

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number HB89

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

2. Patron Callahan

3. Committee Appropriations

4. Title Retirement System; increases benefits of certain future retirees.

5. Summary/Purpose:

Virginia Retirement System; benefits. Increases monthly retirement benefits of certain future retirees by increasing the percentage of average final compensation multiplied by the amount of creditable service from 1.7 to 2.0 for years of service in excess of 25 years for most state employees, and from 2.0 to 2.3 for certain state law-enforcement officers.

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	12,818,000	13,331,000	13,864,000	14,419,000	14,996,000	15,596,000
SPORS-GF	750,000	780,000	811,000	843,000	877,000	912,000
VaLORS-GF	1,879,000	1,954,000	2,032,000	2,113,000	2,198,000	2,286,000
JRS-GF	-	-	-	-	-	-
Teacher-GF	18,259,000	18,989,000	19,749,000	20,539,000	21,361,000	22,215,000
Total GF	33,706,000	35,054,000	36,456,000	37,914,000	39,432,000	41,009,000
State-NGF	15,928,000	16,565,000	17,228,000	17,917,000	18,634,000	19,379,000
SPORS-NGF	171,000	178,000	185,000	192,000	200,000	208,000
VaLORS-NGF	146,000	152,000	158,000	164,000	171,000	178,000
Total NGF	16,245,000	16,895,000	17,571,000	18,273,000	19,005,000	19,765,000
Teacher-Local	28,190,000	29,318,000	30,491,000	31,711,000	32,979,000	34,298,000
Local Agregate	26,030,000	27,071,000	28,154,000	29,280,000	30,451,000	31,669,000
Total Local	54,220,000	56,389,000	58,645,000	60,991,000	63,430,000	65,967,000
Grand Total	104,171,000	108,338,000	112,672,000	117,178,000	121,867,000	126,741,000

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 FY07

and would be recognized as an increase in the employer contribution rates beginning in FY09.

8. Fiscal implications:

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

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/26/06/pas

Document: HB89