

Virginia Retirement System 2008 Fiscal Impact Statement

1. Bill Number: HB484

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Shuler

3. Committee: Appropriations

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

5. Summary: 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 10 or more years of creditable service earned as a teacher. The bill applies to teachers retiring on or after July 1, 2008.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
State-GF						
SPORS-GF						
VaLORS-GF						
JRS-GF						
Teacher-GF	\$128,062,000	\$133,184,000	\$138,511,000	\$144,051,000	\$149,813,000	\$155,806,000
Total GF	<u>\$128,062,000</u>	<u>\$133,184,000</u>	<u>\$138,511,000</u>	<u>\$144,051,000</u>	<u>\$149,813,000</u>	<u>\$155,806,000</u>
State-NGF						
SPORS-NGF						
VaLORS-NGF						
Total NGF	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Teacher-Local	\$197,712,000	\$205,620,000	\$213,845,000	\$222,399,000	\$231,295,000	\$240,547,000
Local Aggregate						
Total Local	<u>\$197,712,000</u>	<u>\$205,620,000</u>	<u>\$213,845,000</u>	<u>\$222,399,000</u>	<u>\$231,295,000</u>	<u>\$240,547,000</u>
Grand Total	<u>\$325,774,000</u>	<u>\$338,804,000</u>	<u>\$352,356,000</u>	<u>\$366,450,000</u>	<u>\$381,108,000</u>	<u>\$396,353,000</u>

7. Budget Amendment Necessary: Yes. The cost of this legislation will be reflected in the increased employer contribution rates beginning in FY09.

8. Fiscal Implications: See Expenditure Impact above.

9. Specific Agency or Political Subdivisions Affected: VRS, all public school systems and local governments.

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 fulfill the 10-year service requirement, yet defer their retirement.

11. Other Comments: This bill is similar to House Bill 1882 and 1915 which were introduced during the 2007 General Assembly session and were referred to JLARC for inclusion in its 2008 study of compensation for employees of the Commonwealth.

Date: 01/18/2008 pas

Document: HB484.DOC