the balance will be paid in a lump sum to the member's beneficiary. Optional forms of payment are available.



Schedule F – Teachers’ Plan Provisions

New Plan:

Eligibility:

A member may retire upon Normal Retirement after reaching Social Security normal retirement age plus five years of service.

Annual Benefit:

1.70% of average final compensation (AFC) times years of service up to January 1, 2013 plus 1.65% of AFC times years of service from January 1, 2013.

Payment Form:

Benefits are paid as a monthly life annuity, with a guarantee that if the payments do not exceed the member's contributions plus interest, determined as of the date at retirement, the balance will be paid in a lump sum to the member's beneficiary. Optional forms of payment are available.

Early Retirement:

Prior Plan:

Eligibility:

A member may retire early after reaching age 50 with at least ten years of service credit, or age 55 with credit for at least five years of service.

Annual Benefit:

Calculated the same as the normal retirement benefit, using actual service at retirement and multiplied by a reduction factor. No reduction applies if the member has credit for thirty years of service at retirement and is at least age 50. For members at least age 55, the reduction is 0.5% per month for the first 60 months and 0.4% per month for the next 60 months. This reduction is applied for each month that the retirement age precedes 65, or if more favorable, for each month the service at retirement is less than 30. For members younger than 55 at retirement, the reduction factor determined as though the member were 55 is further reduced by multiplying it by a second factor, to reflect a 0.6% reduction for each month retirement precedes age 55.

Payment Form:

Same as for Normal Retirement above.



Schedule F – Teachers’ Plan Provisions

New Plan:

Eligibility:

A member may retire early after reaching age 60 with five years of service or upon the sum of their age and their service being 90 (Rule of 90).

Annual Benefit:

Calculated the same as the normal retirement benefit, using actual service at retirement and multiplied by a reduction factor. The reduction is an actuarially equivalent factor. No reduction is applied if the sum of the member’s age and service is equal to 90.

Payment Form:

Same as for Normal Retirement above.

Disability Retirement:

Eligibility:

A member is eligible from the first day of employment.

Annual Benefit:

For members with less than five years of service credit, the minimum guaranteed benefit. For members with greater than five years of service credit, the greater of the minimum guaranteed benefit and 1.7% of AFC times service credit. Benefit is reduced by Worker’s Compensation (if any).

Minimum Guaranteed Benefit:

- Workers Compensation Guarantee:
66 2/3% of AFC if member does not qualify for primary Social Security and 50% of AFC if member qualifies for primary Social Security.
- Special Retirement Allowance Guarantee:
50% of AFC if member does not qualify for primary Social Security and 33 1/3% of AFC if member qualifies for primary Social Security.



Schedule F – Teachers’ Plan Provisions

Service Credit:

If disability occurs before age 60, service is the smaller of 1) twice actual service, and 2) rendered service plus the number of years remaining between age at disability and age 60.

Payment Form:

The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump sum to the member's beneficiary. 100% and 50% Survivor Options are also permitted for disability retirement. (A refund of the member's contribution account is paid out for a work-related disability.)

Deferred Termination Benefit:

Prior Plan:

Eligibility:

A member with at least five years of service who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Annual Benefit:

Same as normal retirement benefit, but both AFC and service are determined at the time the member leaves active employment. Benefits may commence unreduced at age 65 or at age 50 with at least 30 years of service. Reduced benefits may commence at or after age 55 with more than 5 years of service or age 50 with at least 10 years of service.

Payment Form:

Same as for Normal Retirement above.

Death Benefit:

The beneficiary of a member who dies after leaving active service but before retiring is entitled to receive a lump sum distribution of the deceased member's contribution account.



Schedule F – Teachers’ Plan Provisions

New Plan:

Eligibility:

A member with at least five years of service who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Annual Benefit:

Same as normal retirement benefit, but both AFC and service are determined at the time the member leaves active employment. Benefits commence unreduced at Social Security Normal Retirement Age. Reduced benefits may commence on or after age 60 with five years of service.

Payment Form:

Same as for Normal Retirement above.

Death Benefit:

The beneficiary of a member who dies after leaving active service but before retiring is entitled to receive a lump sum distribution of the deceased member's contribution account.

Withdrawal (Refund) Benefit:

Eligibility:

All members leaving covered employment with less than five years of service are eligible. Optionally, vested members (those with five or more years of service) may withdraw their contributions plus interest in lieu of the deferred benefits otherwise due.

Benefit:

The member who withdraws receives a lump-sum payment of his/her employee contributions, plus the interest credited on these contributions. Interest is credited at 4%.

Death Benefit:

Eligibility:

Death must have occurred while an active or inactive, non-retired member.



Schedule F – Teachers’ Plan Provisions

Benefit:

Upon the death of a non-vested member, a refund of the member's contributions and interest is paid. Upon the death of a vested member, if death occurs while in active service the qualifying survivor of the member is entitled to receive a benefit determined as though the member retired, elected the 100% Survivor Option, then died. If the member dies before reaching age 55, the member is assumed to be 55 for benefit calculation purposes. The qualifying survivor may elect to receive a refund of the contributions plus interest in lieu of the monthly benefit. If the death occurs while inactive, benefits payable are described in Section 9(d).

Work-Related Death:

Qualifying survivor would receive 50% of AFC if beneficiary does not qualify for Social Security survivor benefits and 33 1/3% of AFC if beneficiary qualifies for Social Security survivor benefits. This benefit is reduced by Worker's Compensation. In addition, a refund of the member's contribution account is paid to the beneficiary.

