

# Virginia Retirement System 2005 Fiscal Impact Statement

**1. Bill Number** SB1299

**House of Origin** ☒ Introduced ☐ Substitute ☐ Engrossed

**Second House** ☐ In Committee ☐ Substitute ☐ Enrolled

**2. Patron** Reynolds

**3. Committee** Finance

**4. Title** Virginia Retirement System; average final compensation retirement multiplier for teachers.

**5. Summary/Purpose:**

Virginia Retirement System; average final compensation retirement multiplier for teachers. Increases from 1.7 to 2.0 the average final compensation retirement multiplier for teachers with 25 or more years of creditable service earned as a teacher. The bill applies to teachers first retiring on or after July 1, 2005.

**6. Fiscal Impact Estimates are:**

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>State</i>	<i>Local</i>
2004-05		
2005-06	\$21,205,000	\$31,808,000
2006-07	\$21,841,000	\$32,762,000
2007-08	\$22,469,000	\$33,745,000
2008-09	\$23,171,000	\$34,757,000
2009-10	\$23,866,000	\$35,800,000
2010-11	\$24,582,000	\$36,874,000

**7. Budget amendment necessary:** No

**8. Fiscal implications:** 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.

**9. Specific agency or political subdivisions affected:** VRS and public school divisions

**10. Technical amendment necessary:** No

**11. Other comments:** This would set a precedent by providing a selected group of employees within the Virginia Retirement System with a different multiplier than other members.

**Date:** 01/24/05 / wgh

**Document:** SB1299