



VRS Update

Senate Finance and Appropriations Committee
General Government Subcommittee

January 27, 2026

Presented by Patricia S. Bishop, VRS Director

Agenda

- VRS Overview
- Fiduciary Duty
- Investments Update
- Plan Funded Status
- Contribution Rates
- Hybrid Retirement Plan Design
- Return-to-Work for Retirees
- JRS Plan Update
- Proposed Legislation



VRS Total Population^{*} as of June 30, 2025

375,324

Total Active
Members

249,331

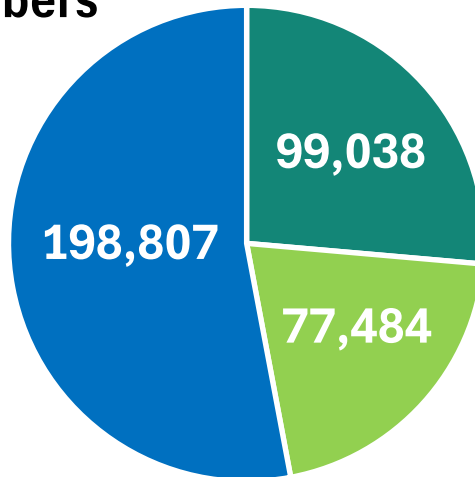
Retirees and
Beneficiaries

233,402

Inactive and
Deferred Members

**VRS Total
Population**
858,057

Active Members by Plan



■ Plan 1** ■ Plan 2** ■ Hybrid

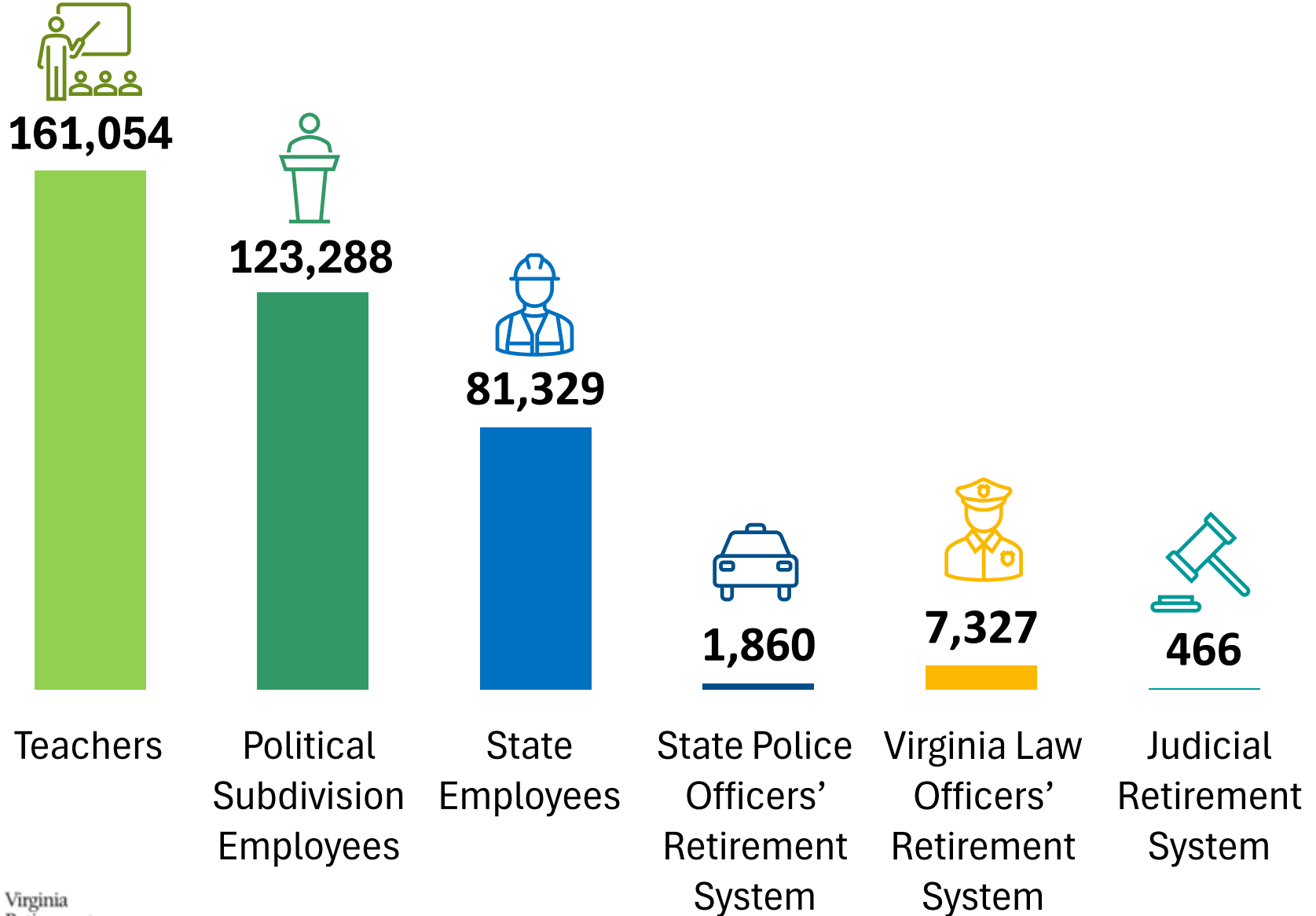
15th

largest public or private
pension system in the **U.S.**

36th

largest public or private
pension system in the **world**

VRS Active Members* as of June 30, 2025



* Based on actuarial data.

VRS Fiduciary Duty



Administer the trust fund solely in the interests of VRS members, retirees and beneficiaries

- *Constitution of Virginia*
- *Code of Virginia*
- *Internal Revenue Code*



Manage assets with care, skill, prudence and diligence

- Protect long-term value of investment portfolio
- Provide benefit security to members and rate stability for employers

Investing in the Broadest Opportunity Set

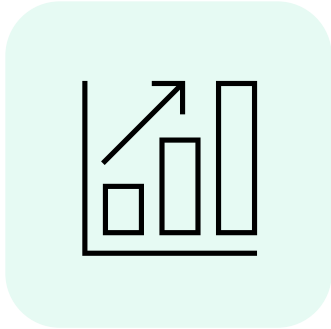


- Investment income has historically funded two-thirds of benefit payments
- Divesting from/not investing in certain sectors may contradict fiduciary requirements and limit investment opportunities and returns
- VRS invests to realize maximize return within a given level of risk

Investments Update



Successful FY 2025 for Investments



- VRS reported a **9.9% return**, net of fees, for the fiscal year that ended June 30, 2025.
- Strong return surpassed the actuarially assumed return of 6.75%.
- Fund reached **record high of \$122.8 billion** in market value.

