

## Virginia Retirement System 2009 Fiscal Impact Statement

**1. Bill Number:** HB1742

House of Origin      X      Introduced                  Substitute                  Engrossed

Second House                  In Committee              Substitute                  Enrolled

**2. Patron:**        Pogge

**3. Committee:** Appropriations

**4. Title:**            **Local deferred compensation plans.**

**5. Summary:** Local deferred compensation plans. Permits a locality to provide for automatic enrollment of all employees in a deferred compensation plan.

**6. Fiscal Impact Estimates:** There is no fiscal impact.

**7. Budget Amendment Necessary:** No

**8. Fiscal Implications:** No

**9. Specific Agency or Political Subdivisions Affected:** As currently written, the bill does not affect VRS or participating employers.

**10. Technical Amendment Necessary:** Yes

**11. Other Comments:** As written, the proposed change applies only to subdivisions that administer their own 457 plans. Section 51.1-603.1 could be amended to allow political subdivisions that participate in the Commonwealth's 457 Plan to elect the auto enrollment feature.

As introduced, this legislation does not provide for a negative election by which employees may decline participation. In plans with an automatic contribution arrangement, a negative election is required under the federal Pension Protection Act.

**Date:** 1/22/2009 pas

**Document:** HB1742.DOC