

Virginia Retirement System

2001 Fiscal Impact Statement

1. Bill Number **SB 954**

House of Origin	<input checked="" type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron **Couric**

3. Committee **Appropriations**

4. Title Teachers; returning to work after retiring.

5. Summary/Purpose:

The substitute bill permits retired teachers to return to teaching after a break in service without interrupting their receipt of retirement benefits. In such cases, health benefits would remain the same as that provided to retired employees. The teacher must be in a specialty or a geographic area where the Department of Education certifies that a shortage exists. The break in service shall be such that it will be consistent with the tax qualification of the VRS plan and will be determined in consultation with the actuaries of the VRS, JLARC, the Superintendent of Public Instruction and the Chairmen of the House Appropriations and Senate Finance Committees.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	-0-		
2001-02	\$3,878,000		State SOQ Base (GF)
	\$3,137,000		Local SOQ Base
	\$3,508,000		Local Cost
2002-03	\$4,034,000		State SOQ Base (GF)
	\$3,263,000		Local SOQ Base
	\$3,648,000		Local Cost

7. Budget amendment necessary: Yes

8. Fiscal implications: This above fiscal impact assumes only a ninety day period between retirement and rehire, which would adversely affect retirement rates. If the break in service is longer, the cost will diminish with no cost after a one year break in service.

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

10. Technical amendment necessary: None

11. Other comments: None

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