

**REPORT NUMBER ONE
OF THE**

Retirement System Review Commission

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



House Document No. 10

**COMMONWEALTH OF VIRGINIA
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REPORT NUMBER ONE
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RETIREMENT SYSTEM REVIEW COMMISSION
December 18, 1984

The Retirement System Review Commission reviewed three bills carried over from the 1984 session of the General Assembly.

In accordance with the authority granted the Commission by H.B. 844 ". . .to review and evaluate all proposed changes in the Virginia Supplemental Retirement System. . .[to] determine the actuarial impact, financial impact, and legal sufficiency of the proposed change and the comparability of such change to the provisions of other retirement systems and promptly submit its findings to the General Assembly," the Commission offers the following comments on House Bill 731, House Bill 812 and House Bill 991:

House Bill 731

The intent of this bill is to provide retirement benefits for Alcoholic Beverage Control and Game and Inland Fisheries enforcement personnel identical to those benefits State Police Officers receive.

The fiscal impact of this bill is 2.77% of pay of those individuals offered the special provisions this bill proposes. Based on payroll figures supplied by the Department of Planning and Budget in January of 1984, the amount per biennium would be \$296,082. The Commission expressed concern that only Alcoholic Beverage Control and Game and Inland Fisheries enforcement officers were considered. The Commission suggests that at least the following list of agencies have some law enforcement function and may or may not qualify:

Capitol Police; University Police; DMV enforcement officers; certain personnel of the Marine Resources Commission; State Corporation Commission enforcement officers; forest rangers of the Division of Forestry; park rangers of the Division of Parks; and security personnel of the Virginia Port Authority.

The estimated cost for including the approximately 1,428 law enforcement officers of these agencies is \$1,324,312 per biennium.

The estimated general fund/non-general fund breakdown of these figures per agency is:

	<u>GENERAL FUND</u>	<u>NON-GENERAL FUND</u>
Capitol Police	\$61,214	
University Police (Campus & Institutional)	\$270,592	\$145,702
DMV Enforcement Officers		\$195,474
Marine Resources Commission	\$10,182	\$314
State Corporation Commission Officers		\$43,862
Forest Rangers	\$210,542	\$52,636
Park Rangers	\$74,542	
Va. Port Authority Security Officers	<u> </u>	\$259,252
	\$627,072	\$697,240
TOTAL		\$1,324,312

VSRS Estimates for:

ABC Board	\$150,740
Game Wardens	<u>\$145,342</u>
	\$296,082

The Commission suggests that the VSRS would be an inappropriate vehicle to provide for the benefits envisioned by this bill in that it would allow for different retirement ages and benefits within the same system.

It is suggested by the Commission that if the legislation, in its wisdom, sees fit to provide the benefits as stated forth in House Bill 731, that the proper vehicle might be the State Police Officers Retirement System or some system structured similarly but separate from the VSRS.

House Bill 812

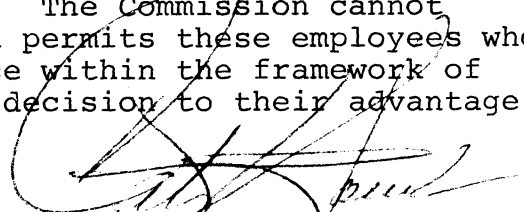
The intent of this bill is to provide VSRS membership for part-time teachers. The fiscal impact is 11% of payroll for those affected but no dollar amount can be obtained because there is no way to determine those eligible.

The logic behind this particular bill is that some school systems no longer need full-time teachers in some specialized areas. Because of this, teachers are losing membership in VSRS due to enrollment fluctuations. The Commission expressed concern for these individuals but agreed that permitting one group of part-time employees membership in the system while denying others would be neither fair nor good retirement system design.

The director of VSRS advised the Commission that VSRS was designing a new data management system. As a part of that project, a significant number of changes to the legislation would be recommended to enhance the efficiency of record maintenance and benefit processing. One of those would be a new definition of service credit along the lines of ERISA standards which measure service credit in terms of hours. The Commission agreed to recommend the issue should be considered in conjunction with the VSRS project.

House Bill 991

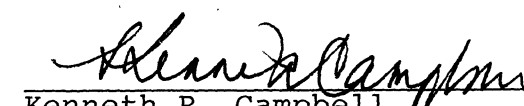
The intent of this bill would allow approximately 113 court employees of the City of Richmond to elect membership in VSRS. These individuals elected in 1973 to remain in the Richmond Retirement System. The approximate financial impact of this bill is \$610,922. The Commission cannot recommend this legislation which permits these employees who previously made a freewill choice within the framework of the legislation to reverse that decision to their advantage.



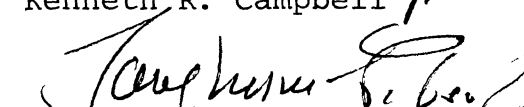
Calvin W. Fowler, Chairman



Matthew T. Blackwood



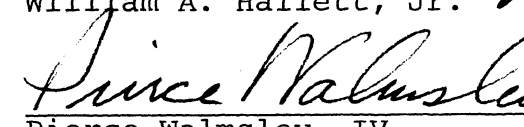
Kenneth R. Campbell



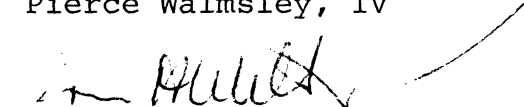
Langhorne Gibson, Jr.



William A. Hallett, Jr.



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