

## Virginia Retirement System 2007 Fiscal Impact Statement

1. **Bill Number** HB2420

**House of Origin**  Introduced     Substitute     Engrossed

**Second House**     In Committee     Substitute     Enrolled

2. **Patron**        Kilgore

3. **Committee**    Appropriations

4. **Title**            Retirement; benefits for certain state and local public safety officers.

5. **Summary/Purpose:** Retirement; benefits for certain state and local public safety officers.

The provisions of this bill require that all deputy sheriffs receive the enhanced law enforcement officers' retirement (LEOS) benefits with a 1.7 percent multiplier and the annual supplement. State police officers and sheriffs would receive a 2.0 percent multiplier and the annual supplement.

Localities may elect, at their cost, to increase the multiplier for deputy sheriffs to 2.0 percent with the supplement.

Finally, the bill requires that the Compensation Board reimburse 100 percent of each county or city's employer contribution to the VRS attributable to the cost of the LEOS benefits (1.7 percent and annual supplement) for recognized positions funded through the Compensation Board.

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(Deputies)	22,617,000	23,522,000	24,462,000	25,440,000	26,458,000	27,516,000
SPORS-GF	4,696,000	4,884,000	5,079,000	5,282,000	5,493,000	5,713,000
VaLORS-GF						
JRS-GF						
Teacher-GF						
Total GF	<u>27,313,000</u>	<u>28,406,000</u>	<u>29,541,000</u>	<u>30,722,000</u>	<u>31,951,000</u>	<u>33,229,000</u>
State-NGF						
SPORS-NGF	1,069,000	1,112,000	1,156,000	1,202,000	1,250,000	1,300,000
VaLORS-NGF						
Total NGF	<u>1,069,000</u>	<u>1,112,000</u>	<u>1,156,000</u>	<u>1,202,000</u>	<u>1,250,000</u>	<u>1,300,000</u>
Local (Sheriff)	<u>641,000</u>	<u>667,000</u>	<u>694,000</u>	<u>722,000</u>	<u>751,000</u>	<u>781,000</u>
Grand Total	<u>29,023,000</u>	<u>30,185,000</u>	<u>31,391,000</u>	<u>32,646,000</u>	<u>33,952,000</u>	<u>35,310,000</u>

**7. Budget amendment necessary:** Yes. The cost of this legislation will be reflected in higher employer contribution rates for FY 2008.

**8. Fiscal implications:** There could be additional costs as a result of:

- Compensation Board costs will increase to support a 100% reimbursement of employer contribution costs for deputy sheriffs.
- The additional costs of the increased multiplier for sheriffs would not be funded through the Compensation Board and would be borne by localities.
- The additional costs for locally funded, full time sheriff deputy positions will be funded entirely by the locality. Additionally, local governments will fund the retirement costs attributable to any local salary supplements for Compensation Board funded positions.
- In addition, the Virginia Retirement System will require a NGF appropriation in the amount of \$300,000 to cover system's modifications, one FTE, and costs of communication and member education.

**9. Specific agency or political subdivisions affected:** VRS and SPORS and the Compensation Board

**10. Technical amendment necessary:** No

**11. Other comments:** This legislation does not include regional jail officers funded through the Compensation Board.

**Date:** 01/19/07/pas  
**Document:** HB2420