

Virginia Retirement System 2011 Fiscal Impact Statement

1. **Bill Number:** HB1794

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|-----------------|--------------------------|--------------|--------------------------|------------|--------------------------|-----------|
| House of Origin | X | Introduced | <input type="checkbox"/> | Substitute | <input type="checkbox"/> | Engrossed |
| Second House | <input type="checkbox"/> | In Committee | <input type="checkbox"/> | Substitute | <input type="checkbox"/> | Enrolled |

2. **Patron:** Tata

3. **Committee:** Appropriations

4. **Title:** Virginia Retirement System; collection of overpayments.

5. **Summary:** Virginia Retirement System; collection of overpayments; Authorizes the Virginia Retirement System to collect overpayment of retirement benefits from the retiree's employer under certain conditions.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** There is no fiscal impact.

8. **Fiscal Implications:** The bill provides VRS with the authority to collect from its employers the amount of overpayments for which they are responsible. Only employers engaging in actions set forth in this bill will be impacted.

9. **Specific Agency or Political Subdivisions Affected:** All VRS participating employers

10. **Technical Amendment Necessary:** No

11. **Other Comments:** Authorizes VRS to collect certain overpayments from employers if they are responsible for increasing a retiree's AFC or causing in-service distributions to a retiree. Presently, the VRS has no authority to recover such overpayments from an employer. Under current law, VRS' only remedy is to initiate recovery from the member. As a result, the employers who initiated these actions do not bear any financial responsibility for overpayments which they caused. This legislation is necessary for VRS to recover funds related to these overpayments and establish the employer's responsibility for such payments.

The Board of Trustees of the Virginia Retirement System requested this bill.

Date: 01.19.2011

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