

**REPORT OF THE  
DIVISION OF LEGISLATIVE SERVICES ON**

**The Feasibility and Effects of Raising  
the Retirement Allowance and the  
Implications of Removing the Age  
Requirements for Members of the State  
Police Officers' Retirement System**

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



**HOUSE DOCUMENT NO. 66**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1994**

This report resulted from a study assigned to the Division of Legislative Services by the 1993 General Assembly as part of a pilot project. Division staff presented the findings to the Joint Rules Committee on November 17, 1993, and the completed report is now presented to the 1994 General Assembly.

## **MEMBERS OF THE JOINT RULES COMMITTEE**

The Honorable Thomas W. Moss, Jr.  
The Honorable Alan A. Diamonstein  
The Honorable Ford C. Quillen  
The Honorable Robert B. Ball, Sr.  
The Honorable C. Richard Cranwell  
The Honorable George H. Heilig, Jr.  
The Honorable S. Vance Wilkins, Jr.  
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The Honorable Hunter B. Andrews  
The Honorable Madison E. Marye  
The Honorable Charles L. Waddell  
The Honorable Virgil H. Goode, Jr.  
The Honorable Edward M. Holland  
The Honorable Joseph B. Benedetti

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**HOUSE JOINT RESOLUTION NO. 625**

*Requesting the Division of Legislative Services to study the feasibility and effects of raising the retirement allowance for certain police officers.*

Agreed to by the House of Delegates, February 25, 1993

Agreed to by the Senate, February 23, 1993

WHEREAS, the retirement allowance at normal retirement (age 50 with 25 years of service) for members of the State Police Officers' Retirement System and police officers employed by certain local governments is 1.50 percent of the first \$13,200 of average final compensation plus 1.65 percent of average final compensation in excess of \$13,200, multiplied by the amount of creditable service; and

WHEREAS, police officers risk their lives on a daily basis to protect and defend the citizens of this Commonwealth; and

WHEREAS, that dedication and commitment should be rewarded financially; and

WHEREAS, since law-enforcement officers usually retire at an earlier age than other public employees, consideration should be given to permit such officers to retire at any age, as long as they have 25 years of creditable service; and

WHEREAS, increased retirement benefits for law-enforcement officers would be a sign of the Commonwealth's appreciation; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Division of Legislative Services is requested to study the feasibility and effects of increasing the retirement allowance of members of the State Police Officers' Retirement System and police officers employed by certain local governments from 1.65 to 2.00 percent of average final compensation. The Division shall also examine the implications of removing the "age cap" and allow law-enforcement officers to retire, at any age, with 25 years of creditable service.

The Division of Legislative Services shall submit its findings and conclusions to the Joint Committee on Rules in accordance with the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The Virginia Retirement System and the Department of State Police shall fully cooperate with the Division in the conduct of its study. All other agencies of the Commonwealth shall, upon request, assist the Division.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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## **Introduction**

The 1993 Session of the General Assembly, pursuant to House Joint Resolution No. 625, requested that the Division of Legislative Services analyze the following issues:

- I. The feasibility and effects of increasing the retirement allowance of members of the State Police Officers' Retirement System ("SPORS") and police officers employed by certain local governments from 1.65 to 2.00 percent of average final compensation; and
- II. The implications of removing the "age cap" and allowing law-enforcement officers to retire, at any age, with 25 years of creditable service.

This study, along with three others<sup>1</sup> represents a new, information-seeking approach adopted by the Joint Rules Committee. Accordingly, a formal subcommittee was not established. Because the study involves a fairly narrow and technical subject, the Division of Legislative Services, the legal and research arm of the General Assembly, was assigned to study the subject and report directly to the Joint Rules Committee with its findings. The objective of the study is to present research and statistical data on the subject without reaching definitive policy conclusions or making specific recommendations. This process allows the Joint Rules Committee to have the benefit of the information in formulating legislative policy decisions, without necessitating their presence at numerous fact-finding meetings.

