

Virginia Retirement System 2010 Fiscal Impact Statement

1. Bill Number: HB324

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

2. Patron: Plum

3. Committee: Appropriations

4. Title: Virginia Retirement System; members' benefits.

5. Summary: Increases the average final compensation retirement multiplier from 1.7 percent to 1.8 percent for state employees, teachers and non-hazardous duty local employees.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>
State-GF	\$24,975,000	\$24,975,000	\$25,724,000	\$26,496,000	\$27,291,000
SPORS-GF					
VaLORS-GF					
JRS-GF					
Teacher-GF	\$46,653,000	\$48,053,000	\$49,495,000	\$50,980,000	\$52,509,000
Total GF	<u>\$71,628,000</u>	<u>\$73,028,000</u>	<u>\$75,219,000</u>	<u>\$77,476,000</u>	<u>\$79,800,000</u>
State-NGF	\$26,488,000	\$26,488,000	\$27,283,000	\$28,101,000	28,944,000
SPORS-NGF					
VaLORS-NGF					
Total NGF	<u>\$26,488,000</u>	<u>\$26,488,000</u>	<u>\$27,283,000</u>	<u>\$28,101,000</u>	<u>28,944,000</u>
Teacher-Local	\$72,026,000	\$74,187,000	\$76,413,000	\$78,705,000	\$81,066,000
Pol. Subs					
Schools	\$3,651,000	\$3,761,000	\$3,874,000	\$3,990,000	\$4,110,000
Pol. Subs Non					
School	<u>\$24,881,000</u>	<u>\$25,627,000</u>	<u>\$26,396,000</u>	<u>\$27,188,000</u>	<u>\$28,004,000</u>
Total Local	<u>\$100,558,000</u>	<u>\$103,575,000</u>	<u>\$106,683,000</u>	<u>\$109,883,000</u>	<u>\$113,180,000</u>
Grand Total	<u>\$198,674,000</u>	<u>\$203,091,000</u>	<u>\$209,185,000</u>	<u>\$215,460,000</u>	<u>\$221,924,000</u>

7. Budget Amendment Necessary: Yes. The cost of this legislation will be reflected in increased employer contribution rates for FY11. This will increase the Unfunded Accrued Liability (UAL) by \$454,340,000 for state employees, \$1,010,761,000 for teachers and \$244,094,000 for Localities (non hazardous duty). In addition, the cost of this legislation will decrease the funded ratio of these plans.

8. Fiscal Implications: See Expenditure Impact above.

9. Specific Agency or Political Subdivisions Affected: VRS, state employees, teachers and non hazardous duty local employees

10. Technical Amendment Necessary: No

11. Other Comments: This legislation does not apply to JRS, SPORS, VaLORS or members covered under the enhanced hazardous duty benefit, formerly known as LEOS.

Date: 1/25/2010 pas

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