Cost-of-Living Increase:

- Prior Plan: Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 3% of the Consumer Price Index increase plus half of each percentage increase from 3% to 7%.
- New Plan: Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 2% increase of the Consumer Price Index plus half of each percent from 2% to 4%, with the maximum cost-of-living increase of 3%.
- Prior & New Plan: The COLA is deferred for one full calendar year after the member reaches unreduced retirement age. The deferred COLA does not apply to employees within 5 years of eligibility for unreduced retirement as of January 1, 2013 and to members who retire with twenty or more years of service.



Schedule F – State Police Plan Provisions

STATE POLICE
Plan Specific Benefit Provisions

Effective Date:	July 1, 1950
Type of Plan:	SPORS is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is considered a single-employer PERS.
Service:	Employees receive credit of one month of service for each month a contribution is made on their behalf to SPORS. A member may also purchase credit for certain periods, such as time spent in the military, by paying a purchase rate (5 or 15 percent of the larger of current creditable compensation or final average compensation times the number of years to be purchased). Special rules and limits govern the purchase of additional service.
Average Final Compensation:	
Prior Plan:	The average of the member's highest 36 consecutive months of salary.
New Plan:	The average of the member's highest 60 consecutive months of salary.
Normal Retirement:	Eligibility: A member may retire upon Normal Retirement on or after age 60 with credit for 5 years of service.
	Annual Benefit: 1.85% of average final compensation (AFC) times years of service. (Previously 1.7% of AFC times years of service.)
	Payment Form: Benefits are paid as a monthly life annuity, with a guarantee that if the payments do not exceed the member's contributions plus interest, determined as of the date at retirement, the balance will be paid in a lump sum to the member's beneficiary. Optional forms of payment are available.



Schedule F – State Police Plan Provisions

Temporary supplement:

A member hired on or after July 1, 1974 who has 20 or more years of hazardous service at retirement or a member hired before July 1, 1974 who is vested under SPORS/VaLORS benefits shall receive an additional annual retirement allowance of \$12,456 payable from the date of retirement to their Social Security normal retirement age. This amount is adjusted biennially based upon increases in Social Security benefits during the interim period.

Early Retirement:

Eligibility:

A member may retire early after reaching age 50 with at least five years of service.

Annual Benefit:

Calculated the same as the normal retirement benefit, using actual service at retirement and reduced by 1/2% for the first 60 months and 4/10% for any additional months of early retirement. This reduction is applied for each month that the retirement age precedes 60, or if more favorable, for each month the service at retirement is less than 25. No reduction applies if the member has credit for 25 years of service at retirement.

Payment Form:

Same as for Normal Retirement above.

Temporary Supplement:

A member hired on or after July 1, 1974 who has 20 or more years of hazardous service at retirement or a member hired before July 1, 1974 who is vested under SPORS/VaLORS benefits shall receive an additional annual retirement allowance of \$12,456 payable from the date of retirement to their Social Security normal retirement age. This amount is adjusted biennially based upon increases in Social Security benefits during the interim period.



Schedule F – State Police Plan Provisions

Disability Retirement - Non-VSDP:

Eligibility:

A member hired prior to 1/1/1999 and who has declined VSDP coverage is eligible from the first day of employment.

Monthly Benefit:

For members with less than five years of service credit, the minimum guaranteed benefit. For members with greater than five years of service credit, the greater of the minimum guaranteed benefit and 1.7% of AFC times service credit. Benefit is reduced by Worker's Compensation (if any).

Minimum Guaranteed Benefit:

- Workers Compensation Guarantee:

66 2/3% of AFC if member does not qualify for primary Social Security and 50% of AFC if member qualifies for primary Social Security.
- Special Retirement Allowance Guarantee:

50% of AFC if member does not qualify for primary Social Security and 33 1/3% of AFC if member qualifies for primary Social Security.

Service Credit:

If disability occurs before age 60, service is the smaller of 1) twice actual service, and 2) rendered service plus the number of years remaining between age at disability and age 60.



Schedule F – State Police Plan Provisions

Payment Form:

The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump sum to the member's beneficiary. 100% and 50% Survivor Options are also permitted for disability retirement. (A refund of the member's contribution account is paid out for a work-related disability.)

Disability Retirement – VSDP:

Provisions applying to members entering in 1999 or later and continuing members who have elected this benefit: In lieu of the above benefits, these members will be covered by the Virginia Sickness and Disability Program (VSDP). Under VSDP, these members will receive a deferred benefit payable at age 60 from this plan. The deferred benefit will be computed like a normal retirement benefit. For this calculation, a member's creditable service will include the period of disability, and the Average Final Compensation will be adjusted to reflect increases in the cost-of-living between the date of disability and age 60. If the member dies while disabled before age 60, a death benefit will be determined as though the employee were an active member.

Deferred Termination Benefit:

Eligibility:

A member with at least five years of service who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Annual Benefit:

Same as normal retirement benefit, but both AFC and service are determined at the time the member leaves active employment. Benefits may commence unreduced at age 60 or at age 50 with at least 25 years of service. Reduced benefits may commence at or after age 50 if the member is not eligible for an unreduced benefit.

Payment Form:

The form of payment is the same as for Normal Retirement above.



Schedule F – State Police Plan Provisions

Death Benefit:

The beneficiary of a member who dies after leaving active service but before retiring is entitled to receive a lump sum distribution of the deceased member's contribution account.

Withdrawal (Refund) Benefit:

Eligibility:

All members leaving covered employment with less than five years of service are eligible. Optionally, vested members (those with five or more years of service) may withdraw their contributions plus interest in lieu of the deferred benefits otherwise due.

Benefit:

The member who withdraws receives a lump-sum payment of his/her employee contributions, plus the interest credited on these contributions. Interest is credited at 4%.

Death Benefit

Eligibility:

Death must have occurred while an active, non-retired member.