VRS Invests for the Long Term

Assumed
actuarial rate
of return
is 6.75%

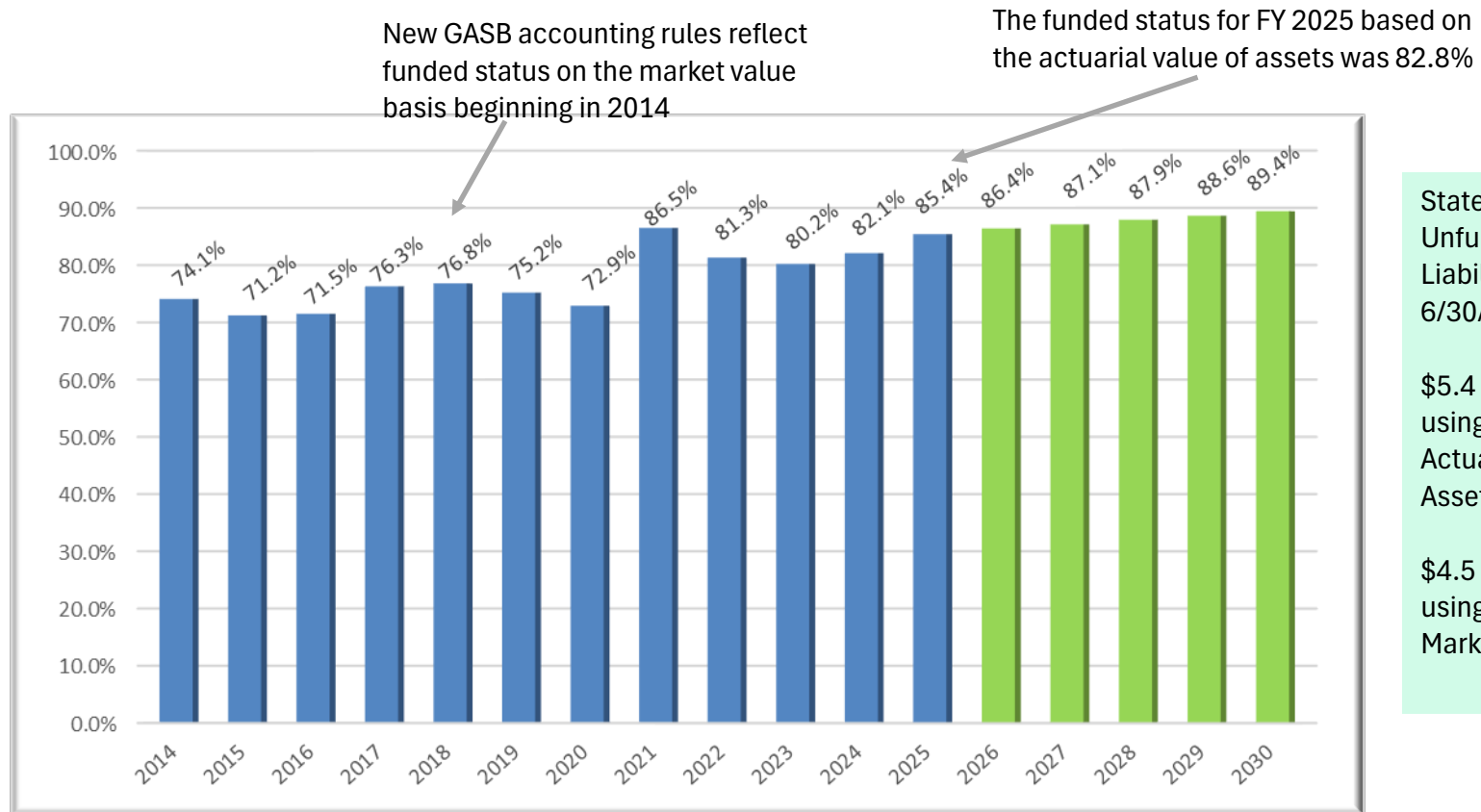
VRS Return (as of June 30, 2025)	
1-year	9.9
3-year	8.6
5-year	10.4
10-year	8.1
15-year	8.9
20-year	7.4

Source: Bank of New York



Funded Status and Contribution Rates

Funded Status: State



State Plan
Unfunded
Liability as of
6/30/2025

\$5.4 Billion
using
Actuarial
Assets

\$4.5 Billion
using
Market Assets

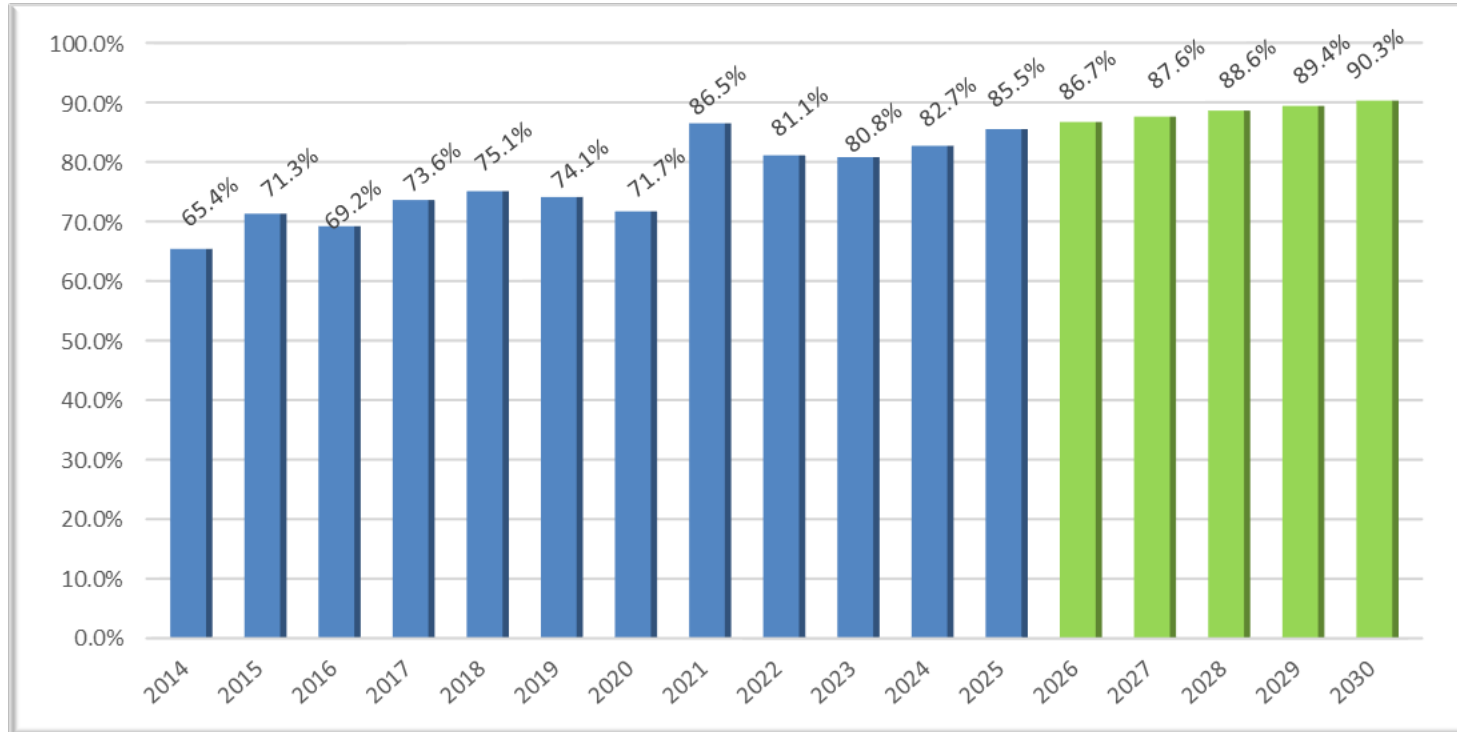
- Historical Funded Status - Actuarial Value of Assets up to 2013 & Market Value of Assets 2014 Forward
- Projected Funded Status using Market Value of Assets (New GASB Standard)

Notes:

- Projected funded status based on assumed investment returns of 6.75% and inflation of 2.5%.
- GASB Accounting rules reflect funded status using Market Value of Assets effective 6/30/14 for Plan Reporting and 6/30/15 for Employer Reporting.