## **Background History of SPORS**

Legislative action to establish a separate retirement system for State Police officers began in 1942, when the Department of State Police separated from the Division of Motor Vehicles to become an independent state agency. At that time State Police rejected coverage under the Virginia Retirement System ("VRS"). The majority of the officers thought the VRS coverage was impractical for their situation. Their dissent prompted studies to determine the need for a special retirement system for the State Police; however, SPORS was not established as a separate system until 1950. Between 1942 and 1950, newly hired State Police officers were covered under VRS. Those officers already on the force who rejected the VRS coverage did not have a retirement plan.

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<sup>1</sup>HJR 485 - Post-Majority Child Support  
HJR 615 - Occupational License Withholding for Child Support Enforcement  
SJR 232 - Election Day

## **Rationale Behind SPORS**

In the 1988 *Report of the Joint Legislative Audit and Review Commission on an Assessment of Eligibility for State Police Officers Retirement System Benefits*, the Joint Legislative Audit and Review Commission (JLARC) staff reviewed the initial SPORS legislation and related legislative commission reports to determine the legislative intent behind establishing SPORS. In addition, various state officials were interviewed to obtain their impressions on the rationale behind the creation of SPORS. Although JLARC found the initial intent remained somewhat unclear, it did identify a number of important factors. The material on this issue was drawn substantially from their report.

Several reasons for a separate system put forward during the 1940s have recurred in subsequent reports. The legislative commission reports note that the Department of State Police is a unique body of law-enforcement officers. The early studies stressed age effectiveness in performing the duties of the State Police. They also identified the hazards associated with direct law-enforcement as a principal reason for early retirement of State Police.

Age Effectiveness. In the 1944 *Report of the Commission to Consider a Death, Disability and Retirement System for the Virginia State Police Force*, State Police officers were identified as having special retirement needs because:

...usefulness of a member of the State Police as such is ended at the age of fifty to fifty-five; and ... it would be contrary to the best interests of the Commonwealth of Virginia ... to have the majority of the members of the State Police rendered unfit for the duties of their service on account of age.

In the 1948 *Report of the Virginia Advisory Legislative Council on Retirement of the State Police*, it was contended that the physical requirements of State Police work made it impossible for officers to remain with the state until the prescribed retirement age (65 at that time). Officers either left their jobs or stayed beyond their useful age, impairing to some degree the work of the force. Therefore, they required a lower age of retirement than other state employees.

There is consensus in the medical research community that the ability to perform physical tasks does decline with age. However, there is much disagreement on the rate of that decline. Aging has been found to adversely affect aerobic capacity, isometric strength, and heat adaptation. However, these effects can be moderated depending on the individual's physical conditioning, hereditary predisposition, and diet (expert testimony as summarized in Judge Thomas A. Higgins' memorandum opinion in *EEOC v. State of Tennessee Wildlife Resources Agency*, 696 F.Supp. 1163, (M.D. Tenn. 1986)). So, while there is a relationship between age and ability to perform, age alone does not cause decline in physical performance. However, this relationship between age and performance has been used in several states as the rationale for early retirement of law-enforcement personnel.

Hazardous Duty. While hazardous duty is not defined in the legislation, the term has been used in reference to State Police officers' duties since the early 1940s. For example, the 1944 report states:

... because of the many hazards and risks incident to the duties of the State Police such members should be afforded further protection than is now provided by the Virginia Retirement Act ...[Moreover, because] the duties of the State Police require strenuous service under conditions often of great danger to the Police ... more adequate provision should be made to cover disabilities resulting from a performance of duty ... the retirement age of such persons should be lowered.

Other Issues. Though the age and hazards issues remained central to the argument for a separate State Police officers retirement system, other issues were identified. The 1944 report noted that "the Commonwealth of Virginia, by careful selection and training, has organized an effective State Police Force." It asserted the need for an adequate system of retirement for the State Police in order to recruit and retain quality personnel.

