

Virginia Retirement System 2004 Fiscal Impact Statement

1. Bill Number HB1121

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron Weatherholtz

3. Committee Appropriations

4. Title Law Officers' Retirement System; election of benefits.

5. Summary/Purpose:

Virginia Law Officers' Retirement System. Permits any member of the Virginia Law Officers' Retirement System ("VaLORS") who commenced employment on or after July 1, 2001, and who, within 90 days of such employment, was a (i) State Police Officer or a local law-enforcement officer with similar retirement coverage or (ii) a state law-enforcement officer already covered under VaLORS, to elect to choose between two retirement benefit packages. The choice is between receiving the annual supplemental payment from the date of retirement until age 65, or receiving monthly retirement benefits calculated with a "multiplier" of 2.0 percent rather than 1.7 percent. Under current law, such choice was provided only to members who were employed prior to July 1, 2001, all other members were automatically provided the higher multiplier rather than the supplemental payment.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>VaLORS GF</i>	<i>VaLORS NGF</i>
2003-04		
2004-05	\$0.97 million	\$0.17 million
2005-06	\$1.00 million	\$0.18 million
2006-07	\$1.03 million	\$0.18 million
2007-08	\$1.06 million	\$0.19 million
2008-09	\$1.10 million	\$0.19 million
2009-10	\$1.13 million	\$0.20 million

7. Budget amendment necessary: No

8. Fiscal implications: Liabilities associated with this bill would accrue in FY05 and FY06, but would not be recognized in the employer contribution rates until FY07.

9. Specific agency or political subdivisions affected: VRS and state agencies with VaLORS

10. Technical amendment necessary: No

11. Other comments: VRS requests that the 30 day election period provided for on line 128 be extended to 90 days.

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