Funded Status: Teachers

The funded status for FY 2025 based on the actuarial value of assets was 82.8%



Teacher Plan
Unfunded
Liability as of
6/30/2025

\$11.2 Billion
using
Actuarial
Assets

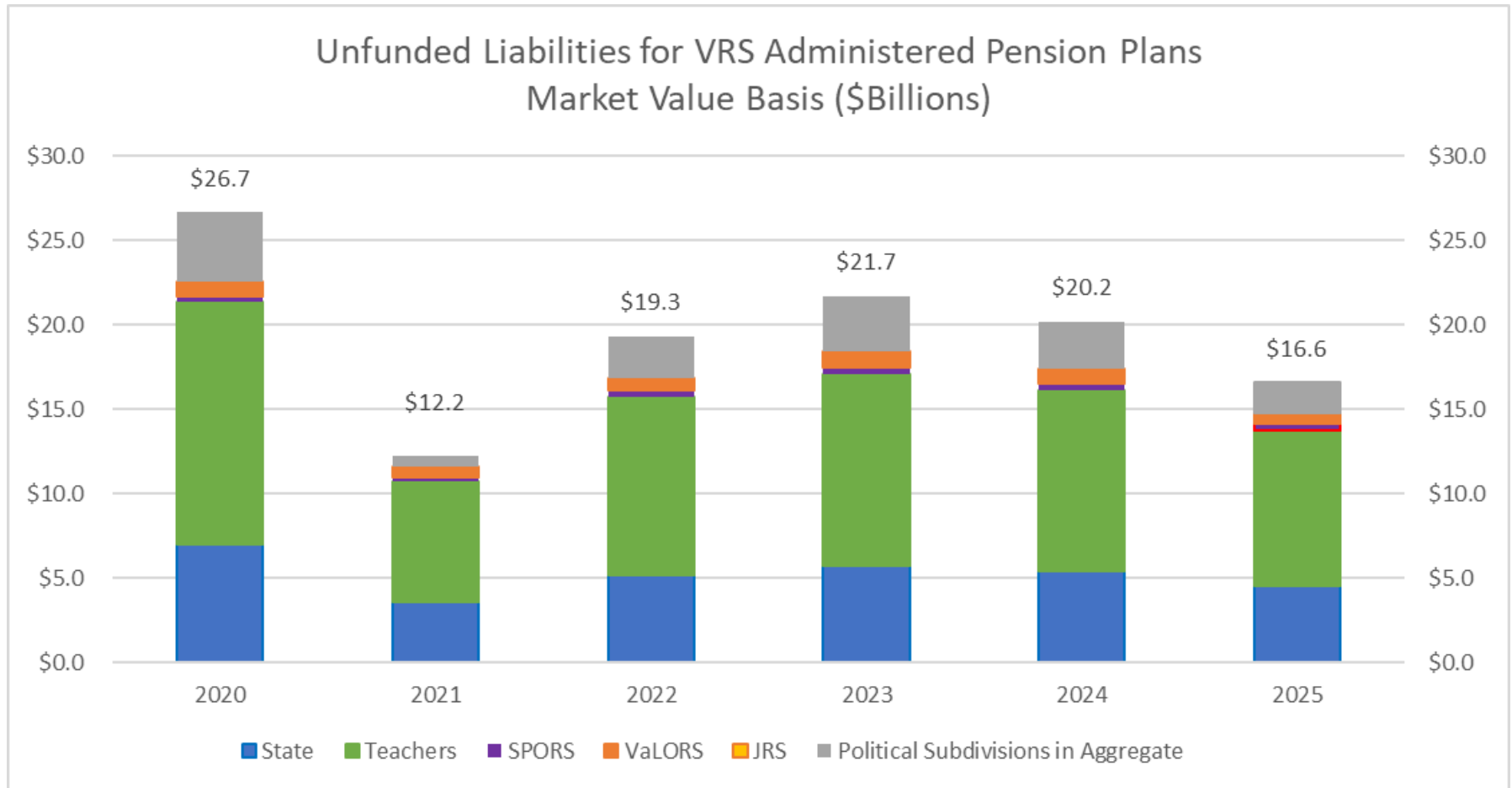
\$9.5 Billion
using
Market Assets

■ Historical Funded Status – using Market Value of Assets ■ Projected Funded Status using Market Value of Assets

Notes:

- Projected funded status based on assumed investment returns of 6.75% and inflation of 2.5%.
- GASB Accounting rules reflect funded status using Market Value of Assets.

Unfunded Liabilities



- Unfunded liabilities are trending lower, but significant liabilities still exist.
- Legacy unfunded liabilities have 18 years remaining to be paid off.
 - With amortization period below 20 years, major portion of amortization payment now going to principal rather than just satisfying interest requirement.

Unfunded Liabilities State Plans: Market Value Basis

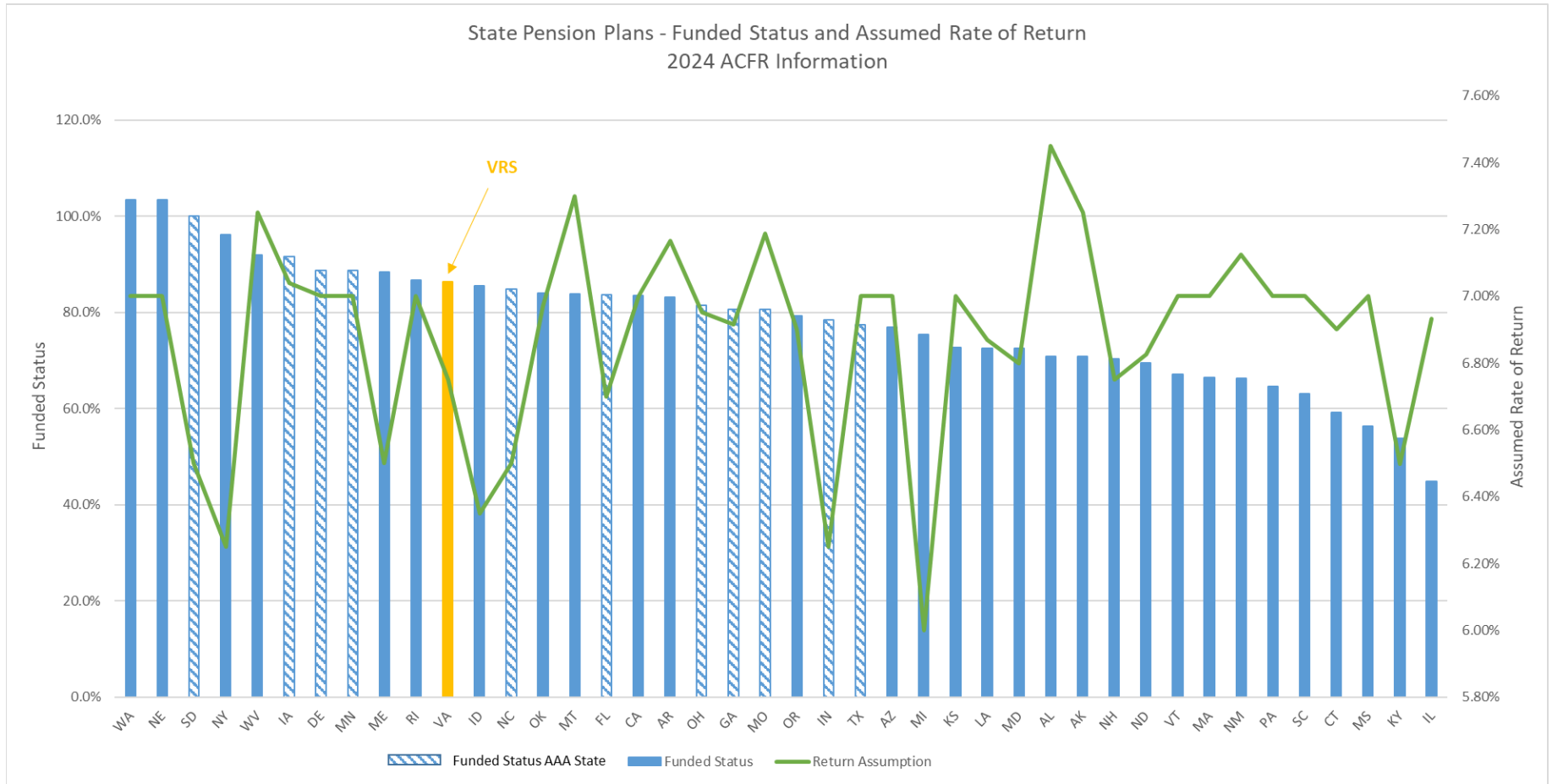
System	2024		2025	
	UAAL based on MVA (Dollars in Thousands)	Funded Status	UAAL based on MVA (Dollars in Thousands)	Funded Status
PENSIONS				
State	\$5,404,292	82.1%	\$4,535,147	85.4%
Teachers	\$10,729,982	82.7%	\$9,453,015	85.5%
SPORS	\$429,446	73.0%	\$396,218	76.0%
VaLORS	\$716,554	74.3%	\$649,166	77.6%
Judicial	\$94,899	88.3%	\$80,225	90.5%
Total Statewide Systems	\$17,375,173	82.2%	\$15,113,771	85.1%

