

Virginia Retirement System 2007 Fiscal Impact Statement

1. Bill Number SB875

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron McDougale

3. Committee Finance

4. Title Retirement multiplier for public safety officers.

5. Summary/Purpose: Retirement multiplier for public safety officers. Increases the retirement multiplier for hazardous duty service performed by public safety officers by 0.025% for each full year over age 50 at the time of the member's retirement and by an additional 0.025% for each full year of creditable service in excess of 25 years at the time of the member's retirement. The retirement multiplier would be capped at 2.2%.

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	3,880,000	4,035,000	4,196,000	4,364,000	4,539,000	4,721,000
VaLORS-GF	5,066,000	5,269,000	5,480,000	5,699,000	5,927,000	6,164,000
JRS-GF						
Teacher-GF						
Total GF	8,946,000	9,304,000	9,676,000	10,063,000	10,466,000	10,885,000
State-NGF						
SPORS-NGF	883,000	918,000	955,000	993,000	1,033,000	1,074,000
VaLORS-NGF	393,000	409,000	425,000	442,000	460,000	478,000
Total NGF	1,276,000	1,327,000	1,380,000	1,435,000	1,493,000	1,552,000
Teacher-Local						
Local Agregate	87,507,000	91,007,000	94,647,000	98,433,000	102,370,000	106,465,000
Total Local	87,507,000	91,007,000	94,647,000	98,433,000	102,370,000	106,465,000
Grand Total	97,729,000	101,638,000	105,703,000	109,931,000	114,329,000	118,902,000

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

8. Fiscal implications: See Expenditure Impact above.

9. Specific agency or political subdivisions affected: VRS and participating localities

10. Technical amendment necessary: Yes. The example formula on Line 22 does not express the retirement multiplier using the same measure as the written text. Line 22 should read as follows:

“ $1.7\% + (1 \times .025\%) + (3 \times .025\%) = 1.8\%$ ”

11. Other comments: None

Date: 01/18/07/pas

Document: SB875