

# Virginia Retirement System 2013 Fiscal Impact Statement

**1. Bill Number:** SB 740

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

**2. Patron:** Petersen

**3. Committee:** Courts of Justice

**4. Title:** Judicial retirement; mandatory retirement.

**5. Summary:** Increases the mandatory retirement age under the Judicial Retirement System from 70 years of age to 73 years of age.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:**

	<u>FY13 Cost</u>	<u>FY14 Cost</u>	<u>FY15 Cost</u>	<u>FY16 Cost</u>	<u>FY17 Cost</u>	<u>FY18 Cost</u>
Payroll Growth Assumption (includes promotion, COLA, etc.):	Member contributions / corresponding payroll increases	2.00%	0.00%	0.00%	0.00%	0.00%
State - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SPORS - General Fund	-	-	-	-	-	-
VaLORS - General Fund	-	-	-	-	-	-
JRS - General Fund	(1,139,000)	(1,162,000)	(1,162,000)	(1,162,000)	(1,162,000)	(1,162,000)
Teacher - General Fund	-	-	-	-	-	-
<b>TOTAL General Fund</b>	<b>\$ (1,139,000)</b>	<b>\$ (1,162,000)</b>	<b>\$ (1,162,000)</b>	<b>\$ (1,162,000)</b>	<b>\$ (1,162,000)</b>	<b>\$ (1,162,000)</b>
State - Non-General Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SPORS - Non-General Funds	-	-	-	-	-	-
VaLORS - Non-General Funds	-	-	-	-	-	-
<b>TOTAL - Non-General Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Teacher - Local Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Political Subs - Schools	-	-	-	-	-	-
Political Subs - Non Schools	-	-	-	-	-	-
<b>TOTAL Local Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Totals</b>	<b>\$ (1,139,000)</b>	<b>\$ (1,162,000)</b>	<b>\$ (1,162,000)</b>	<b>\$ (1,162,000)</b>	<b>\$ (1,162,000)</b>	<b>\$ (1,162,000)</b>

Estimated projections based on employee data and valuations results as of June 30, 2012 and assume a level population throughout projection period.

**8. Fiscal Implications:** Included in Fiscal Impact estimate. Currently, the judicial retirement plan provides for the mandatory retirement of judges once they attain age 70. The proposed bill would extend the mandatory retirement age to 73. The data in Item 7 includes the reduction in costs for the retiree health insurance credit program and group life insurance as well.

**9. Specific Agency or Political Subdivisions Affected:** VRS, JRS and agencies employing judges.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** The current retirement rates were extended beyond age 70 to allow analysis on this proposed change. However, it is important to keep in mind that it is not possible to predict how many members will continue to work beyond age 70. The actual impact will depend on how many judges elect to retire after age 70. If only a few judges work past age 70, the savings may be minimal.

SB 762 was incorporated by the Senate Courts of Justice Committee into this bill.

**Date:** 01.16.2013

**Document:** SB740S1.DOC