

VIRGINIA RETIREMENT SYSTEM

2002 Fiscal Impact Statement

1. **Bill Number** SB79

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

2. **Patron** Wampler

3. **Committee** Finance

4. **Title** Virginia Retirement System.

5. **Summary/Purpose:** This bill increases from 1.7 to 2.0 the percent of average final compensation used in determining the retirement allowance of members of VRS, including members retiring under disability. The bill applies to state employees, teachers, and local government employees participating in the VRS.

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)
	\$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 VRS to 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, state agencies, public school divisions and political subdivisions.

10. **Technical amendment necessary:** No

11. **Other comments:** This bill applies to those who retire on or after July 1, 2002. Anyone retiring prior to that date and returning to a covered position must accrue at least five years of service after July 1, 2002 to be eligible for the provisions of this bill.

Date: 01/19/02/wgh

Document: sb79