Benefit:

Upon the death of a non-vested member, a refund of the member's contributions and interest is paid. Upon the death of a vested member, if death occurs while in active service the qualifying survivor of the member is entitled to receive a benefit determined as though the member retired, elected the 100% Survivor Option, then died. If the member dies before reaching age 50, the member is assumed to be 50 for benefit calculation purposes. The qualifying survivor may elect to receive a refund of the contributions plus interest in lieu of the monthly benefit. If the death occurs while inactive, benefits payable are described in Section 9(d).

Work-Related Death:

Qualifying survivor would receive 50% of AFC if beneficiary does not qualify for Social Security survivor benefits and 33 1/3% of AFC if beneficiary qualifies for Social Security survivor benefits. This benefit is reduced by Worker's Compensation. In addition, a refund of the member's contribution account is paid to the beneficiary.



Schedule F – State Police Plan Provisions

Cost-of-Living Increase:

Prior Plan:	Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 3% of the Consumer Price Index increase plus half of each percentage increase from 3% to 7%.
New Plan:	Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 2% increase of the Consumer Price Index plus half of each percent from 2% to 4%, with the maximum cost-of-living increase of 3%. This COLA will be deferred until the date at which the member is eligible for unreduced retirement.
Prior & New Plan:	The COLA is deferred for one full calendar year after the member reaches unreduced retirement age. The deferred COLA does not apply to employees within 5 years of eligibility for unreduced retirement as of January 1, 2013 and to members who retire with twenty or more years of service.



Schedule F – Judicial Plan Provisions

JUDICIAL
Plan Specific Benefit Provisions

Effective Date:	July 1, 1970
Type of Plan:	JRS is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is considered a single-employer PERS.
Service:	
Plan 1:	Employees receive credit of one month of service multiplied by a weighting factor of 3.5 (2.5 for judges entering JRS on or after January 1, 1995) for each month a contribution is made on their behalf to JRS. This weighted service is used for all purposes under this plan, including determining a member's vested status, determining whether a member is eligible for retirement, computing early retirement reductions, and computing the amount of the benefit. A member may also purchase credit for certain periods, such as time spent in the military, by paying a purchase rate (5 or 15 percent of the larger of current creditable compensation or final average compensation times the number of years to be purchased). Special rules and limits govern the purchase of additional service.
Plan 2:	Employees receive credit of one month of service multiplied by a tiered weighting factor for each month a contribution is made on their behalf to JRS. First term judges under age 45 use a weighting factor of 1.5, judges age 45 – 54 use a weighting factor of 2.0, and judges age 55 and above use a weighting factor of 2.5. This weighted service is used for all purposes under this plan, including determining a member's vested status, determining whether a member is eligible for retirement, computing early retirement reductions, and computing the amount of the benefit. A member may also purchase credit for certain periods, such as time spent in the military, by paying a purchase rate (5 or 15 percent of the larger of current creditable compensation or final average compensation times the number of years to be purchased). Special rules and limits govern the purchase of additional service.
Average Final Compensation:	
Prior Plan:	The average of the member's highest 36 consecutive months of salary.
New Plan:	The average of the member's highest 60 consecutive months of salary.



Schedule F – Judicial Plan Provisions

Normal Retirement

Eligibility:

A member may retire upon Normal Retirement on or after age 65 with credit for 5 years of service.

Annual Benefit:

Prior Plan: 1.7% of average final compensation (AFC) times years of service, not to exceed 78% of AFC. For members hired after January 1, 2013, the benefit multiplier is 1.65%.

Payment Form:

Benefits are paid as a monthly life annuity, with a guarantee that if the payments do not exceed the member's contributions plus interest, determined as of the date at retirement, the balance will be paid in a lump sum to the member's beneficiary. Optional forms of payment are available.

Early Retirement

Eligibility:

A member may retire early after reaching age 55 with credit for five years of service.

Annual Benefit:

Calculated the same as the normal retirement benefit, using actual service at retirement and multiplied by a reduction factor. No reduction applies if the member has reached age 60 and has credit for 30 or more years of creditable service. For other members, the reduction is 0.5% per month for the first 60 months and 0.4% per month for the next 60 months. This reduction is measured from the later of age 60 and the point at which the member would have earned 30 years of service, or if more favorable, from age 65.

Payment Form:

Same as for Normal Retirement above.



Schedule F – Judicial Plan Provisions

Disability Retirement

Eligibility:

A member is eligible from the first day of employment.

Annual Benefit:

For members with less than five years of service credit, the minimum guaranteed benefit. For members with greater than five years of service credit, the greater of the minimum guaranteed benefit and 1.7% of AFC times service credit. Benefit is reduced by Worker's Compensation (if any).

Minimum Guaranteed Benefit:

- **Workers Compensation Guarantee:**

66 2/3% of AFC if member does not qualify for primary Social Security and 50% of AFC if member qualifies for primary Social Security.

- **Special Retirement Allowance Guarantee**

50% of AFC if member does not qualify for primary Social Security and 33 1/3% of AFC if member qualifies for primary Social Security.

Service Credit:

If disability occurs before age 60, service is the smaller of 1) twice actual service, and 2) rendered service plus the number of years remaining between age at disability and age 60.

Payment Form:

The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump sum to the member's beneficiary. 100% and 50% Survivor Options are also permitted for disability retirement. (A refund of the member's contribution account is paid out for a work-related disability.)



Schedule F – Judicial Plan Provisions

Deferred Termination Benefit Eligibility:

A member with at least five years of service who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit

Annual Benefit:

Same as normal retirement benefit, but both AFC and service are determined at the time the member leaves active employment. Benefits may commence unreduced at age 65 or at age 60 with at least 30 years of service. Reduced benefits may commence at or after age 55 if the member is not eligible for an unreduced benefit.

