

Virginia Retirement System 2005 Fiscal Impact Statement

1. Bill Number HB1637

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

2. Patron Callahan

3. Committee Appropriations

4. Title Retirement; state police officers and certain local law-enforcement officers.

5. Summary/Purpose:

Retirement; state police officers and certain local law-enforcement officers. Modifies the retirement benefits under the State Police Officers' Retirement System (SPORS), the Virginia Law Officers' Retirement System (VaLORS) and local law enforcement officers and firefighters in VRS with special benefits (LEOS/FIRE) by (i) increasing from 1.7 percent to 2.7 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 and (ii) providing that deputy sheriffs employed by political subdivisions participating in the Virginia Retirement System shall receive the same retirement benefits as sheriffs. The bill also deletes the minimum age requirement for retirement for law enforcement officers participating in local retirement systems with 25 or more years of service.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
VALORS GF	\$ 20,862,000	\$ 21,488,000	\$ 22,133,000	\$ 22,797,000	\$ 23,481,000	\$ 24,185,000
SPORS GF	\$ 9,438,000	\$ 9,721,000	\$ 10,013,000	\$ 10,313,000	\$ 10,623,000	\$ 10,941,000
TOTAL GF	\$ 30,300,000	\$ 31,209,000	\$ 32,146,000	\$ 33,110,000	\$ 34,104,000	\$ 35,126,000
VALORS NGF	\$ 5,216,000	\$ 5,372,000	\$ 5,533,000	\$ 5,699,000	\$ 5,870,000	\$ 6,046,000
SPORS NGF	\$ 1,049,000	\$ 1,080,000	\$ 1,113,000	\$ 1,146,000	\$ 1,180,000	\$ 1,216,000
TOTAL NGF	\$ 6,265,000	\$ 6,452,000	\$ 6,646,000	\$ 6,845,000	\$ 7,050,000	\$ 7,262,000
TOTAL LOCAL	\$ 49,903,000	\$ 51,400,000	\$ 52,942,000	\$ 54,530,000	\$ 56,166,000	\$ 57,851,000

7. Budget amendment necessary: No. The Code of Virginia requires the VRS to set contribution rates every two years. The costs associated with this bill would accrue in FY06, but would not be recognized in the employer contribution rates until FY07.

8. Fiscal implications: The cost to local governments that have their own retirement plan for removal of the age requirement after 25 years of service is not reflected in the above costs.

9. Specific agency or political subdivisions affected: VRS, State Police, state agencies with employees in VaLORS, localities with law enforcement officers/firefighters with special benefits, localities with deputy sheriffs not currently receiving special benefits and localities with local retirement plans.

10. Technical amendment necessary: No

11. Other comments: None

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