The 1980 *Report of the Virginia Retirement Study Commission* stated that the "unique characteristics inherent in ... sworn law-enforcement duty constitute sufficient ground for individual retirement systems." The Commission further observed, in reference to other groups desiring similar coverage, that "SPORS benefits do not and should not encompass responsibilities which relate to the administrative enforcement of laws, generally, rather than direct enforcement of penal, traffic and highway laws."

## **Extension to Local Jurisdictions**

The 1969 *Report of the Virginia Advisory Legislative Council on Proposals to Improve the State's Retirement Programs* addressed the issue of permitting localities participating in VRS to provide SPORS-like benefits to "their law-enforcement officers and other personnel whose duties are comparably hazardous to those of State Police. So long as the rationale for the distinction based on job differences between State employees and State police is valid, it should apply as well at the local level." Since 1970, local governments participating in VRS have had the option of extending SPORS-like benefits to their law-enforcement personnel.

Currently, 70 local governments (24 counties, 30 cities, and 16 towns) provide SPORS-like coverage to their law-enforcement officers through VRS. Another 149 localities simply provide their law-enforcement officers basic VRS benefits. Rather than extend SPORS-like coverage or basic VRS benefits to their law-enforcement officers, another 11 localities have established their own retirement systems.



## **Recent Efforts to Expand SPORS Benefits**

Pursuant to HJR 105, the 1988 Session of the General Assembly established a joint subcommittee to analyze the issue of whether State Police officers should be eligible to receive full retirement benefits after 25 years of service to the Commonwealth, regardless of age. Instead of completely eliminating the 55 years of age requirement, the subcommittee recommended that the eligibility requirements for SPORS should be reduced from the then current 30 years of service and 55 years of age to 25 years of service and age 50.

The subcommittee based its recommendations on the following factors:

1. Virginia was the only state which required State Police to be 55 years of age and serve 30 years to retire; therefore, the current scheme appeared too stringent when compared to surrounding states' retirement requirements, and when the hazardous duties which State Police consistently perform are considered;
2. The total biennial cost to the Commonwealth of reducing the State Police retirement requirements was estimated to be \$1.4 million, less than the approximately \$2.4 million cost of eliminating the age requirement completely, and reducing the age requirement would not impose any additional administrative burdens upon SPORS; and
3. The proposal was consistent with the traditional policy in the Commonwealth of including age and length of service as two requirements for eligibility, rather than eliminating the age factor from the formula, as initially proposed.

The 1989 Session of the General Assembly adopted the recommendation of the joint subcommittee.

## **SPORS Today**

Membership in SPORS is mandatory for all eligible State Police officers. As of June 1, 1993, the State Police had 1,596 active personnel covered under SPORS. However, there are additional uniformed positions within the Department of State Police that are covered under VRS instead. These would include weight-enforcement officers who are not included in SPORS because their activity is primarily stationary, their exposure to risk is limited, and their potential to harm citizenry is minimal.

SPORS, like the other two state retirement systems, required its employees to contribute 5% of their annual salary to the pension fund until 1983. At that time the Commonwealth elected to pay the employee share for all state employees. However, local plans which provide SPORS-like coverage to their enforcement officers through VRS may be

employee contributory if the local government, as employer, does not elect to pay the employee share.

The benefits available to State Police officers under SPORS are set forth in §§ 51.1-200 through 51.1-209 of the *Code of Virginia*. Local law-enforcement officers are also entitled to receive identical benefits provided to State Police officers if the locality meets two prerequisites:

1. participates in the Virginia Retirement System pursuant to § 51.1-130 of the *Code*; and
2. provides SPORS-like benefits to local law-enforcement officers pursuant to §§ 51.1-138 and 51.1-144 of the *Code*.

