

Virginia Retirement System 2006 Fiscal Impact Statement

1. Bill Number SB481

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Colgan

3. Committee Finance

4. Title Virginia Law Officers' Retirement System (VaLORS).

5. Summary/Purpose:

Virginia Law Officers' Retirement System (VaLORS). Adds juvenile probation and parole officers as members of VaLORS.

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	(4,589,000)	(4,773,000)	(4,964,000)	(5,163,000)	(5,370,000)	(5,585,000)
SPORS-GF	-	-	-	-	-	-
VaLORS-GF	9,144,000	9,479,000	9,858,000	10,252,000	10,662,000	11,088,000
JRS-GF	-	-	-	-	-	-
Teacher-GF	-	-	-	-	-	-
Total GF	<u>4,555,000</u>	<u>4,706,000</u>	<u>4,894,000</u>	<u>5,089,000</u>	<u>5,292,000</u>	<u>5,503,000</u>
State-NGF	-	-	-	-	-	-
SPORS-NGF	-	-	-	-	-	-
VaLORS-NGF	-	-	-	-	-	-
Total NGF	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Teacher-Local	-	-	-	-	-	-
Local Aggregate	-	-	-	-	-	-
Total Local	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>4,555,000</u>	<u>4,706,000</u>	<u>4,894,000</u>	<u>5,089,000</u>	<u>5,292,000</u>	<u>5,503,000</u>

7. Budget amendment necessary: Yes. If this bill is approved, the coverage for the affected employees would begin and the Department of Juvenile Justice would be charged the higher VaLORS contribution rate effective July 1, 2006. This bill would require a budget amendment for FY07.

- 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 FY07 and would be recognized as an increase in the employer contribution rates beginning in FY09.
- 9. Specific agency or political subdivisions affected:** VRS and the Department of Juvenile Justice

10. Technical amendment necessary: No

11. Other comments: In 1999, the General Assembly and Governor approved the establishment of the Virginia Law Officers Retirement System (VALORS) to provide benefits equivalent to state police officers to certain other law enforcement positions. The law was effective October 1, 1999 and the benefit structure was amended in 2001. There have been multiple bills introduced over the last several General Assembly sessions to allow additional groups to become eligible to participate in VaLORS. VRS continues to recommend that before any other groups of employees are included under VaLORS, the General Assembly consider the criteria it will use to determine future eligibility. Failure to have an established and consistent policy for inclusion of members in VALORS may result in employee initiated suits for inclusion that will leave the Commonwealth with no valid defense.

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