Payment Form:

The form of payment is the same as for Normal Retirement above.

Death Benefit:

The beneficiary of a member who dies after leaving active service but before retiring is entitled to receive a lump sum distribution of the deceased member's contribution account.

Withdrawal (Refund) Benefit

Eligibility:

All members leaving covered employment with less than five years of service are eligible. Optionally, vested members (those with five or more years of service) may withdraw their contributions plus interest in lieu of the deferred benefits otherwise due.

Benefit:

The member who withdraws receives a lump-sum payment of his/her employee contributions, plus the interest credited on these contributions. Interest is credited at 4%.



Schedule F – Judicial Plan Provisions

Death Benefit

Eligibility:

Death must have occurred while an active, non-retired member.

Benefit:

Upon the death of a non-vested member, a refund of the member's contributions and interest is paid. Upon the death of a vested member, if death occurs while in active service the qualifying survivor of the member is entitled to receive a benefit determined as though the member retired, elected the 100% Survivor Option, then died. If the member dies before reaching age 55, the member is assumed to be 55 for benefit calculation purposes. The qualifying survivor may elect to receive a refund of the contributions plus interest in lieu of the monthly benefit. If the death occurs while inactive, benefits payable are described in Section 8(d).

Work-Related Death:

Qualifying survivor would receive 50% of AFC if beneficiary does not qualify for Social Security survivor benefits, and 33 1/3% of AFC if beneficiary qualifies for Social Security survivor benefits. This benefit is reduced by Worker's Compensation. In addition, a refund of the member's contribution account is paid to the beneficiary.

Cost-of-Living Increase:

Prior Plan:

Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 3% of the Consumer Price Index increase plus half of each percentage increase from 3% to 7%.

New Plan:

Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 2% increase of the Consumer Price Index plus half of each percent from 2% to 4%, with the maximum cost-of-living increase of 3%.

Prior & New Plan:

The COLA is deferred for one full calendar year after the member reaches unreduced retirement age. The deferred COLA does not apply to employees within 5 years of eligibility for unreduced retirement as of January 1, 2013 and to members who retire with twenty or more years of service.



Schedule F – Virginia Law Officers’ Plan Provisions

**VIRGINIA LAW OFFICERS
Plan Specific Benefit Provisions**

Effective Date:	October 1, 1999
Type of Plan:	VaLORS is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is considered a single-employer PERS.
Service:	Employees receive credit of one month of service for each month a contribution is made on their behalf to VaLORS. A member may also purchase credit for certain periods, such as time spent in the military, by paying a purchase rate (5 or 15 percent of the larger of current creditable compensation or final average compensation times the number of years to be purchased). Special rules and limits govern the purchase of additional service.
Average Final Compensation:	
Prior Plan:	The average of the member’s highest 36 consecutive months of salary.
New Plan:	The average of the member’s highest 60 consecutive months of salary.
Normal Retirement:	Eligibility: A member may retire upon Normal Retirement on or after age 60 with credit for 5 years of service. Annual Benefit: For all employees hired on or after July 1, 2001, the benefit is calculated as 2.0% of average final compensation (AFC) times years of service. Employees hired before July 1, 2001, must make a one-time election to receive benefits under (i) or (ii) below: (i) 1.7% of average final compensation (AFC) times years of service plus the temporary supplement described in 5(d). (ii) 2.0% of average final compensation (AFC) times years of service and no temporary supplement.



Schedule F – Virginia Law Officers’ Plan Provisions

Payment Form:

Benefits are paid as a monthly life annuity, with a guarantee that if the payments do not exceed the member's contributions plus interest, determined as of the date at retirement, the balance will be paid in a lump sum to the member's beneficiary. Optional forms of payment are available.

Temporary supplement:

Temporary Supplement: A member who is hired before July 1, 2001, and who was either (i) hired on or after July 1, 1974 who has 20 or more years of hazardous service at retirement or (ii) a member hired before July 1, 1974 who is vested under SPORS/VaLORS benefits shall be eligible to receive an additional annual retirement allowance of \$12,456 payable from the date of retirement to age 65. This amount is adjusted biennially based upon increases in Social Security benefits during the interim period. The eligible employee must have made a one-time election to receive benefits under b(i) to receive this supplement.

Early Retirement:

Eligibility:

A member may retire early after reaching age 50 with credit for five years of service.

Annual Benefit:

Calculated the same as the normal retirement benefit, using actual service at retirement and reduced by 0.5% per month for the first 60 months and 0.4% per month for any additional months of early retirement. This reduction is applied for each month that the retirement age precedes 60, or if more favorable, for each month the service at retirement is less than 25. No reduction applies if the member has credit for 25 years of service at retirement.

Payment Form:

Same as for Normal Retirement above.



Schedule F – Virginia Law Officers’ Plan Provisions

Temporary Supplement:

Temporary Supplement: A member who is hired before July 1, 2001, and who was either (i) hired on or after July 1, 1974 who has 20 or more years of hazardous service at retirement or (ii) a member hired before July 1, 1974 who is vested under SPORS/VaLORS benefits shall be eligible to receive an additional annual retirement allowance or \$12,456 payable from the date of retirement to age 65. This amount is adjusted biennially based upon increases in Social Security benefits during the interim period. The eligible employee must have made a one-time election to receive benefits under 5(b)(i) to receive this supplement.

Disability Retirement - Non-VSDP:

Eligibility:

A member hired prior to 1/1/1999 and who has declined VSDP coverage is eligible from the first day of employment.

