

Virginia Retirement System 2007 Fiscal Impact Statement

1. Bill Number HB1915

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Ward

3. Committee Appropriations

4. Title Retirement System; increases average final compensation retirement multiplier for teachers.

5. Summary/Purpose: Virginia Retirement System; average final compensation retirement multiplier for teachers. Increases from 1.7 to 2.0 the average final compensation retirement multiplier for teachers with 5 or more years of creditable service earned as a teacher. The bill applies to teachers first retiring on or after July 1, 2007.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
State-GF						
SPORS-GF						
VaLORS-GF						
JRS-GF						
Teacher-GF	187,078,000	194,561,000	202,343,000	210,437,000	218,854,000	227,608,000
Total GF	187,078,000	194,561,000	202,343,000	210,437,000	218,854,000	227,608,000
State-NGF						
SPORS-NGF						
VaLORS-NGF						
Total NGF	-	-	-	-	-	-
Teacher-Local	288,827,000	300,380,000	312,395,000	324,891,000	337,887,000	351,402,000
Local Agregate						
Total Local	288,827,000	300,380,000	312,395,000	324,891,000	337,887,000	351,402,000
Grand Total	475,905,000	494,941,000	514,738,000	535,328,000	556,741,000	579,010,000

7. Budget amendment necessary: Yes. The cost of this legislation will be reflected in increased employer contribution rates for FY08.

8. Fiscal implications: See Fiscal Impact Estimates

9. Specific agency or political subdivisions affected: VRS and local school boards

10. Technical amendment necessary: Yes. This legislation does not clarify whether the 2.0 percent multiplier applies to all creditable service or just service as a teacher and whether this enhanced benefit would apply to those teachers who meet the service requirement, but have deferred their retirement.

11. Other comments: None

Date: 01/17/07/pas

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