

Virginia Retirement System 2009 Fiscal Impact Statement

1. Bill Number: SB1234

House of Origin X Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron: Barker

3. Committee: Finance

4. Title: **Virginia Retirement System; retirees hired as school board security personnel.**

5. Summary: Virginia Retirement System; retirees hired as school board security personnel; Provides that retired persons who are members of the Virginia Retirement System, the State Police Officers' Retirement System, or the Virginia Law Officers' Retirement System may be hired as local school board security personnel without interruption of their retirement benefits under the following conditions: (i) the person has been receiving such retirement allowance for a minimum period of time as jointly determined by the Virginia Retirement System and the Joint Legislative and Audit Review Commission; (ii) the person has not retired pursuant to an early retirement incentive; and (iii) the person did not voluntarily resign or voluntarily retire under the Workforce Transition Act of 1995.

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

6a. Expenditure Impact: No

7. Budget Amendment Necessary: No

8. Fiscal Implications: See Other Comments below.

9. Specific Agency or Political Subdivisions Affected: VRS and local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: Return to work bills have generally been confined to employee groups where critical shortages exist. VRS is not aware of any shortage with respect to school board security personnel. Because of the risk of changing retirement patterns, if these types of bills are not subject to restrictive criteria, they may have a cost impact as members may see this as an opportunity to retire earlier than currently expected. Changing patterns of retirement will have a cost impact on the defined benefit, health insurance credits and life insurance programs.

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