

Virginia Retirement System

Revised 2001 Fiscal Impact Statement

1. Bill Number HB252

House of Origin ☒ Introduced ☒ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron Dillard

3. Committee Finance

4. Title Retirement System; retirees hired as teachers.

5. Summary/Purpose:

The substitute bill provides that retired members of the Virginia Retirement System may be hired as teachers without interrupting their retirement benefits if a critical shortage is declared by the Department of Education. The member must have a break in service that will not render the retirement benefits as an in service distribution under the Internal Revenue Code.

6. Fiscal Impact Estimates are:

FY02

Length of Break	90 Days	180 Days	One Year
State SOQ Base	\$3,878,000	\$1,837,000	-0-
Local SOQ Base	\$3,137,000	\$1,486,000	-0-
Local Cost	\$3,508,000	\$1,662,000	-0-
Total Cost	\$10,524,000	\$4,985,000	-0-

FY03

Length of Break	90 Days	180 Days	One Year
State SOQ Base	\$4,034,000	\$1,911,000	-0-
Local SOQ Base	\$3,263,000	\$1,546,000	-0-
Local Cost	\$3,648,000	\$1,728,000	-0-
Total Cost	\$10,945,000	\$5,185,000	-0-

7. Budget amendment necessary: Yes

8. Fiscal implications: Because the IRS has not issued specific guidelines on what constitutes an acceptable break in service, three cost scenarios are shown. Shorter breaks in service adversely affect retirement rates.

9. Specific agency or political subdivisions affected: VRS and local school divisions.

10. Technical amendment necessary: None

11. Other comments: This bill is similar to HB1589.

Date: 02/09/01/wgh
Document: hb252eh1

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