

# Virginia Retirement System 2005 Fiscal Impact Statement

**1. Bill Number** SB696

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

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

**2. Patron**    Ruff

**3. Committee** Finance

**4. Title**    Law Officers' Retirement System; changes in benefits.

**5. Summary/Purpose:**

Virginia Law Officers' Retirement System. Provides that the supplemental allowance currently paid to certain members upon retirement until age 65 shall instead be paid until Social Security retirement age.

**6. Fiscal Impact Estimates are:**

**6a. Expenditure Impact:**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
STATE GF						
VALORS GF	\$1,367,000.00	\$1,408,000.00	\$1,450,000.00	\$1,494,000.00	\$1,539,000.00	\$1,585,000.00
SPORS GF						
JRS						
TEACHERS						
<b>TOTAL GF</b>	<b>\$1,367,000.00</b>	<b>\$1,408,000.00</b>	<b>\$1,450,000.00</b>	<b>\$1,494,000.00</b>	<b>\$1,539,000.00</b>	<b>\$1,585,000.00</b>
STATE NGF						
VALORS NGF	\$ 342,000.00	\$ 352,000.00	\$ 363,000.00	\$ 373,000.00	\$ 385,000.00	\$ 396,000.00
SPORS NGF						
<b>TOTAL NGF</b>	<b>\$ 342,000.00</b>	<b>\$ 352,000.00</b>	<b>\$ 363,000.00</b>	<b>\$ 373,000.00</b>	<b>\$ 385,000.00</b>	<b>\$ 396,000.00</b>
TEACHERS						
LOCAL AGGREGATE						
<b>TOTAL LOCAL</b>						

**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:** See expenditure impact.

**9. Specific agency or political subdivisions affected:** VRS and state agencies with employees in VaLORS.

**10. Technical amendment necessary:** No

**11. Other comments:** In 2001, a similar change in statute was made to the State Police Officers' Retirement System and, by reference for local law enforcement officers and firefighter with special benefits (LEOS/FIRE). At that time, the change was not made for the Virginia Law Officers' Retirement System. Because new members of VaLORS and certain other members of VaLORS who elected to do so will receive a higher multiplier in lieu of the supplement, this change will affect a finite number of current employees and retirees.

**Date:** 01/14/05 / wgh

**Document:** SB696