

If passed, the proposed legislation will increase the FY07 contribution rate for these institutions by approximately 0.22% of covered payroll or \$1million, although the VRS contribution rate will not change, because the number of eligible employees is immaterial when compared to total VRS participation. The increase will be attributable to the difference between the DC plan contribution and the VRS contribution for the eligible employees. If the pilot program were extended to all employees of all institutions of higher education, and assuming 50% of eligible employees elect the DC plan, the VRS contribution rate would increase by approximately 0.09% on the remaining covered payroll. This, combined with the contribution to the DC plan (estimated to be \$47.6 million), would result in an increase in overall contributions of approximately \$13.5 million, or .46% of covered payroll.

9. Specific agency or political subdivisions affected: VRS, the University of Virginia, Virginia Tech, and the College of William and Mary

10. Technical amendment necessary: No

11. Other comments: None

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