The following summarizes the retirement benefits available to State Police officers under SPORS and local law-enforcement officers in localities that have elected to provide SPORS-like benefits:

**Age:** State Police officers and local law-enforcement officers are eligible for full retirement benefits at the normal retirement age, which is age 60, or at age 50 with 25 years of service.

**Benefits:** The basic benefit, as set forth in § 51.1-206 of the *Code*, is an annual retirement allowance payable for life. The amount of the annual benefit received is computed as follows:

$$\begin{aligned} &1.50\% \times 1^{\text{st}} \$13,200 \text{ of "average final compensation"} \\ &+ \\ &1.65\% \times \text{"average final compensation" in excess of } \$13,200 \\ & \times \\ & \text{Years of Service} \end{aligned}$$

Average final compensation is defined as the average annual creditable compensation of a State Police officer or local law-enforcement officer during the highest 36 consecutive months of creditable service (§ 51.1-101).

**Special Supplements:** State Police officers and local law-enforcement officers are eligible to receive two types of special supplements in addition to the basic retirement benefit:

1. An annual cost-of-living adjustment as determined by the United States Average Consumer Price Index, limited to 5% per year (§ 51.1-166). This adjustment is given to all other VRS retirees as well.
2. An annual special supplement of \$7,752 from the date of retirement until the member turns 65, provided he has served at least 20 years of service in a hazardous duty

position. This amount is indexed to Social Security and adjusted biennially (§ 51.1-206).

Legislation was passed in the 1987 Session of the General Assembly which permitted retirement of other state employees covered under VRS at age 55 with 30 years of service. At the time this was done, it was thought it would entail very little additional cost to Virginia. For two years, general state employees had the same age and years of service requirement as that for the State Police, although general employees were not and continue not to be eligible for the same supplemental benefits as the State Police.

There are two primary differences between SPORS and VRS (Table 1). First, State Police officers may retire with full benefits at age 60 with 5 years (vesting requirement) of service or age 50 with 25 years. Employees participating in VRS may retire at age 65 with 5 years of years of service or at age 55 or older with 30 years. Second, State Police officers with 20 years of hazardous duty service are eligible for a special retirement supplement, currently \$7,752 annually, which is not available to general employees.

**Table 1**  
**DISTINCTIONS BETWEEN SPORS AND VRS**

	<b>SPORS</b>	<b>VRS</b>
Normal Retirement Age <sup>a</sup>	60 (50/25)	65 (55/30) <sup>b</sup>
Special Supplements <sup>c</sup>	\$7,752 annually	None

<sup>a</sup> Age (age and years of service) at which eligible for full retirement benefits.

<sup>b</sup> The 55/30 provision applies to local employees at the option of the locality.

<sup>c</sup> In addition to their regular retirement benefits, SPORS retirees with at least 20 years of service in a hazardous duty position receive a special supplement of \$7,752 annually from date of retirement until their 65th birthday.

**ISSUE ONE: THE FEASIBILITY AND EFFECTS OF INCREASING THE RETIREMENT ALLOWANCE OF MEMBERS OF THE STATE POLICE OFFICERS' RETIREMENT SYSTEM AND POLICE OFFICERS EMPLOYED BY CERTAIN LOCAL GOVERNMENTS FROM 1.65 TO 2.00 PERCENT OF AVERAGE FINAL COMPENSATION.**

The following factors were considered in assessing the feasibility and effects of increasing the retirement allowance:

1. **Cost.** Whether increasing the retirement allowance of members of SPORS and police officers employed by certain local governments from 1.65 to 2.00 percent of average final compensation will result in an additional cost to the Commonwealth and localities providing SPORS-like benefits.
2. **Equitability.** Whether the current retirement allowance under SPORS is equitable in comparison to other states' retirement plans.
3. **Administrative or Legislative Changes.** Whether any administrative or legislative changes will be required to implement the proposal.