Monthly Benefit:

For members with less than five years of service credit, the minimum guaranteed benefit. For members with greater than five years of service credit, the greater of the minimum guaranteed benefit and 1.7% of AFC times service credit. Benefit is reduced by Worker’s Compensation (if any).

Minimum Guaranteed Benefit:

- Workers Compensation Guarantee:
66 2/3% of AFC if member does not qualify for primary Social Security and 50% of AFC if member qualifies for primary Social Security.
- Special Retirement Allowance Guarantee:
50% of AFC if member does not qualify for primary Social Security and 33 1/3% of AFC if member qualifies for primary Social Security.



Schedule F – Virginia Law Officers' Plan Provisions

Service Credit:

If disability occurs before age 60, service is the smaller of 1) twice actual service, and 2) rendered service plus the number of years remaining between age at disability and age 60.

Payment Form:

The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump sum to the member's beneficiary. 100% and 50% Survivor Options are also permitted for disability retirement. (A refund of the member's contribution account is paid out for a work-related disability.)

Disability Retirement – VSDP:

Provisions applying to members entering in 1999 or later and continuing members who have elected this benefit: In lieu of the above benefits, these members will be covered by the Virginia Sickness and Disability Program (VSDP). Under VSDP, these members will receive a deferred benefit payable at age 60 from this plan. The deferred benefit will be computed like a normal retirement benefit. For this calculation, a member's creditable service will include the period of disability, and the Average Final Compensation will be adjusted to reflect increases in the cost-of-living between the date of disability and age 60. If the member dies while disabled before age 60, a death benefit will be determined as though the employee were an active member.

Deferred Termination Benefit:

Eligibility:

A member with at least five years of service who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Annual Benefit:

Same as normal retirement benefit, but both AFC and service are determined at the time the member leaves active employment. Benefits may commence unreduced at age 60 or at age 50 with at least 25 years of service. Reduced benefits may commence at or after age 50 if the member is not eligible for an unreduced benefit.



Schedule F – Virginia Law Officers' Plan Provisions

Payment Form:

The form of payment is the same as for Normal Retirement above.

Death Benefit:

The beneficiary of a member who dies after leaving active service but before retiring is entitled to receive a lump sum distribution of the deceased member's contribution account.

Withdrawal (Refund) Benefit:

Eligibility:

All members leaving covered employment with less than five years of service are eligible. Optionally, vested members (those with five or more years of service) may withdraw their contributions plus interest in lieu of the deferred benefits otherwise due.

Benefit:

The member who withdraws receives a lump-sum payment of his/her employee contributions, plus the interest credited on these contributions. Interest is credited at 4%.

Death Benefit:

Eligibility:

Death must have occurred while an active or inactive, non-retired member.

Benefit:

Upon the death of a non-vested member, a refund of the member's contributions and interest is paid. Upon the death of a vested member, if death occurs while in active service the qualifying survivor of the member is entitled to receive a benefit determined as though the member retired, elected the 100% Survivor Option, then died. If the member dies before reaching age 50, the member is assumed to be 50 for benefit calculation purposes. The qualifying survivor may elect to receive a refund of the contributions plus interest in lieu of the monthly benefit. If the death occurs while inactive, benefits payable are described in Section 9(d).



Schedule F – Virginia Law Officers’ Plan Provisions

Work-Related Death:

Qualifying survivor would receive 50% of AFC if beneficiary does not qualify for Social Security survivor benefits and 33 1/3% of AFC if beneficiary qualifies for Social Security survivor benefits. This benefit is reduced by Worker's Compensation. In addition, a refund of the member's contribution account is paid to the beneficiary.

Cost-of-Living Increase:

- Prior Plan: Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 3% of the Consumer Price Index increase plus half of each percentage increase from 3% to 7%.
- New Plan: Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 2% increase of the Consumer Price Index plus half of each percent from 2% to 4%, with the maximum cost-of-living increase of 3%.
- Prior & New Plan: The COLA is deferred for one full calendar year after the member reaches unreduced retirement age. The deferred COLA does not apply to employees within 5 years of eligibility for unreduced retirement as of January 1, 2013 and to members who retire with twenty or more years of service.



Schedule F – Summary of Plan Changes

Summary of Plan Changes

1996 Valuation

1. Any member with at least 25 years of service may purchase prior service credit for a) active duty military service in the armed forces of the United States, b) certified creditable service in the retirement system of another state, or c) both at the rate of 5% of current compensation or average final compensation, if greater, times years of service purchased.
2. VRS may enter into an agreement with any political subdivision of the Commonwealth of Virginia which has a defined benefit plan that is not supplemental to VRS to permit portability of service credit on a cost-neutral basis.
3. Early retirement is allowed at age 50 with 10 years of service. The early retirement benefit is determined as if the member is age 55 (but using actual service and AFC) reduced by 0.6% for each month the member is younger than age 55. This benefit can be no smaller than the value of the member's contributions and interest paid in monthly installments over the member's lifetime.
4. The service multiplier for judges entering the Retirement System after January 1, 1995 is 2.5.
5. Effective 7/1/98, a health credit of \$1.50 per month per year of service (up to 30 years) is automatically provided to teachers in VRS who retire with at least 15 years of service. An additional credit of \$1.00 per month per year of service (up to 30 years) can be provided.

1998 Valuation

1. Effective January 1, 1999, the retirement benefit became 1.7% of average final pay times years of service. The 3% benefit adjustment was eliminated for future retirees. A 1.6% ad hoc benefit increase was provided for all retirees and beneficiaries receiving benefits as of December 31, 1999.
2. On January 1, 1999, the Virginia Sickness and Disability Program became effective. All future new members will be covered by this program, and will only receive a deferred retirement benefit from VRS. Members joining before 1999 were allowed to make a one-time irrevocable election to join this program. (Applies to State Employees and State Police.)
3. Effective July 1, 1999, state employees, teachers and employees of participating local units that had not elected out of this benefit may retire with an unreduced benefit if they are at least 50 years old and they have earned at least 30 years of service.