Unfunded Liabilities and Funded Status

System	2024		2025	
	UAAL based on MVA (Dollars in Thousands)	Funded Status	UAAL based on MVA (Dollars in Thousands)	Funded Status
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VaLORS	\$716,554	74.3%	\$649,166	77.6%
Judicial	\$94,899	88.3%	\$80,225	90.5%
Total State-wide systems	\$17,375,173	82.2%	\$15,113,771	85.1%
Political Subdivisions	\$2,840,327	91.2%	\$1,797,549	94.7%
Total Pensions	\$20,215,500	84.4%	\$16,911,320	87.5%
OPEBS				
Group Life	\$1,166,536	72.5%	\$980,861	78.0%
HIC State	\$689,141	35.8%	\$613,069	42.5%
HIC Teachers	\$1,141,564	22.0%	\$1,054,242	27.3%
VSDP	(\$364,449)	211.0%	(\$467,052)	260.1%
HIC Locals in Aggregate	\$29,409	61.6%	\$24,118	69.6%
HIC Constitutional Officers	\$25,888	35.4%	\$23,909	41.5%
HIC Social Services	\$8,264	44.1%	\$7,524	50.0%
HIC Registrars	\$226	59.1%	\$143	75.2%
VLDP Teachers	\$471	96.7%	\$828	95.5%
VLDP Political Subdivisions	(\$3,717)	130.7%	(\$5,922)	138.9%
Total OPEBS	\$2,693,334	63.0%	\$2,231,721	70.0%
Total Fund	\$22,908,834	83.3%	\$19,143,041	86.6%

State Pension Plans: Funded Status and Assumed Rate of Return

VRS is in the top quartile compared to other states.*



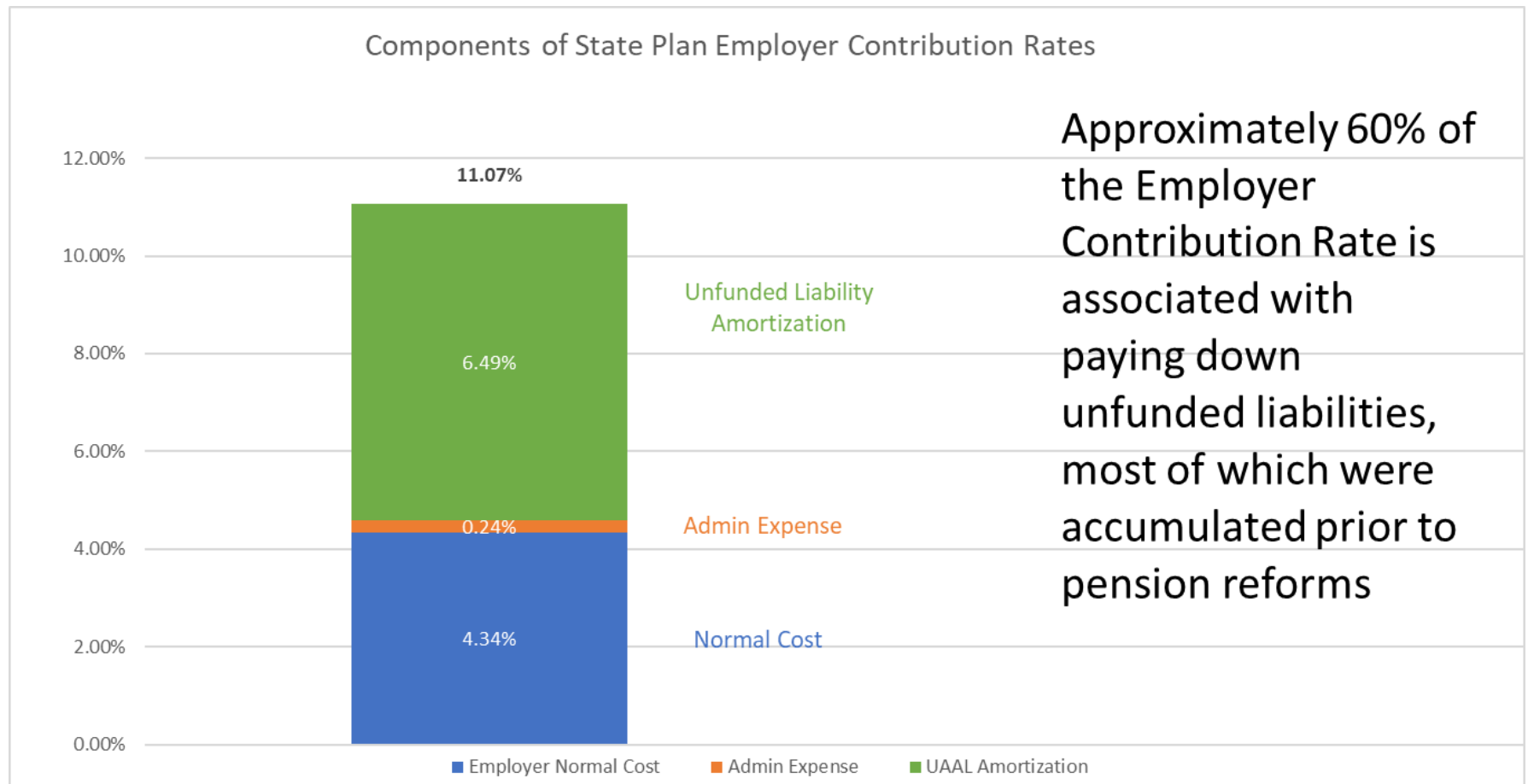
*VRS uses a lower discount rate than many other states that if normalized would move VRS up in rankings.



Rate-Setting Year

- Investment performance exceeded assumption
- Employer contribution rates generally decreased
- Funded status increased

Employer Contribution Rates



VRS Employer Contribution Rates by Fiscal Year

Retirement Program	FY 2025-2026 Defined Benefit Rate*	FY 2027-2028 Board-Certified Defined Benefit Rate***
State Employees	12.52%	11.07%
Teachers	14.21%	12.20%
State Police Officers' Retirement System	31.32%	31.67%
Virginia Law Officers' Retirement System	24.60%	22.60%
Judicial Retirement System	30.67%	30.49%
Non-Professional School Board and Political Subdivision Employees	Varies by Employer**	

* Additional contributions of 1.0% – 3.5% of the hybrid payroll is required for Hybrid Retirement Plan members.

** Political subdivision and non-professional school board employers can download actuarial valuation reports and rate letters directly from myVRS Navigator.

*** Subject to action by the General Assembly.

Other Post-Employment Benefits (OPEBs)

Contribution Rates by Fiscal Year

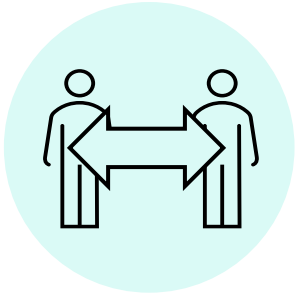
OPEB		FY 2025-2026	FY 2027-2028 Board-Certified Rates
Group Life Insurance	Employee	0.71%	0.64%
	Employer	0.47%	0.42%
	Total	1.18%	1.06%
Health Insurance Credit	State Employees	1.12%	0.70%
	Teachers	1.21%	0.88%
	Non-Professional School Board Members and Political Subdivision Employees	Varies by Employer*	
Virginia Sickness and Disability Program (VSDP)	Covered Payroll	0.50%	0.42%
Virginia Local Disability Program (VLDP)	Teachers	0.45%	0.48%
	Political Subdivision Employees	0.74%	0.79%

* Political subdivision and non-professional school board employers can download actuarial valuation reports and rate letters directly from myVRS Navigator.