## **1. COST**

COST TO THE COMMONWEALTH. The Virginia Retirement System (VRS) estimates that an increase in the retirement allowance from 1.65% to 2.00% of average final compensation will result in an additional cost to the Commonwealth and localities supplying SPORS-like benefits to law-enforcement officers. VRS estimates that, based on an annual salary of \$58.1 million as provided by the Department of Planning and Budget, the Commonwealth would incur an additional cost of \$3,334,940 for the next biennium if State Police were to receive an increase in the multiplier of average final compensation greater than \$13,200. To put this number into perspective, the Department of Planning and Budget estimates that the Commonwealth will spend approximately \$18.6 million to fund retirement benefits for SPORS in the next biennium. If the retirement allowance was changed from 1.65% to 2.00% of average final compensation in excess of \$13,200, the additional sum of \$3,334,940 would represent a 17.9% increase in current costs.

Another way of examining the fiscal impact of such a change is to look at the net effect of the increased retirement benefit on the retired law-enforcement officer's annual benefit. The analysis is set forth in Table 2. Using an average final compensation figure of \$35,000 (selected randomly) and 25 years of service, a retired law-enforcement officer could expect a basic annual benefit of \$13,950, which is approximately 40% of his average

final compensation. If the special annual supplement of \$7,752 is added, his annual benefit rises to \$21,702 or 62% of his final average salary.

If the retirement allowance were to rise by increasing the multiplier from 1.65% to 2.0% of average final compensation in excess of \$13,200, the basic annual benefit would increase from \$13,950 to \$15,850. This increase would approximate a 13.6% increase in the basic annual benefit. As a percentage of average final compensation, the basic annual benefit would rise from approximately 40% to over 45% as reflected in Table 2.

**Table 2  
EFFECT OF INCREASE IN MULTIPLIER**

<b>Current Formula</b>			<b>Increase in Retirement Allowance from 1.65% to 2.0% of AFC in Excess of \$13,200</b>		
1.	Average Final Compensation (AFC)	\$35,000	1.	Average Final Compensation (AFC)	\$35,000
2.	First \$13,200 Multiplied by .015	198	2.	First \$13,200 Multiplied by .015	198
3.	<b>AFC in Excess of \$13,200 Multiplied by .0165</b>	<b>360</b>	3.	<b>AFC in Excess of \$13,200 Multiplied by .020</b>	<b>436</b>
4.	Line 2 plus Line 3 Equals Basic Benefit Per Year of Service	558	4.	Line 2 plus Line 3 Equals Basic Benefit Per Year of Service	634
5.	Basic Benefit Multiplied by 25 Years of Service (Percentage of AFC)	13,950 (39.8%)	5.	Basic Benefit Multiplied by 25 Years of Service (Percentage of AFC)	15,850 (45.2%)
6.	Special Annual Supplement	7,752	6.	Special Annual Supplement	7,752
7.	Total Annual Benefit (Percentage of AFC)	21,702 (62%)	7.	Total Annual Benefit (Percentage of Average Final Compensation)	23,602 (67.4%)

The Commonwealth would also incur an additional cost attributable to the Compensation Board reimbursement costs to localities for SPORS-like benefits extended to constitutional officers such as Sheriffs. Under § 4-6.03(b) of the 1993 Virginia Acts of Assembly, Chapter 994 (Appropriation Act), the General Assembly limited the amount of reimbursement the Compensation Board may make to the localities. Currently, there are only five localities which are still eligible for additional reimbursement if the retirement allowance were to increase. VRS estimates that the Compensation Board's reimbursement would be approximately \$88,892. The localities and the amount of reimbursement they would be eligible for is as follows:

Fauquier County	\$ 1,316
Greensville County	\$ 7,762
Hanover County	\$69,836
Loudoun County	\$ 9,978
Rockingham County	\$ 0
<b>Total Estimated Reimbursement Costs</b>	<b>\$88,892</b>

COST TO LOCAL GOVERNMENTS. Retirement plans available to local law-enforcement officers can be classified into three types of plans:

1. Localities currently providing SPORS-like benefits to local law-enforcement officers;

2. Localities that do not provide SPORS-like benefits but provide VRS benefits. Law-enforcement officers in these localities receive the same benefits as State employees in VRS.
3. Localities that have independent retirement plans and do not participate in VRS or provide SPORS-like benefits to local law-enforcement officers.