1999 Valuation

1. 100% Joint and Survivor Option is payable in the case of death of a member who dies while in active service.
2. 100% Joint and Survivor Option is payable for disability retirement.



Schedule F – Summary of Plan Changes

2000 Valuation

1. On October 1, 1999, the Virginia Law Officers' Retirement System became effective.
2. On November 15, 2000 the VRS Board of Trustees adopted the recommended economic and demographic assumptions proposed by the actuary as a result of the June 2000 actuarial experience.
3. The Board of Trustees adopted the use of a "pooled" contribution rate for State Employees and Teachers.

2001 Valuation

1. The State Police System had their temporary supplement starting at retirement extended from age 65 to their Social Security retirement age.
2. The Virginia Law Officers System has changed their benefit multiplier from 1.7% to 2.0% of pay with no temporary supplement for all new hires and rehires after July 1, 2001 as well as for current participants who have made an election to change formulas.
3. The Partial Lump Sum Option was added as an additional optional form of payment. This option provides the retiring member with a lump sum payment equal to the sum of 12, 24, or 36 payments of the standard monthly life annuity. The member's monthly annuity is actuarially reduced to reflect the lump sum payment.

2002 Valuation

No material changes were made to the plan provisions.

2003 Valuation

No actuarially material changes were made to the plan provisions. Listed below are the two minor changes of note.

1. School superintendents with five years of service may now purchase an additional ten years of out-of-state service. The superintendent must not be eligible for an out-of-state benefit.
2. The leveling option was restored as an optional form of payment. Benefits may be leveled to age 62 or older, and the benefit cannot reduce more than 50%. Any COLAs are calculated on the basic benefit amount.

2004 Valuation

No material changes were made to the plan provisions.



Schedule F – Summary of Plan Changes

2005 Valuation

No material changes were made to the plan provisions.

2006 Valuation

No material changes were made to the plan provisions.

2007 Valuation

The State Police changed their benefit multiplier from 1.7% to 1.85% of pay.

2008 Valuation

No material changes were made to the plan provisions.

2009 Valuation

The temporary retirement supplement for SPORS and VaLORS changed from \$11,508 to \$12,456.

2010 Valuation

No material changes were made to the plan provisions.

2011 Valuation

In 2010, VRS adopted a second retirement plan. All employees hired on or after July 1, 2010 are automatically enrolled in this plan. The differences between Plan 1 and Plan 2 are listed below:

1. The Average Final Compensation is now based on the highest 60 consecutive months of service.
2. The Cost of Living Adjustment was adjusted to be the first 2% increase of the Consumer Price Index plus half of each percent from 2% to 10%, with the maximum cost-of-living increases of 6%.
3. The Normal Retirement Age is Social Security normal retirement age plus five years of service. A member is eligible for unreduced early retirement when the sum of his or her age plus years of service is 90 (Rule of 90). Eligibility for reduced early retirement is at age 60 with five years of service.
4. Judges service weight has been changed. For first term judges less than age 45 the service weight is 1.5; for judges age 45 – 54 the service weight is 2.0; finally, for judges age 55 and above the service weight is 2.5.

The State Employees Plan and the Teachers Plan adopted changes 1, 2, and 3 listed above. The State Police Plan and the Virginia Law Officers Plan adopted changes 1 and 2 listed above. The Judicial Plan adopted changes 1, 2, and 4



Schedule F – Summary of Plan Changes

2012 Valuation

In, 2012 HB 1130 / SB 498 was enacted and will go into effect on January 1, 2013. A summary of this bill is listed below:

1. Active non-vested members in Plan 1 will have their Average Final Compensation based on the highest 60 consecutive months of service instead of the highest 36 consecutive months of service. This provision applies to all plans.
2. Active non-vested members in Plan 1 and all Plan 2 members will accrue benefits at 1.65% as of the effective date. This provision applies only to the State and Teacher Plans as well as members in political subdivision plans not covered by hazardous duty benefits members.
3. Active members in the Judicial plan hired after January 1, 2013 will accrue benefits at 1.65%.
4. Active non-vested members in Plan 1 will now have to satisfy the Rule of 90 (sum of age and service at least 90) or reach their Social Security Normal Retirement Age to be eligible for Unreduced Retirement. These same members must attain age 60 with 5 years of service to be eligible for Early Retirement. This provision applies only to the State and Teachers Plans as well as members in political subdivision plans not covered by hazardous duty benefits members.
5. Active non-vested members in Plan 1 and all Plan 2 members will only be able to receive a maximum COLA of 3%. This provision applies to all plans.
6. All active employees not within 5 years of eligibility for unreduced retirement as of January 1, 2013 and retiring with less than 20 years of service will have their COLA deferred to one year after their unreduced retirement date after beginning to receive benefits. All active employees within 5 years of eligibility for unreduced retirement as of January 1, 2013 are grandfathered into the old provisions with no deferral of the COLA.



