

Virginia Retirement System 2006 Fiscal Impact Statement

1. Bill Number HB4

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Shuler

3. Committee Appropriations

4. Title Retirement System; service retirement benefit allowance 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 10 or more years of creditable service earned as a teacher. The bill applies to teachers first retiring on or after July 1, 2006.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
State-GF	-	-	-	-	-	-
SPORS-GF	-	-	-	-	-	-
VaLORS-GF	-	-	-	-	-	-
JRS-GF	-	-	-	-	-	-
Teacher-GF	69,336,000	72,109,000	74,993,000	77,993,000	81,113,000	84,358,000
Total GF	69,336,000	72,109,000	74,993,000	77,993,000	81,113,000	84,358,000
<hr/>						
State-NGF	-	-	-	-	-	-
SPORS-NGF	-	-	-	-	-	-
VaLORS-NGF	-	-	-	-	-	-
Total NGF	-	-	-	-	-	-
<hr/>						
Teacher-Local	107,047,000	111,329,000	115,782,000	120,413,000	125,230,000	130,239,000
Local Agregate	-	-	-	-	-	-
Total Local	107,047,000	111,329,000	115,782,000	120,413,000	125,230,000	130,239,000
<hr/>						
Grand Total	176,383,000	183,438,000	190,775,000	198,406,000	206,343,000	214,597,000

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 will begin to accrue in FY07 and will be recognized as an increase in the employer contribution rates beginning in FY09.

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 select group of members within the Virginia Retirement System with a different multiplier than other members.

Date: 01/24/06/pas

Document: HB4