Hybrid Retirement Plan Design

Hybrid Retirement Plan Design



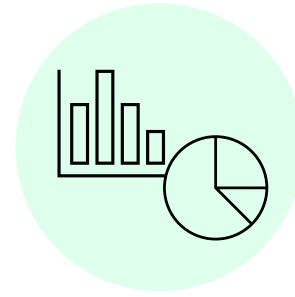
Shares
risk between
employer and
employee



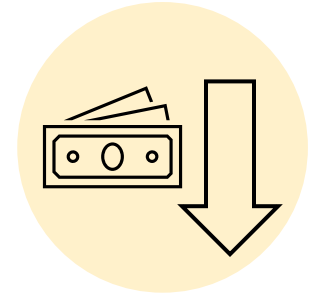
Reduces
employer
investment
risk



Increases
portability



Reduces
employer
longevity risk



Lowers
future costs
of the plan

Hybrid Retirement Plan Studies



DHRM's annual compensation report included a review of retirement plan impacts on the commonwealth's ability to retain state government employees and teachers

[DHRM: Biennial Compensation Report](#)

See Section II – VaLORS; Hybrid Retirement Plan

JLARC report focused on the defined contribution component of the Hybrid Retirement Plan

- Presented various options for the General Assembly to consider should it choose to make changes to the hybrid plan

[JLARC: VRS Hybrid Retirement Plan Employee Contributions](#)

JLARC Proposals for Hybrid Plan

Recommendation 1

The General Assembly may wish to consider directing VRS and the Department of Human Resource Management to develop an online training video to include as part of the Required Training for newly hired state employees.

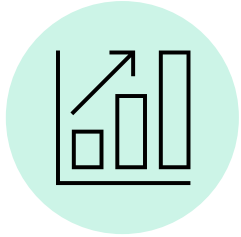
Recommendation 2

VRS should make regular targeted outreach to hybrid plan members not contributing the maximum 4% in voluntary contributions to remind them to consider increasing their defined contribution plan voluntary contributions.

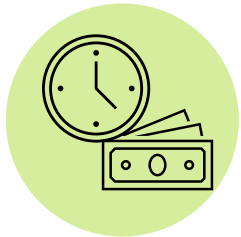
Recommendation 3

The General Assembly may wish to consider amending the *Code of Virginia* § 51.1-169 (C)2 to increase the contribution limit for the Hybrid 457 account to the IRS annual contribution limit.

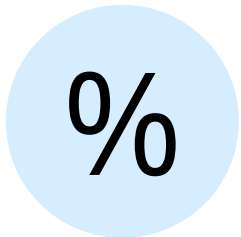
Prior Legislative Proposals – Hybrid Plan Modifications



- Accelerate auto-escalation to 0.5% increase in voluntary contributions every two years for members not at the maximum voluntary level.

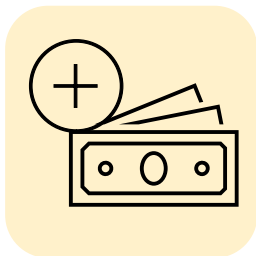


- Auto-enroll with voluntary contribution at 0.5% upon date of hire, with ability to opt-out.



- Change allocation of member contribution.
 - Current 4% DB and 1% DC.
 - Proposed 3% DB and 2% DC.

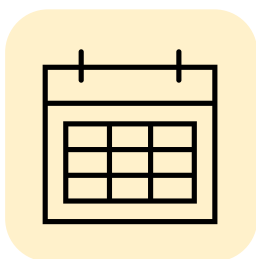
Importance of Hybrid Plan Voluntary Contributions



- Hybrid plan contains a defined contribution component that incentivizes members to defer additional funds for retirement by providing employer matching contributions



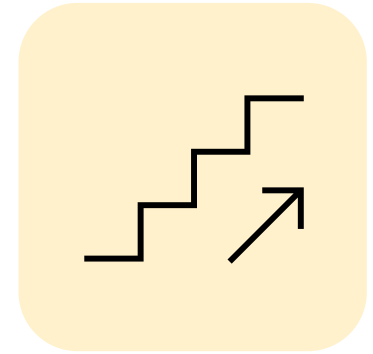
- VRS actively encourages voluntary contributions among hybrid plan members



- Every three years, auto-escalation increases voluntary contributions by 0.5% for those not at the maximum; next escalation is January 1, 2026

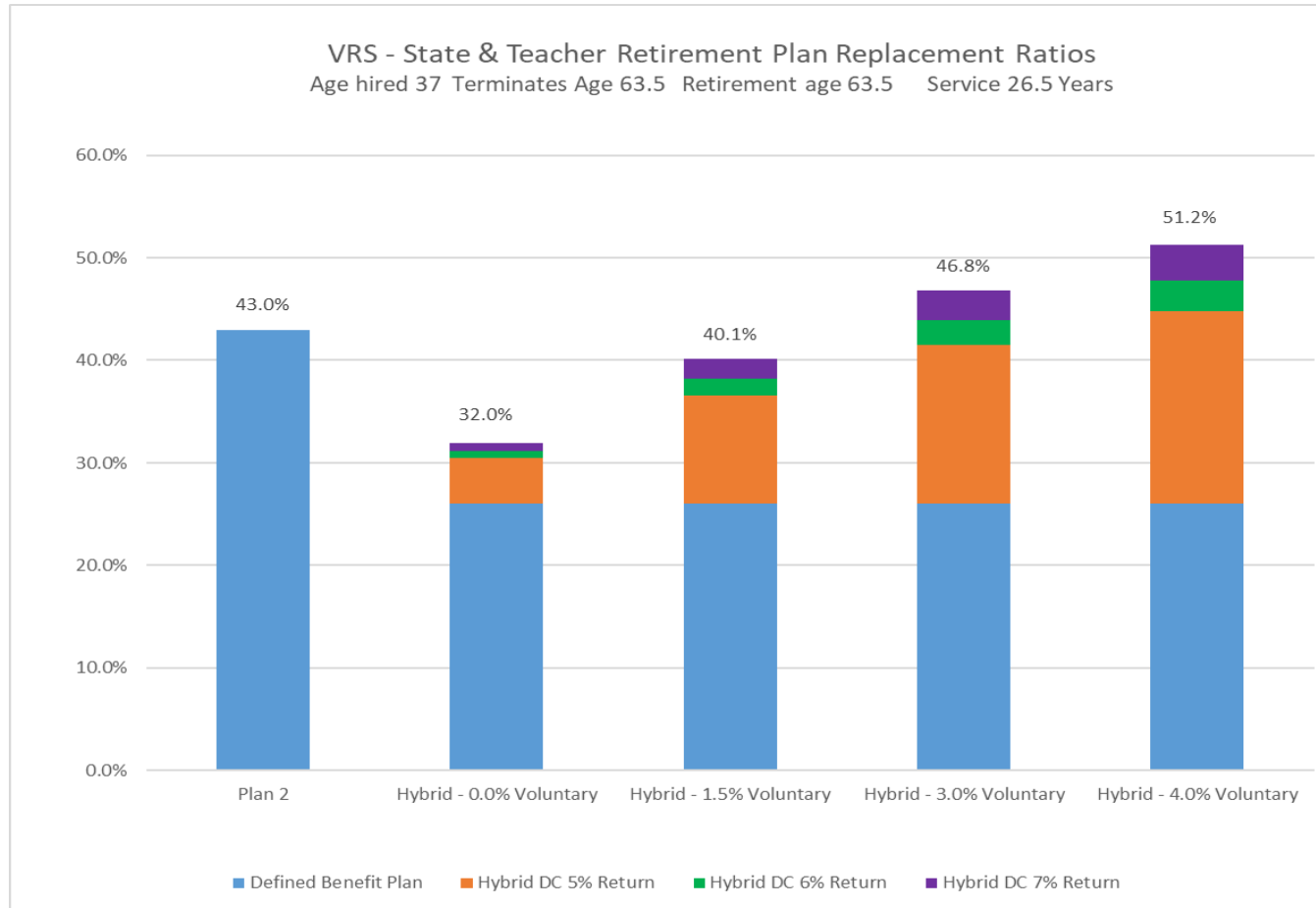
Auto-escalation Preliminary Results

- Participants who were not making the maximum voluntary contribution were automatically escalated by 0.5% of pay on 1/1/2026
- Opt-out rate was approximately 1.33%
- Approximately 1/3 of participants are making the maximum voluntary contribution
- Nearly all participants are now making at least 0.5% voluntary contributions; however, this will decline over time as new hires come on board



