

Virginia Retirement System

2023 Fiscal Impact Statement

1. **Bill Number:** SB 1411 H1

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☒ Substitute ☐ Enrolled

2. **Patron Prior to Substitute:** Norment

3. **Committee:** Appropriations

4. **Title:** Virginia Retirement System and Department of Criminal Justice Services; return to work for law-enforcement officers; report.

5. **Summary:** The substitute directs the Virginia Retirement System (VRS) and the Department of Criminal Justice Services (DCJS), in consultation with the Joint Legislative Audit and Review Commission (JLARC), to analyze and report on options for allowing law-enforcement officers to return to work as law-enforcement officers after retirement and continue to receive their retirement benefit. The substitute directs that the report shall include the appropriate break in service, the need for retirees to fill law-enforcement staffing shortages, the effectiveness of employing retirees, Virginia's return-to-work provisions for law-enforcement compared to other public pension plans, and an actuarial analysis of potential changes. The report is due by November 1, 2023.

6. Summary of Impacts

Benefit(s) impacted: None at this time.

Impact to unfunded liability (see Item 9 for details): None at this time.

Impact to contribution rate(s) (see Item 9 for details): None at this time.

Specific Agency or Political Subdivisions Affected (see Item 10): VRS, DCJS, and JLARC.

VRS cost to implement (see Item 7 and Item 8 for details): Approximately \$30,000 for FY 2023 and FY 2024.

Employer cost to implement (see Item 7 and Item 8 for details): None at this time.

Other VRS and employer impacts (see Item 7, Item 9, Item 11, and Item 12 for details): VRS, DCJS and JLARC will need to coordinate discussion, research, and analysis to produce the report.

GF budget impacts (see Item 8 for details): No immediate impact expected, although DCJS and JLARC may have some costs.

NGF budget impacts (see Item 8 for details): Depending on the analysis required, VRS may have additional costs for actuarial analysis of approximately \$30,000 in FY 2023 and FY 2024.

7. Budget Amendment Necessary: Yes.

Item 498. VRS may need a NGF appropriation of approximately \$30,000 in FY 2023 and FY 2024 to cover the cost of actuarial analyses.

8. Fiscal Impact Estimates: None at this time.

9. Fiscal Implications: None at this time.

10. Specific Agency or Political Subdivisions Affected: VRS, DCJS, and JLARC.

11. Technical Amendment Necessary: No.

12. Other Comments: The substitute directs VRS and DCJS, in consultation with JLARC, to analyze and report on options for allowing law-enforcement officers to return to work as law-enforcement officers after retirement and continue to receive their retirement benefit. The substitute directs that the report shall include the appropriate break in service, the need for retirees to fill law-enforcement staffing shortages, the effectiveness of employing retirees as law-enforcement officers, Virginia's return-to-work provisions for law-enforcement compared to other public pension plans, and an actuarial analysis of potential changes. The report is due by November 1, 2023. This is similar to the report on Virginia's current return-to-work policies that VRS completed in December 2022. However, this report is limited to considerations specific to law-enforcement positions.

Date: 2/20/2023

Document: SB1411H1.DOC/VRS