

Virginia Retirement System 2006 Fiscal Impact Statement

1. Bill Number SB175

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

2. Patron Wampler

3. Committee Finance

4. Title Virginia Retirement System; retirement allowances.

5. Summary/Purpose:

Virginia Retirement System; retirement allowances. Increases the retirement allowances for future state and local retirees of the Virginia Retirement System (VRS), Law Enforcement Officers' Retirement System (LEOs), State Police Officers' Retirement System (SPORS), and the Virginia Law Officers' Retirement System (VaLORS) by gradually increasing, over a six-year period, the percentage of average final compensation that is multiplied by the amount of creditable service (i) from two percent to 2.3 percent for certain members of the Virginia Law Officers' Retirement System who are not eligible for the supplemental allowance and (ii) from 1.7 percent to two percent for all other such state and local employees.

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 | 44,788,000 | 46,580,000 | 48,443,000 | 50,381,000 | 52,396,000 | 54,492,000 |
| SPORS-GF | 2,800,000 | 2,912,000 | 3,028,000 | 3,149,000 | 3,275,000 | 3,406,000 |
| VaLORS-GF | 8,442,000 | 8,780,000 | 9,131,000 | 9,496,000 | 9,876,000 | 10,271,000 |
| JRS-GF | - | - | - | - | - | - |
| Teacher-GF | 81,921,000 | 85,198,000 | 88,606,000 | 92,150,000 | 95,836,000 | 99,669,000 |
| Total GF | 137,951,000 | 143,470,000 | 149,208,000 | 155,176,000 | 161,383,000 | 167,838,000 |
| State-NGF | 55,657,000 | 57,883,000 | 60,198,000 | 62,606,000 | 65,110,000 | 67,714,000 |
| SPORS-NGF | 637,000 | 662,000 | 688,000 | 716,000 | 745,000 | 775,000 |
| VaLORS-NGF | 655,000 | 681,000 | 708,000 | 736,000 | 765,000 | 796,000 |
| Total NGF | 56,949,000 | 59,226,000 | 61,594,000 | 64,058,000 | 66,620,000 | 69,285,000 |
| Teacher-Local | 126,476,000 | 131,535,000 | 136,796,000 | 142,268,000 | 147,959,000 | 153,877,000 |
| Local Agregate | 104,119,000 | 108,284,000 | 112,615,000 | 117,120,000 | 121,805,000 | 126,677,000 |
| Total Local | 230,595,000 | 239,819,000 | 249,411,000 | 259,388,000 | 269,764,000 | 280,554,000 |
| Grand Total | 425,495,000 | 442,515,000 | 460,213,000 | 478,622,000 | 497,767,000 | 517,677,000 |

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, but would not be recognized in the employer contribution rates until FY08.

8. Fiscal implications:

9. Specific agency or political subdivisions affected: VRS, state agencies, local governments, local school systems, VaLORS and State Police,

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/23/06/pas

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