

Virginia Retirement System 2003 Fiscal Impact Statement

1. Bill Number HB2122

House of Origin ☒ Introduced ☐ Substitute ☒ Engrossed

Second House ☒ In Committee ☒ Substitute ☒ Enrolled

2. Patron Reid

3. Committee Finance

4. Title Virginia Retirement System; purchase of prior service credit.

5. Summary/Purpose:

Virginia Retirement System; purchase of prior service credit. This bill allows school superintendents with five years of VRS service to purchase an additional ten years of out of state service, beyond the four years currently allowed. The superintendent may not be eligible for an out of state benefit. The cost to purchase the service is 10% if purchased within one year of becoming eligible to purchase and, if purchased after the first year, at an actuarial cost. The employer may purchase the service for the superintendent. If, after purchasing the service, the superintendent does not remain in employment for a period equal to the service purchased, the remaining service purchased is removed from the record and the contributions refunded.

6. There is no actuarial cost associated with the substitute for this bill.

7. Budget amendment necessary: No

8. Fiscal implications: This bill provides a special benefit to a small group of members. VRS is concerned that approval of this bill could set a precedent for allowing other groups to request the same or similar treatment.

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

10. Technical amendment necessary: No

11. Other comments: None

Date: 02/28/03/wgh

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