Estimated Replacement Ratios

State Plan by Benefit Tier



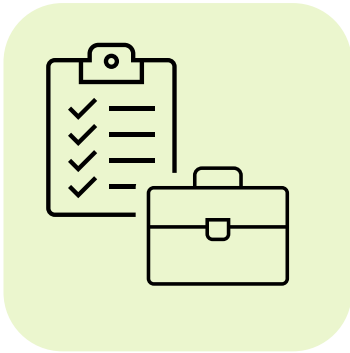
- Plan 2 requires a 5% total member contribution
- Hybrid 0% voluntary requires a 5% total member contribution.
- Hybrid 3% voluntary requires an 8% total member contribution.
- Hybrid 4% voluntary requires a 9% total member contribution.

- Investment return for defined contribution investments is shown for 5%, 6%, and 7% per year and converted to annuity assuming 4% post-retirement discount rate and 2.25% COLA.
- Income replacement percentage, based on final average final compensation (AFC).

Return-to-Work Program Overview and Judicial Retirement System Update

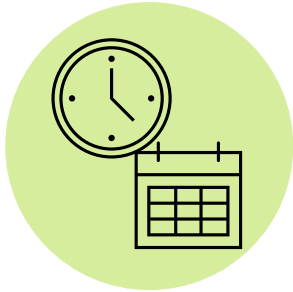


Rules for Return-to-Work



- A bona fide break in service is required
- No pre-arrangements between employer and employee before retirement
- Work 80% or fewer hours of full-time equivalent position
- Reclassifying positions to accommodate retirees not allowed
- Disability retirees forfeit benefits if resuming the same or similar duties

Return-to-Work Program



Retirees can return to work in **part-time positions** not covered by VRS benefits.

- **No more than 80% of the hours** of a full-time position
- **One-month break-in-service** if employee returns to same employer



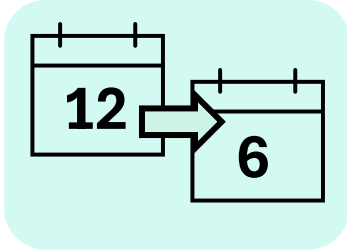
Retirees can return to work in **critical shortage positions**.

- Retiree may work full-time
- Positions designated by the Department of Education or a school division based on certain criteria
- Critical shortage positions reassessed every school year

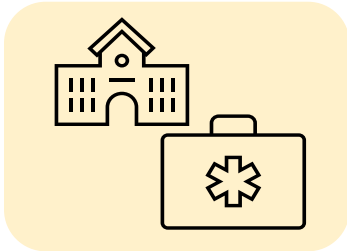


Retired law enforcement officers can return to work full time as school security officers and continue to receive a monthly retirement benefit.

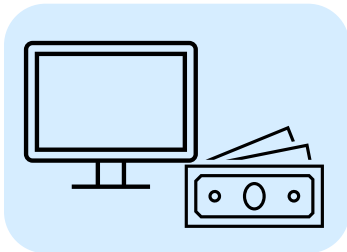
Critical Shortage Legislation (July 1, 2023)



- Break-in-service requirements for critical shortage positions and retiree school security officers (non-critical shortage) set to six months from 12 months+



- Specialized student support critical shortage positions added



- Employers report critical shortage employees to VRS annually and make contributions to cover the cost of these positions

Judicial Retirement System Changes



- Judges appointed or elected to an original term on or after July 1, 2026, will be under VRS Plan 2.
- The service retirement allowance for service rendered on or after July 1, 2026, by judges appointed or elected to an original term on or after January 1, 2014, will be determined under Plan 2.
- For judges appointed between July 1, 2014, and June 30, 2026, contributions in the Hybrid Retirement Plan will not be moved.
- Benefits will be layered, similar to how judges with prior VRS service have benefits calculated.

Summary



Current and Future Outlook



- Retirement plan health has improved:
 - Investment returns have met or exceeded the assumed rate of return for past 10 years
 - Additional progress made on unfunded liabilities in pension plans:
 - Lump-sum cash infusions
 - Maintaining contribution rates at prior years' budget instead of lowering to actuarial costs
 - Contribution rates remain stable for employers

Current and Future Outlook



- Hybrid Retirement Plan is largest active member plan:
 - Shared risk model between employer and employee
 - Has lowered employer benefit plan costs
 - Enhancing automatic features could improve member outcomes
- Future plan design changes/benefit enhancements require careful consideration with respect to increasing liabilities and funding requirements

Helping members
plan for tomorrow,
today





2026 Proposed Senate Legislation

2026 VRS-Related Bills

VRS [VaLORS, SPORS]

Bill Number	Patron	Description
SB 238	Head	Board of Visitors of the Virginia School for the Deaf and the Blind; authority to establish campus police department (Codifies existing budget language.)
SB 419	Craig	Retirement systems and creditable service (Allows VaLORS, SPORS, and local employees earning enhanced retirement benefits under § 51.1-138 who have reached unreduced retirement to earn an additional year of creditable service for every five full years of such service actually earned. The additional service is not used to determine eligibility for the hazardous duty supplement. For retirements on or after 7/1/2027.)

2026 VRS-Related Bills

VRS [Hazardous Duty]

Bill Number	Patron	Description
SB 304	Jordan	VRS; enhanced retirement benefits for 911 dispatchers (Localities may elect to provide enhanced benefits for service earned on or after July 1, 2027, and may further elect to provide enhanced benefits for service in the position earned before July 1, 2027)
SB 154	Hackworth	VRS; enhanced retirement benefits for animal control officers (Localities may elect to provide enhanced benefits for service earned on or after July 1, 2027, and may further elect to provide enhanced benefits for service in the position earned before July 1, 2027)

2026 VRS-Related Bills

VRS [Return to Work]

Bill Number	Patron	Description
SB 113	Craig	Virginia Retirement System; service retirement allowance; return to work (Retired law-enforcement officer to return in a civilian role as a fingerprint examiner, forensics specialist, property and evidence technician, background investigator, or firearms instructor. Effective 7/1/2026.)
SB 695	Jordan	School boards; employment of school resource officers; VRS (In addition to school board requirements, requires localities participating in VRS to provide enhanced retirement benefits under § 51.1-138 to SROs. Also allows retired law-enforcement officers to return to work as SROs under § 51.1-155(B)(4). Effective 7/1/2026.)

2026 VRS-Related Bills

VRS [Line of Duty Act (LODA)]

Bill Number	Patron	Description
SB 523	Deeds	LODA; payments to beneficiaries (Provides benefits for eligible individuals who died as a result of certain cancers within 10 years from the date of retirement. Effective 7/1/2026.)
SB 741	Hackworth	LODA; transitional coverage (Requires DHRM to provide transitional health benefit coverage; will impact LODA premiums. Effective 7/1/2026.)

2026 VRS-Related Bills

VRS [Other]

Bill Number	Patron	Description
SB 507	McPike	VRS; investments in companies with elected official interests (Prohibits VRS and local retirement systems from investing in defined companies with a majority ownership interest held by any federal elected official or in investment funds with holdings of such companies in their portfolios, unless such officials' ownership interest is in a blind trust. Effective for investments on or after 1/1/2027.)

