

VIRGINIA RETIREMENT SYSTEM

2002 Fiscal Impact Statement

1. **Bill Number** HB928

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

2. **Patron** Joannou

3. **Committee** Appropriations

4. **Title** Retirement System; retirement allowance.

5. **Summary/Purpose:**

This bill increases the retirement allowance for all state and local members of the Virginia Retirement System, State Police Officers Retirement System, Judicial Retirement System and the Virginia Law Officers Retirement System by increasing the percentage of average final compensation that is multiplied by the amount of creditable service (i) from two percent to 2.5 percent for certain members of the Virginia Law Officers' Retirement System who are not eligible for the supplemental allowance and (ii) from 1.7 percent to two percent for all others.

6. **Fiscal Impact Estimates are:**

6a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02			
2002-03			
2003-04	\$88.5million		StateGF
	\$88.5million		StateNGF
	\$118.2million		Teacher(State)
	\$163.2million		Teacher(Local)
	\$6.7million		SPORS GF
	\$0.9million		SPORSNGF
	\$2.5million		JRS GF
	\$43.6million		VaLORS GF
	\$4.8million		VaLORSNGF
	\$93.2million		Political Subs. (Aggregate)

7. **Budget amendment necessary:** Yes. Item 511.

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:** VRSand all participating employers.

10. **Technical amendment necessary:** No

11. Other comments: This bill applies to all retirement benefits payable on or after July 1, 2002, regardless of the date of retirement.

Date: 01/22/02/wgh

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