

## Virginia Retirement System 2012 Fiscal Impact Statement

1. **Bill Number:** SB136

<b>House of Origin</b>	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
<b>Second House</b>	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. **Patron:** Puller

3. **Committee:** Finance

4. **Title:** Virginia Retirement System; retirees hired as law-enforcement officers of certain towns.

5. **Summary:** Virginia Retirement System; Provides that a retiree receiving retirement benefits may be hired as a police chief in any town with a population less than 10,000 without interruption of his retirement benefits under certain conditions.

6. **Budget Amendment Necessary:** No

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

8. **Fiscal Implications:** See "Other Comments."

9. **Specific Agency or Political Subdivisions Affected:** VRS and towns with a population of less than 10,000 who hire retired members under the provisions of this legislation.

10. **Technical Amendment Necessary:** Consider a technical amendment requiring the locality hiring such individuals to pay the employer contribution to VRS.

11. **Other Comments:** 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 financial impact on the defined benefit, health insurance credit and life insurance programs. Accordingly, return to work bills have generally been confined to employee groups where critical shortages exist.

Similar bills in the past have contained a provision that limits the impact on VRS by requiring the locality, which hires such individuals, to pay the employer contribution to the VRS for these individuals during their employment as a chief of police. These payments would be made to mitigate any cost impact to the VRS.

**Date:** 01.23.2012

**Document:** SB136.DOC