

Virginia Retirement System 2004 Fiscal Impact Statement

1. Bill Number SB279

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

2. Patron Wampler

3. Committee Finance

4. Title Law Officers' Retirement System, includes managers of political subdivisions.

5. Summary/Purpose:

Virginia Law Officers' Retirement System. Provides that managers of political subdivisions that participate in the retirement system shall receive benefits equivalent to those of state police officers, except for the benefits provided under § 51.1-209, regardless of whether the employer has elected to provide equivalent benefits.

6. No Fiscal Impact on the Commonwealth. See #8.

7. Budget amendment necessary: No

8. Fiscal implications: While the Bill indicates that benefits under VaLORS are provided to managers of political subdivisions, VRS assumes that the Bill is meant to provide benefits to chief administrative officers (city and town managers, county administrators, etc.) of localities and to exclude the chief administrative officers of other political subdivisions, such as soil and water conservation districts, planning district commissions, school divisions, etc. Regardless of the intent, the fiscal impact would be borne by the political subdivision. VRS is, nevertheless, concerned about the precedent of including non law enforcement officers in a benefit program that was clearly designed for law enforcement officers. This intent of the program is reinforced by the action of the General Assembly to remove certain state agency heads whose agencies had law enforcement powers from VaLORS through language in the current Appropriations Act.

9. Specific agency or political subdivisions affected: VRS and political subdivisions.

10. Technical amendment necessary: No

11. Other comments: In 1999, the General Assembly and Governor approved the establishment of the Virginia Law Officers Retirement System (VALORS) to provide benefits equivalent to state police officers to certain other law enforcement positions. The law was effective October 1, 1999 and the benefit structure was amended in 2001. VRS continues to recommend that before any other groups of employees are included under VALORS, the General Assembly consider the criteria it will use to determine future eligibility. Failure to

have an established and consistent policy for inclusion of members in VALORS may result in employee initiated suits for inclusion that will leave the Commonwealth with no valid defense.

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