

# Virginia Retirement System 2014 Fiscal Impact Statement

**1. Bill Number:** SB 170

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

**2. Patron:** Patron Prior to Substitute--Stanley

**3. Committee:** Courts of Justice

**4. Title:** Judicial retirement; increases mandatory age under Judicial Retirement System.

**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:** Exhibit 1 below provides cost impacts of the proposed legislation.

**Exhibit 1**

	FY15 Cost	FY16 Cost	FY17 Cost	FY18 Cost	FY19 Cost	FY20 Cost
State - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SPORS - General Fund	-	-	-	-	-	-
VaLORS - General Fund	-	-	-	-	-	-
JRS - General Fund	(1,110,000)	(1,110,000)	(1,110,000)	(1,110,000)	(1,110,000)	(1,110,000)
Teacher - General Fund	-	-	-	-	-	-
<b>TOTAL General Fund</b>	<b>\$ (1,110,000)</b>	<b>\$ (1,110,000)</b>	<b>\$ (1,110,000)</b>	<b>\$ (1,110,000)</b>	<b>\$ (1,110,000)</b>	<b>\$ (1,110,000)</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 Subdivisions - Local Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL Local Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Totals</b>	<b>\$ (1,110,000)</b>	<b>\$ (1,110,000)</b>	<b>\$ (1,110,000)</b>	<b>\$ (1,110,000)</b>	<b>\$ (1,110,000)</b>	<b>\$ (1,110,000)</b>

Estimated projections based on employee data and valuations results as of June 30, 2013 and assume a level population throughout projection period.

Payroll projections include only known payroll increases; including FY 2014 across the board merit increase and increases for compression for State employees and payroll increases for Teachers & Locals employees transitioning member contribution requirements effective July 1, 2012.

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 would likely be minimal.

**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 would likely be minimal.

A technical amendment set out in SB87, which also contains other technical amendments to Title 51.1 of the *Code of Virginia*, is required to ensure that this provision related to the mandatory retirement age for judges, as well as certain other applicable judicial retirement system provisions, would apply to judges covered by the Hybrid retirement program.

This bill is identical to HB 81.

**Date:** 01.14.2014

**Document:** SB170S1.DOC