

Virginia Retirement System 2007 Fiscal Impact Statement

1. **Bill Number** HB2848

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron** Moran

3. **Committee** Appropriation

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 2.2 percent multiplier and the annual supplement.

Localities may elect, at their cost, to increase the multiplier for deputy sheriffs to 2.2 percent with the supplement.

Finally, the bill requires any city or county that had not elected to provide LEOS coverage to its deputy sheriffs as of January 1, 2007, those localities would be required to provide those additional benefits effective July 1, 2007. For these cities and counties, the Compensation Board would be required to reimburse 100 percent of each county or city's employer contribution to the VRS attributable to the cost of the LEOS benefits.

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(Deputie	7,127,000	7,412,000	7,708,000	8,016,000	8,337,000	8,670,000
SPORS-GF	7,753,000	8,063,000	8,386,000	8,721,000	9,070,000	9,433,000
VaLORS-GF						
JRS-GF						
Teacher-GF						
Total GF	<u>14,880,000</u>	<u>15,475,000</u>	<u>16,094,000</u>	<u>16,737,000</u>	<u>17,407,000</u>	<u>18,103,000</u>
State-NGF						
SPORS-NGF	1,765,000	1,836,000	1,909,000	1,985,000	2,064,000	2,147,000
VaLORS-NGF						
Total NGF	<u>1,765,000</u>	<u>1,836,000</u>	<u>1,909,000</u>	<u>1,985,000</u>	<u>2,064,000</u>	<u>2,147,000</u>
Local (Sheriff)	<u>1,081,000</u>	<u>1,124,000</u>	<u>1,169,000</u>	<u>1,216,000</u>	<u>1,265,000</u>	<u>1,316,000</u>
Grand Total	<u>17,726,000</u>	<u>18,435,000</u>	<u>19,172,000</u>	<u>19,938,000</u>	<u>20,736,000</u>	<u>21,566,000</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.

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