Appendix





Peer Comparison

High Service, Low Cost:

Benchmarking VRS Administration and Investments

Administration

- **Total pension administration cost*:**
\$81
 - \$43 below the peer average of \$124
 - Total VRS pension administration costs* decreased by 1.9%
- **Total VRS service score: 81**
 - In line with the peer median of 82
 - Total VRS service score increased from 74 to 81 between 2017 and 2024

** Per active member and annuitant.*

Investments

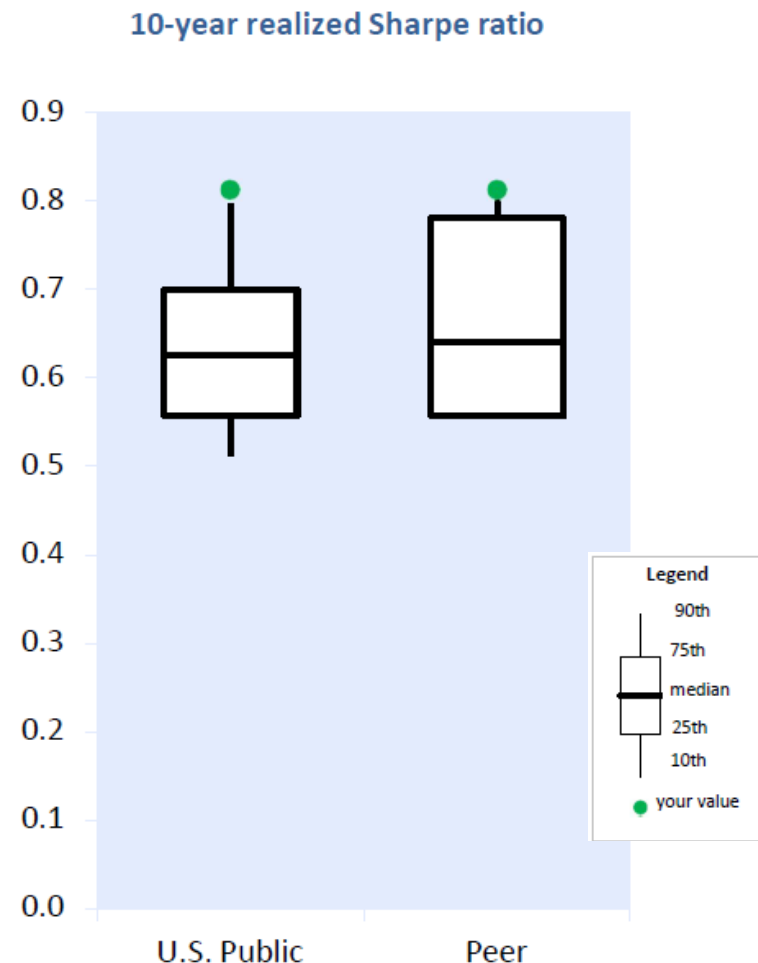
- **VRS' five-year net total return: 8.3%**
U.S. public median: 7.5%
VRS peer median: 7.6%
- **VRS' five-year net value added: 1.2%**
U.S. public median: 0.8%
VRS peer median: 1.1%
- **VRS' investment cost: 73.4 bps**
Benchmark cost: 76.4 bps

© 2025 CEM Benchmarking Inc.

VRS 10-year Realized Sharpe Ratio of 0.8 Exceeds U.S. Public Median of 0.6

The Sharpe ratio:

- Measures portfolio performance on a risk-adjusted basis
- Calculates excess return as the portfolio's net return minus the risk-free rate, divided by volatility of excess return
- Tends to be positive during periods of broadly rising equity markets
- Improves when portfolios earn higher net returns and/or exhibit lower volatility, which is often achieved through diversification



Plans and Administration



Constitutional & Statutory Duties

Constitution of Virginia, Article X, Section 11:

“The funds of the retirement system shall be deemed separate and independent trust funds, shall be segregated from all other funds of the Commonwealth, and shall be invested and administered solely in the interests of the members and beneficiaries thereof.”

Standard of Care (§ 51.1-124.30(C)):

“The Board shall discharge its duties with respect to the Retirement System solely in the interest of the beneficiaries thereof and shall invest the assets of the Retirement System with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.”

VRS Plans

Plan 1	Plan 2	Hybrid Retirement Plan
<p>A defined benefit plan for employees hired or rehired:</p> <ul style="list-style-type: none"> Before July 1, 2010, and vested as of January 1, 2013, and Have not taken a refund. 	<p>A defined benefit plan for employees hired or rehired:</p> <ul style="list-style-type: none"> From July 1, 2010, to December 31, 2013, or Before July 1, 2010, and not vested as of January 1, 2013, and Have not taken a refund. 	<p>A combined defined benefit plan and defined contribution plan for members hired on or after January 1, 2014.</p> <ul style="list-style-type: none"> Members covered under SPORS and VaLORS, and political subdivision members who are covered by enhanced benefits for hazardous duty, are not eligible to participate in this plan.

Group life insurance, disability coverage and the health insurance credit in retirement are available to eligible members in all plans.

VRS-Administered Benefits

Retirement Plans

Defined Benefit Plans

- **VRS** (Plan 1 and Plan 2)
 - **SPORS** (Plan 1 and Plan 2)
 - **JRS** (Plan 1 and Plan 2)
 - **VaLORS** (Plan 1 and Plan 2)
-

Defined Contribution Plans^{*}

- **Commonwealth of Virginia Deferred Compensation Plan**
 - **Virginia Cash Match Plan**
 - **Optional Retirement Plan for Political Appointees**
 - **Optional Retirement Plan for School Superintendents**
 - **Virginia Supplemental Retirement Plan**
 - **Optional Retirement Plan for Higher Education** (Plan 1 and Plan 2)
-

Hybrid Retirement Plan^{*}

- **VRS**
 - **JRS^{**}**
-

^{*} Denotes third-party administrator.

^{**} JRS will move to Plan 2 on July 1, 2026.

VRS-Administered Benefits

Insurance Programs

- **Life Insurance Plans***
- **Traditional Disability Retirement** (local and school employees pre-hybrid plan)
- **Virginia Sickness and Disability Program*** (state employees)
- **Long-Term Care Insurance Plans***
- **Health Insurance Credit**
- **Virginia Local Disability Program*** (local and school employees in hybrid plan)

Other Programs

- **Line of Duty Act (LODA)**
- **Virginia Volunteer Firefighters' & Rescue Squad Workers' Service Award Program (VOLSAP)**

* Denotes third-party administrator

Lump-Sum Cash Infusions Allocated to VRS by General Assembly

Virginia Retirement System

Analysis of Special Contributions to Pension and OPEB Plans

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020 - FY 2017	FY 2016	FY 2015	FY 2013
Pension:									
State			73,052,105	219,156,318	-	-	162,406,000	-	
Teacher			147,457,029	442,371,085	61,344,000	-	-	192,884,000	
Political Subdivisions				-	-	-	-	-	
State Police			3,652,605	10,957,816	-	-	2,119,000	-	15,000,000
ValORS			6,628,802	19,886,407	-	-	16,492,000	-	15,000,000
Judges			2,083,338	6,250,014	-	-	8,466,000	-	
Total Pension		-	232,873,879	698,621,640	61,344,000	-	189,483,000	192,884,000	30,000,000
OPEB:									
Group Life Insurance			10,146,126	30,438,378	-	-	-	-	-
Health Insurance Credit:				-	-	-	-	-	-
State		52,800,000	27,159,085	8,522,746	38,656,000	-	-	-	-
Teacher			4,004,338	12,013,013	-	-	-	-	-
Political Subdivisions				-	-	-	-	-	-
Constitutional Officers			91,992	275,975	-	-	-	-	-
Social Services Employees			1,031,416	121,754	-	-	-	-	-
Registrars			2,165	6,494	-	-	-	-	-
Total OPEB		52,800,000	42,435,122	51,378,360	38,656,000	-	-	-	-
Grand Total	-	52,800,000	275,309,001	750,000,000	100,000,000	-	189,483,000	192,884,000	30,000,000

FY 2013 - \$30 Million Award

FY 2015 - Transfer from the Literary fund toward the Teacher Pension 10-year 2010-2012 deferred contribution balance.

