

Virginia Retirement System 2008 Fiscal Impact Statement

1. Bill Number: SB187

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Herring

3. Committee: Finance

4. Title: **Virginia Retirement System; average final compensation retirement multiplier for teachers.**

5. Summary: 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 five or more years of creditable service earned as a teacher. The 2.0 multiplier would apply to the total amount of creditable service at the time of retirement, regardless if some portion of the total amount of creditable service relates to other than teaching. The bill applies to current and future retirees.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
State-GF						
SPORS-GF						
VaLORS-GF						
JRS-GF						
Teacher-GF	\$193,906,000	\$201,662,000	\$209,728,000	\$218,117,000	\$226,842,000	\$235,916,000
Total GF	<u>\$193,906,000</u>	<u>\$201,662,000</u>	<u>\$209,728,000</u>	<u>\$218,117,000</u>	<u>\$226,842,000</u>	<u>\$235,916,000</u>
State-NGF						
SPORS-NGF						
VaLORS-NGF						
Total NGF						
Teacher-Local	\$299,368,000	\$311,343,000	\$323,797,000	\$336,749,000	\$350,219,000	\$364,228,000
Local Aggregate						
Total Local	<u>\$299,368,000</u>	<u>\$311,343,000</u>	<u>\$323,797,000</u>	<u>\$336,749,000</u>	<u>\$350,219,000</u>	<u>\$364,228,000</u>
Grand Total	<u>\$493,274,000</u>	<u>\$513,005,000</u>	<u>\$533,525,000</u>	<u>\$554,866,000</u>	<u>\$577,061,000</u>	<u>\$600,144,000</u>

7. Budget Amendment Necessary: Yes. The cost of this legislation will be reflected in increased employer contribution rates for FY09.

8. Fiscal Implications: See Expenditure Impact.

9. Specific Agency or Political Subdivisions Affected: VRS and all local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: This bill is similar to House Bill 1882 which was introduced during the 2007 General Assembly session and provided an increased multiplier for teachers. It was referred to JLARC for inclusion in its 2008 study of employee compensation and retirement.

Date: 1/21/2008 pas

Document: SB187.DOC