

## Virginia Retirement System 2004 Fiscal Impact Statement

**1. Bill Number** HB273

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

**2. Patron** Putney

**3. Committee** Appropriations

**4. Title** State Police Officers' Retirement System.

**5. Summary/Purpose:**

State Police Officers' Retirement System. Modifies the retirement allowance paid to state police officers by increasing from 1.7 percent to 2.0 percent the percentage of average final compensation multiplied by the years of creditable service in such positions, and by deleting the supplemental allowance currently paid to members upon retirement until their Social Security retirement age (currently \$9,264 annually). This provision applies to employees who become members of the State Police Officers' System on or after July 1, 2004, and to such current employees who elect to accept the modifications by October 31, 2004. By Code reference, the provisions of this Bill will also apply to local employees who are covered under special benefits for law enforcement officers and firefighters (LEOS/FIRE).

**6. Fiscal Impact Estimates are:**

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Local (Aggregate)</i>
2003-04	-0-	-0-	-0-
2004-05	\$166,000	\$18,000	\$613,000
2005-06	\$171,000	\$19,000	\$631,000
2006-07	\$176,000	\$20,000	\$650,000
2007-08	\$181,000	\$20,000	\$669,000
2008-09	\$187,000	\$21,000	\$689,000
2009-10	\$192,000	\$21,000	\$710,000

**7. Budget amendment necessary:** Yes. If this Bill is approved, VRS would require an appropriation of \$140,000 (NGF) in FY05 for systems modifications and communications.

**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, Department of State Police and local governments that have elected the special benefits.

**10. Technical amendment necessary:** Yes.

Line 47: After “equal to”, strike “\$9,264” and insert “\$10,212”.

Line 114: After “equal to”, strike “\$9,264” and insert “\$10,212”.

These amendments reflect the most recent indexed amount of the supplement.

**11. Other comments:** None

**Date:** 01/26/04 / wgh

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