

Virginia Retirement System

2003 Fiscal Impact Statement

1. **Bill Number** HB2399

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Ingram

3. **Committee** Appropriations

4. **Title** Virginia Law Officers' Retirement System.

5. **Summary/Purpose:**

Virginia Law Officers' Retirement System. Adds firefighters of the Virginia National Guard Fire and Rescue as members of the Virginia Law Officers' Retirement System.

6. **Fiscal Impact Estimates are:**

State (NGF)

\$206,000 Annually

7. **Budget amendment necessary:** No

8. **Fiscal implications:** The cost of this bill has been calculated using actuarially determined rates from the June 30, 2002 valuations. The costs associated with this bill would accrue in FY03 and FY04, but would not be recognized in the employer contribution rates until FY05.

There have been 2 bills introduced this year to include 2 new groups of employees under VALORS, not including deputy sheriffs. The fiscal impact of the new groups is shown in the table below. In 1999, the General Assembly and Governor approved the establishment of the Virginia Law Officers Retirement System (VALORS) to provide benefit equivalent to state police officers to certain other law enforcement positions. The law was effective October 1, 1999 and the benefit structure was amended in 2001. VRS continues to recommend that before any other group of employees are included under VALORS, the General Assembly consider the criteria it will use to determine future eligibility. VRS respectfully requests that no favorable action be taken on this bill until a uniform policy for inclusion is established. Failure to have an established and consistent policy for inclusion of members in VALORS may result in employee initiated suits for inclusion that will leave the Commonwealth with no valid defense.

GROUP	# OF EE'S	FY02 COMP.	FY05 COST	BILL#
DOCSP. AGENTS	18	\$820,709	\$205,000	H1801 (Jones, D.C.)
Dept. of Military Affairs FIREFIGHTERS	24	\$822,152	\$206,000	H2399 (Ingram)

9. Specific agency or political subdivisions affected: VRS and Department of Military Affairs

10. Technical amendment necessary: Yes. In order to clarify that these firefighters are state employees, VRS recommends the following amendment:

Line 23, after “firefighter”, strike “of the Virginia National Guard Fire and Rescue” and insert “employed by the Department of Military Affairs”

11. Other comments: If approved, this would be the first non-law enforcement group included in VALORS. See fiscal implications above.

Date: 01/16/03/wgh

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