

Virginia Retirement System 2012 Fiscal Impact Statement

1. Bill Number: SB216

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

2. Patron: Barker

3. Committee: Finance

4. Title: Virginia Retirement System; retirees hired as school board security personnel.

5. Summary: Virginia Retirement System; Retirees hired as school board security personnel. Provides that retired law-enforcement officers may be hired as local school board security personnel without interruption of their retirement benefits under certain conditions.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: See Other Comments below.

8. Fiscal Implications: See Other Comments below.

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

10. Technical Amendment Necessary: No.

11. Other Comments: Return to work bills have generally been confined to employee groups where critical shortages exist. VRS suggests that a bill of this nature only be enacted if a genuine shortage exists. Because of the risk of changing retirement patterns, if these types of bills are not subject to restrictive criteria, they may have a cost impact as members may see this as an opportunity to retire earlier than currently expected. Changing patterns of retirement will have a financial impact on the defined benefit, health insurance credit and life insurance programs.

Similar bills in the past have required the school divisions, which hire these individuals, to pay the employer contribution to the VRS for these individuals during their employment as security personnel. These payments would be made to limit any cost impact to the VRS that may occur because of changing patterns of retirement. VRS is informed that an amendment may be offered by the patron to restore this provision.

Date: 01.20.2012

Document: SB216.doc