Schedule G – Schedule of Active Member Data

**STATE EMPLOYEES
AS OF June 30, 2012**

Attained Age	Completed Years of Service								Payroll
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	Total	
Under 20	47	0	0	0	0	0	0	47	\$ 987,444
20 to 24	1,648	34	0	0	0	0	0	1,682	\$ 48,734,435
25 to 29	4,108	928	12	0	0	0	0	5,048	\$ 181,693,981
30 to 34	3,546	2,282	502	15	0	0	0	6,345	\$ 266,711,930
35 to 39	2,908	2,248	1,256	290	6	0	0	6,708	\$ 308,688,594
40 to 44	2,785	2,519	1,732	1,070	473	36	0	8,615	\$ 408,498,276
45 to 49	2,625	2,361	1,909	1,307	1,452	836	49	10,539	\$ 508,552,205
50 to 54	2,240	2,310	1,994	1,305	1,731	1,651	1,252	12,483	\$ 620,373,099
55 to 59	1,723	1,999	1,843	1,316	1,505	1,459	2,713	12,558	\$ 661,280,314
60	215	300	333	265	275	259	561	2,208	\$ 117,860,708
61	225	284	298	241	264	254	495	2,061	\$ 112,875,179
62	150	266	264	190	224	200	426	1,720	\$ 97,133,255
63	127	227	205	166	182	180	351	1,438	\$ 83,980,779
64	109	180	212	148	177	163	351	1,340	\$ 78,032,031
65	77	156	160	135	142	122	313	1,105	\$ 64,919,865
66	43	79	97	62	65	72	158	576	\$ 36,718,391
67	33	64	52	43	56	46	143	437	\$ 27,042,649
68	24	53	52	38	34	37	133	371	\$ 24,535,746
69	20	30	37	16	27	27	102	259	\$ 17,374,040
70 & Over	37	74	109	83	97	78	256	734	\$ 47,126,383
Total	22,690	16,394	11,067	6,690	6,710	5,420	7,303	76,274	\$ 3,713,119,304

Average Age: 48.09

Average Service: 12.80



Schedule G – Schedule of Active Member Data

TEACHERS
AS OF June 30, 2012

Attained Age	Completed Years of Service								Payroll
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	Total	
Under 20	10	0	0	0	0	0	0	10	\$ 212,307
20 to 24	3,340	18	0	0	0	0	0	3,358	\$ 121,649,451
25 to 29	10,337	4,468	13	0	0	0	0	14,818	\$ 599,678,264
30 to 34	4,809	9,658	2,713	6	0	0	0	17,186	\$ 757,433,165
35 to 39	3,651	5,345	6,032	1,407	3	0	0	16,438	\$ 763,093,072
40 to 44	4,131	5,252	4,660	4,342	1,365	11	0	19,761	\$ 940,245,770
45 to 49	3,489	5,216	4,130	2,501	2,968	1,093	10	19,407	\$ 906,844,544
50 to 54	2,647	4,620	4,415	2,612	2,233	2,833	1,342	20,702	\$ 1,005,100,619
55 to 59	1,487	3,083	3,741	2,825	2,555	2,048	3,619	19,358	\$ 1,022,903,581
60	205	480	602	490	461	389	729	3,356	\$ 184,132,964
61	179	393	496	438	423	346	579	2,854	\$ 156,358,645
62	160	346	394	429	367	368	486	2,550	\$ 141,627,509
63	108	263	371	297	346	278	350	2,013	\$ 112,496,208
64	89	222	283	234	289	245	298	1,660	\$ 93,060,330
65	63	213	230	203	233	197	240	1,379	\$ 76,652,339
66	34	85	124	106	112	84	125	670	\$ 37,022,014
67	33	71	91	72	65	70	100	502	\$ 27,829,937
68	18	49	65	34	39	39	64	308	\$ 16,728,729
69	11	33	45	40	35	26	79	269	\$ 14,209,101
70 & Over	42	96	97	77	74	64	167	617	\$ 27,298,338
Total	34,843	39,911	28,502	16,113	11,568	8,091	8,188	147,216	\$ 7,004,576,887

Average Age: 45.20

Average Service: 11.86



Schedule G – Schedule of Active Member Data

STATE POLICE
AS OF June 30, 2012

Attained Age	Completed Years of Service								Payroll
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+	Total	
Under 20	0	0	0	0	0	0	0	0	\$ -
20 to 24	89	0	0	0	0	0	0	89	\$ 3,287,012
25 to 29	130	101	0	0	0	0	0	231	\$ 9,899,153
30 to 34	55	185	63	0	0	0	0	303	\$ 14,059,177
35 to 39	22	80	130	36	0	0	0	268	\$ 13,629,481
40 to 44	27	55	76	120	25	1	0	304	\$ 16,501,233
45 to 49	17	33	17	50	137	62	0	316	\$ 19,678,475
50 to 54	15	5	15	21	36	97	29	218	\$ 14,949,552
55 to 59	1	4	2	6	6	17	66	102	\$ 7,891,194
60	0	1	1	0	0	0	6	8	\$ 693,702
61	0	0	0	0	0	1	9	10	\$ 842,691
62	0	0	0	0	0	3	4	7	\$ 634,188
63	0	0	0	1	0	1	3	5	\$ 378,430
64	0	0	0	1	0	0	5	6	\$ 570,561
65	0	1	0	0	0	0	6	7	\$ 590,029
66	0	0	0	0	1	0	2	3	\$ 236,404
67	0	1	0	0	0	0	3	4	\$ 347,880
68	0	0	0	0	0	0	0	0	\$ -
69	0	0	0	0	0	0	0	0	\$ -
70 & Over	0	0	0	0	0	0	0	0	\$ -
Total	356	466	304	235	205	182	133	1,881	\$ 104,189,162

