

Virginia Retirement System 2012 Fiscal Impact Statement

1. Bill Number: SB298

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: Howell, J.

3. Committee: Finance

4. Title: Virginia Retirement System; fiscal impact analysis of employer contribution rates.

5. Summary: Virginia Retirement System; fiscal impact analysis of employer contribution rates; Requires the Board of the Virginia Retirement System to conduct a fiscal impact analysis whenever the appropriation for employer contribution rates included in the budget bill submitted by the Governor to the General Assembly is less than the Board-certified contribution rate, or when either house of the General Assembly adopts an amendment to the budget appropriating less than the Board-certified contribution rate.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: None

8. Fiscal Implications:

The VRS actuary currently maintains software that can provide the analysis requested in this bill. VRS currently monitors the effect of appropriations when they are less than the board certified rates and can project the impact on annual funded status over the next 10 years as well as the increase in contribution rates over the next two biennia caused by appropriations being less than board certified rates.

9. Specific Agency or Political Subdivisions Affected: VRS

10. Technical Amendment Necessary: No

11. Other Comments: This legislation would implement a recommendation from the Joint Legislative Audit and Review Commission's 2011 "Review of Retirement Benefits for State and Local Government Employees."

Date: 01/20/2012

Document: SB298.DOC