

## Virginia Retirement System 2008 Fiscal Impact Statement

**1. Bill Number:** HB483

House of Origin      X      Introduced                  Substitute                  Engrossed

Second House                  In Committee              Substitute                  Enrolled

**2. Patron:**        Shuler

**3. Committee:** Appropriations

**4. Title:**        **Retirement; teachers and administrative faculty of institutions of higher education.**

**5. Summary:** Retirement; teachers and administrative faculty of institutions of higher education. Provides that teachers and administrative faculty of institutions of higher education who are covered under an optional retirement plan (in lieu of the Virginia Retirement System) and have 10 years of service with the Commonwealth may make a one-time, irrevocable election to transfer into VRS.

**6. Fiscal Impact Estimates:** Fiscal impact is minimal. Data is not available as to the number of teachers and administrative staff at institutions of higher education who would choose the VRS under this provision. See Fiscal Implications.

**7. Budget Amendment Necessary:** No

**8. Fiscal Implications:** It is impossible to identify those employees who would choose the VRS under this provision. However, the VRS Believes a large number of employees would elect the VRS plan. As drafted, the bill provides for transfers to be made in an actuarial cost-neutral manner. This legislation does not address potential costs associated with benefits that they would be eligible for as members of the VRS. For example, these members could purchase prior service at 5% of their current creditable compensation. Such purchases would not be cost neutral

**9. Specific Agency or Political Subdivisions Affected:** VRS and participating institutions of higher education.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** This bill is similar to Senate Bill 975 which was introduced during the 2007 General Assembly session and was referred to JLARC for inclusion in its 2008 study of compensation for employees of the Commonwealth.

**Date:** 01/20/2008 pas

**Document:** HB483.DOC