

# 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 substitute for this bill indexes the average final compensation for state employees in service between December 1, 2001 and November 20, 2003, and who retired or retired after December 1, 2001 with an immediate annuity and no break in service. The index ranges from 3.03% to 6.121% depending on the date of retirement. The bill allows the VRS Board of Trustees to reduce the amount of the index if general salary increases are given to state employees in the future.

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	\$7.3 million		State GF
	\$7.3 million		State NGF
	\$1.4 million		SPORS GF
	\$0.2 million		SPORS NGF
	\$1.6 million		JRS GF
	\$3.9 million		VALORS GF
	\$0.4 million		VALORS NGF

7. Budget amendment necessary: Yes. Item 511. In addition, the VRS will require an appropriation in FY03 of \$250,000 (NGF) for systems development and communication related to this change.

8. Fiscal implications: Chapter 1073 of the 2000 Act 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 and state agencies

10. Technical amendment necessary: No

11. Other comments: This bill applies to state employees only, including members of SPORS, JRS, and VALORS

**Date:** 02/08/02/wgh

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