Chapter 665, 2015 Acts of Assembly, Item 136 C2c

FY 2016 - Additional payment for State employee Pension plans toward their 10-year 2010-12 deferred contribution balances.

Chapter 732, 2016 Acts of Assembly, Item 467 Z

FY 2021 - Special contribution toward Teacher Pension and State employee Health Insurance Credit.

Chapter 552, 2021 Acts of Assembly, Item 277

FY 2022 - Additional contributions for Pension and OPEB plans to address Unfunded Liabilities of each plan.

Chapter 1, Special Session 1, 2022 Acts of Assembly, Item 277

Analysis of Maintaining Rates for Pension and OPEB Plans to Increase Funding

	Appropriation Act FY 2025/2026	VRS Board Certified FY 2025/2026	Appropriation Act FY 2023/24	VRS Board Certified FY 2023/2024	Appropriation Act FY 2021/22
Pension:					
State	12.52%	12.52%	14.46%	14.13%	14.46%
Teacher	14.21%	14.21%	16.62%	14.76%	16.62%
State Police	31.32%	31.32%	29.98%	29.98%	26.33%
VaLORS	24.60%	22.81%	24.60%	24.60%	21.90%
Judges	30.67%	30.66%	30.67%	30.67%	29.84%
OPEB:					
Group Life Insurance	1.18%	1.18%	1.34%	1.19%	1.34%
Health Insurance Credit:					
State	1.12%	0.90%	1.12%	1.04%	1.12%
Teacher	1.21%	1.03%	1.21%	1.21%	1.21%
Political Subdivisions					
Constitutional Officers	0.36%	0.32%	0.36%	0.36%	0.36%
Social Services Employees	0.37%	0.26%	0.37%	0.37%	0.38%
Registrars	0.32%	0.17%	0.32%	0.32%	0.39%
VSDP	0.50%	0.50%	0.61%	0.56%	0.61%
VLDP					
Teachers					
Political Subdivisions					

Rates highlighted in yellow were maintained at the higher prior year rate.



2026 Proposed Bills

2026 VRS-Related Bills

VRS [VaLORS]

Bill Number	Patron	Description
HB 204 & HB 1269	Cherry Nivar	VaLORS; emergency dispatchers (Dispatchers with VSP, Capitol Police, and other agencies with law-enforcement officers in VaLORS, for service earned on or after July 1, 2027)
HB 1055	Phillips	VaLORS; membership (Sworn unit investigators with the OAG, for service earned on or after July 1, 2027)
HB1267	Nivar	VaLORS; membership (Sworn members of the enforcement division of DMV; probation officers and full-time sworn law-enforcement officers with DOC; and full-time sworn law-enforcement officers with DJJ, all for service earned on or after July 1, 2027)
SB 238	Head	Board of Visitors of the Virginia School for the Deaf and the Blind; authority to establish campus police department (Codifies existing budget language)

2026 VRS-Related Bills

VRS [Hazardous Duty]

Bill Number	Patron	Description
HB 205 HB 750 SB 304	Cherry Runion Jordan	VRS; enhanced retirement benefits for 911 dispatchers (Localities may elect to provide enhanced benefits for service earned on or after July 1, 2027, and may further elect to provide enhanced benefits for service in the position earned before July 1, 2027.)
HB 1128	Reid	VRS; enhanced retirement benefits for 911 dispatchers (Localities may elect to provide enhanced benefits for service earned on or after July 1, 2027, and may further elect to provide enhanced benefits for service in the position earned before July 1, 2027. Does not include eligibility for the supplement.)

2026 VRS-Related Bills

VRS [Hazardous Duty]

Bill Number	Patron	Description
SB 154	Hackworth	VRS; enhanced retirement benefits for animal control officers (Localities may elect to provide enhanced benefits for service earned on or after July 1, 2027, and may further elect to provide enhanced benefits for service in the position earned before July 1, 2027)
HB 585	Ballard	VRS; enhanced retirement benefits for animal control officers and 911 dispatchers (Localities may elect to provide enhanced benefits for service earned on or after July 1, 2027, and may further elect to provide enhanced benefits for service in the position earned before July 1, 2027)

2026 VRS-Related Bills

VRS [Return to Work]

Bill Number	Patron	Description
HB 1107	Kilgore	VRS; service retirement allowance; return to work (Any retiree to return as a correctional officer or an instructional employee with the DOC.)
SB 113	Craig	VRS; service retirement allowance; return to work (Retired law-enforcement officer to return in a civilian role as a fingerprint examiner, forensics specialist, property and evidence technician, background investigator, or firearms instructor)
SB 695	Jordan	School boards; employment of school resource officers; VRS return to work (In addition to school board requirements, requires localities participating in VRS to provide enhanced retirement benefits under § 51.1-138 to SROs. Also allows retired law-enforcement officers to return to work as SROs under § 51.1-155(B)(4).)
HB 1306	Cornett	VRS; return to work; break in service (For teachers, reduces the required break in service from six months to one month.)

2026 VRS-Related Bills

VRS [Retiree Health Insurance and Health Insurance Credit]

Bill Number	Patron	Description
HB 659	Kent	State retiree health benefits program; reenrollment in program (Allows a one-time reenrollment in DHRM's state retiree health benefits plan for retirees who joined then disenrolled if the retiree reenrolls within 5 years of retirement)
HB 1296	Glass	Health insurance credit; general registrars and employees of general registrars (For general registrars and employees of general registrars with at least 15 years of service, increases the HIC from \$1.50 to \$1.75 per month per year of service, up to \$52.50 per month. Effective 7/1/2027.)

2026 VRS-Related Bills

VRS [Other]

Bill Number	Patron	Description
SB 419	Craig	Retirement systems and creditable service (Allows VaLORS, SPORS, and local employees earning enhanced retirement benefits under § 51.1-138 who have reached unreduced retirement to earn an additional year of creditable service for every five full years of such service actually earned. The additional service is not used to determine eligibility for the hazardous duty supplement. For retirements on or after 7/1/2027.)
SB 507	McPike	VRS; investments in companies with elected official interests (Prohibits VRS and local retirement systems from investing in defined companies with a majority ownership interest held by any federal elected official or in investment funds with holdings of such companies in their portfolios, unless such officials' ownership interest is in a blind trust. Effective for investments on or after 1/1/2027.)

2026 VRS-Related Bills

VRS [Other]

Bill Number	Patron	Description
HB 139	Simonds	School board policies; unpaid educational leave for certain employee association officers; purchase of service credit (Requires school boards to allow unpaid educational leave in the specified circumstances; VRS already allows purchase of unpaid educational leave.)
HB 987	Garrett	Virginia Retirement System; service credit for career and technical education teachers (Weighted service credit for Career and Technical Education teachers between 45-54 years of age or 55 and older)
HJ 9	Maldonado	Study; JLARC; adequacy, equity, and workforce impacts of the VRS retirement plans; report (Directs JLARC to perform a two-year comprehensive evaluation of the VRS Plan 1, Plan 2, and Hybrid Retirement plans.

2026 VRS-Related Bills

VRS [LODA]

Bill Number	Patron	Description
HB 227 SB 741	Cornett Hackworth	LODA; transitional coverage (Requires DHRM to provide transitional health benefit coverage; will impact LODA premiums)
HB 1317 SB 523	Willett Deeds	LODA; payments to beneficiaries (Provides benefits for eligible individuals who died as a result of certain cancers with 10 years from the date of retirement.)
HB 491	Guzman	LODA; sheriffs and deputy sheriffs (Relocates sheriffs and deputy sheriffs to a new clause (xxi).)