

Virginia Retirement System 2004 Fiscal Impact Statement

1. Bill Number SB422

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Wagner

3. Committee Finance

4. Title Retirement System; creditable compensation of certain law-enforcement officers employed at airports.

5. Summary/Purpose:

Retirement benefits; creditable compensation of certain law-enforcement officers. Includes in creditable compensation the overtime compensation paid to law-enforcement officers employed full time at an airport in this Commonwealth.

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

7. Budget amendment necessary: No

8. Fiscal implications: Currently, overtime is not includable in creditable compensation unless it is mandatory overtime imposed by the employer over an extended period of time. While the cost of this Bill would be borne by the airport authority or supporting political subdivision, it creates a precedent for including overtime in creditable compensation. If an amount equal to the overtime paid to state employees in FY03 is included in creditable compensation in FY05, then the cost to the Commonwealth would be \$3.24 million. Unless that overtime is paid in the highest consecutive 36 months of compensation, it would have no effect on the retirement benefit of the employee.

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

10. Technical amendment necessary: No

11. Other comments: None

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