

VIRGINIA RETIREMENT SYSTEM

2002 Fiscal Impact Statement

1. **Bill Number** HB221

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

2. **Patron** Carrico

3. **Committee** Appropriations

4. **Title** Law Officers' Retirement System; includes deputy sheriffs.

5. **Summary/Purpose:**

This bill expands the definition of "employee" to include deputy sheriffs, making such individuals members of the Virginia Law Officers' Retirement System.

6. **Fiscal impact:** This bill mandates that all deputy sheriffs will be members of VaLORS. The bill is silent on who bears the cost of these benefits. Currently, localities may provide special benefits for law enforcement officers with benefit equivalent to those of state police officers (LEOS) to deputies. Seventy-three localities have made this selection. If VaLORS is mandated at local expense, the aggregate cost will be approximately \$36.3 million in FY04, less the amount currently being paid in additional contributions by the localities currently providing LEOS.

7. **Budget amendment necessary:** Dependent on source of funding

8. **Fiscal implications:** Chapter 1073 of the 2000 Acts of Assembly requires the VRSto conduct actuarial valuations annually. The costs associated with this bill would accrue in FY03 and FY04, but would not be recognized in the employer contribution rates until FY04.

9. **Specific agency or political subdivisions affected:** VRS and participating cities and counties.

10. **Technical amendment necessary:** Yes. Because VaLORS currently has only state employees as members, its members are included by Code reference in the Virginia Sickness and Disability Program (VSDP). This bill should be amended to incorporate § 51.1-1100 and then to insert under the definition of "eligible employee", after § 51.1-212, except for a deputy sheriff. This would then clarify that deputy sheriffs are not eligible for a benefit currently available to only state employees.

11. **Other comments:** This would be the first group of local employees allowed into VaLORS. Also, because sheriffs are mandated to participate in LEOS, sheriffs and deputies would have different benefit structures. This bill is similar, but not the same as SB80 and HB946.

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