Average Age: 40.78

Average Service: 13.95



Schedule G – Schedule of Active Member Data

**JUDICIAL
AS OF June 30, 2012**

Attained Age	Completed Years of Service							Total	Payroll
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+		
Under 20	0	0	0	0	0	0	0	0	\$ -
20 to 24	0	0	0	0	0	0	0	0	\$ -
25 to 29	0	0	0	0	0	0	0	0	\$ -
30 to 34	0	0	0	0	0	0	0	0	\$ -
35 to 39	1	1	0	0	0	0	0	2	\$ 300,463
40 to 44	10	6	0	0	0	0	0	16	\$ 2,350,672
45 to 49	13	13	4	0	0	0	0	30	\$ 4,333,091
50 to 54	7	26	10	10	1	0	0	54	\$ 8,140,563
55 to 59	13	26	23	16	8	2	0	88	\$ 13,255,844
60	2	3	8	5	4	0	0	22	\$ 3,342,063
61	6	5	6	9	2	0	0	28	\$ 4,157,141
62	1	3	3	3	3	2	0	15	\$ 2,307,456
63	3	1	5	4	5	1	0	19	\$ 2,872,201
64	2	4	5	11	2	3	0	27	\$ 3,995,316
65	1	6	8	6	3	2	0	26	\$ 3,906,019
66	0	0	0	3	3	1	0	7	\$ 1,075,328
67	0	4	8	1	3	2	1	19	\$ 2,843,940
68	0	2	3	0	1	3	2	11	\$ 1,702,247
69	0	0	4	1	1	0	0	6	\$ 869,779
70 & Over	0	3	1	3	1	0	2	10	\$ 1,505,633
Total	59	103	88	72	37	16	5	380	\$ 56,957,756

Average Age: 58.91
Average Service: 12.32



Schedule G – Schedule of Active Member Data

**VIRGINIA LAW OFFICERS
AS OF June 30, 2012**

Attained Age	Completed Years of Service							Total	Payroll
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30+		
Under 20	25	0	0	0	0	0	0	25	\$ 698,756
20 to 24	672	9	0	0	0	0	0	681	\$ 20,585,329
25 to 29	877	329	2	0	0	0	0	1,208	\$ 39,721,327
30 to 34	540	425	129	4	0	0	0	1,098	\$ 37,328,291
35 to 39	377	391	313	132	3	0	0	1,216	\$ 43,536,001
40 to 44	342	367	325	293	79	3	0	1,409	\$ 52,572,362
45 to 49	269	314	276	294	252	94	8	1,507	\$ 59,152,921
50 to 54	195	245	229	187	114	79	25	1,074	\$ 42,361,998
55 to 59	107	157	176	148	67	59	43	757	\$ 31,271,641
60	12	24	23	23	14	0	7	103	\$ 4,163,317
61	9	20	17	16	10	4	7	83	\$ 3,544,227
62	6	14	9	16	9	3	4	61	\$ 2,535,489
63	5	9	13	8	4	2	5	46	\$ 2,010,168
64	5	7	12	8	5	5	6	48	\$ 2,151,343
65	0	4	8	8	2	2	0	24	\$ 1,043,864
66	1	4	1	5	1	0	0	12	\$ 455,695
67	0	1	1	2	0	2	1	7	\$ 320,649
68	1	0	1	0	2	0	0	4	\$ 201,569
69	0	2	0	1	1	1	3	8	\$ 446,652
70 & Over	0	5	2	2	2	0	1	12	\$ 514,052
Total	3,443	2,327	1,537	1,147	565	254	110	9,383	\$ 344,615,651

Average Age: 41.36

Average Service: 9.20



Schedule H – Schedule of Retiree and Beneficiary Data

**RETIREE AND BENEFICIARY DATA
AS OF June 30, 2012**

Employer	Prior Year Total Retirees and Beneficiaries	Retirees and Beneficiaries		Current Year Total Retirees and Beneficiaries	Current Annual Allowances (000s)	Prior Annual Allowances (000s)	Annualized % Increase in Annual Allowances	Average Annual Allowances	Prior Year Average Annual Allowances	% Increase in Average Annual Allowances
		Added	Removed							
State	47,494	2,739	1,618	48,615	\$ 967,750	\$ 912,995	6.0%	\$ 19,906	\$ 19,223	3.6%
Teacher	67,616	4,520	1,550	70,586	1,611,894	1,501,649	7.3%	22,836	22,208	2.8%
Political	37,579	3,234	1,243	39,570	634,291	585,297	8.4%	16,030	15,575	2.9%
Total VRS	152,689	10,493	4,411	158,771	\$ 3,213,935	\$ 2,999,941	7.1%	\$ 20,243	\$ 19,647	3.0%
State Police	1,166	54	20	1,200	45,844	43,768	4.7%	38,203	37,537	1.8%
VaLORS	2,601	347	37	2,911	63,962	57,030	12.2%	21,973	21,926	0.2%
Judicial	446	34	17	463	32,891	30,559	7.6%	71,039	68,518	3.7%
Totals	156,902	10,928	4,485	163,345	\$ 3,356,632	\$ 3,131,298	7.2%	\$ 20,549	\$ 19,957	3.0%

**CHANGE IN ALLOWANCES FOR RETIREES AND BENEFICIARIES
AS OF June 30, 2012**

	Prior Year Annual Allowances	COLA	Additions	Deletions	Current Year Annual Allowances
State	\$ 912,995	\$ 28,120	\$ 56,885	\$ 30,250	\$ 967,750
Teacher	1,501,649	46,251	100,902	36,908	1,611,894
Political	585,297	18,027	55,255	24,288	634,291
Total VRS	\$ 2,999,941	\$ 92,398	\$ 213,042	\$ 91,446	\$ 3,213,935
State Police	43,768	1,348	2,271	1,543	45,844
VaLORS	57,030	1,757	7,680	2,505	63,962
Judges	30,559	941	2,413	1,022	32,891
Totals	\$ 3,131,298	\$ 96,444	\$ 225,406	\$ 96,516	\$ 3,356,632