Currently, there are 70 cities, counties and towns, covering 8,551 members, which have elected to provide SPORS-like retirement benefits to their local law-enforcement officers who are in positions comparably hazardous to that of a state police officer or to their full time salaried firefighters. If the retirement allowance is increased, these localities will be required to provide the identical benefits to their local law-enforcement officers unless the provision is made optional for such localities participating in SPORS. VRS has estimated that the annual total cost to all cities, counties and towns providing SPORS-like coverage to be approximately \$13.7 million. The annual cost for each locality is listed in Table 3.

**Table 3**  
**ANNUAL REVENUE IMPACT UPON SPORS-LIKE LOCALITIES**

<b>Counties (24)</b>			
<b>Locality</b>	<b>Local Cost</b>	<b>Locality</b>	<b>Local Cost</b>
Albemarle	\$101,825	Greensville	23,758
Appomattox	25,365	Hanover	136,934
Augusta	110,097	Henrico	2,043,559
Bedford	76,284	Henry	98,884
Campbell	58,519	Loudoun	238,141
Chesterfield	909,833	Mecklenburg	37,656
Culpeper	46,211	Pittsylvania	79,079
Essex	16,041	Prince William	1,204,139
Fauquier	64,214	Pulaski	60,943
Franklin	62,660	Roanoke	270,199
Giles	18,697	Rockingham	*
Goochland	14,761	York	180,894
		<b>Total Counties</b>	<b>5,878,693</b>
<b>Cities (30)</b>			
Bedford	\$24,801	Hopewell	175,136
Bristol	201,110	Lynchburg	659,639
Buena Vista	17,692	Manassas	160,554
Chesapeake	1,097,784	Martinsville	164,917
Clifton Forge	15,888	Petersburg	368,342
Colonial Beach	*	Poquoson	40,652
Colonial Heights	93,735	Radford	65,685
Danville	48,262	Roanoke	193,012
Emporia	34,600	Salem	218,376
Franklin	42,525	Staunton	108,022
Fredericksburg	133,236	Suffolk	324,364
Front Royal	*	Virginia Beach	1,915,060
Galax	26,964	Waynesboro	100,934
Hampton	930,154	Williamsburg	118,023
Harrisonburg	99,010	Winchester	121,877
		<b>Total Cities</b>	<b>7,500,354</b>

**Table 3**  
**ANNUAL REVENUE IMPACT UPON SPORS-LIKE LOCALITIES, continued**

<b>Towns (16)</b>			
<b>Locality</b>	<b>Local Cost</b>	<b>Locality</b>	<b>Local Cost</b>
Altavista	\$12,878	Hurt	*
Amherst	9,845	Luray	11,230
Big Stone Gap	7,854	Narrows	4,563
Blacksburg	64,884	Pearisburg	6,457
Chatham	2,240	Rocky Mount	12,049
Culpeper	37,690	Vienna	86,386
Front Royal	43,280	Vinton	22,260
Herndon	*	Warrenton	34,735
		<b>Total Towns</b>	<b>356,351</b>
<b>ESTIMATED TOTAL:</b>			<b>\$13,735,398</b>

\* VRS has not estimated any cost associated with these localities.

Localities that do not provide SPORS-like benefits, but rather provide VRS benefits similar to those received by other state employees, will not incur any additional costs if the retirement allowance under SPORS is increased. These localities would only incur additional costs if they elected, at some future time, to provide SPORS-like benefits to their law-enforcement officers. Localities providing basic VRS benefits are set forth in Table 4.

**Table 4**  
**LOCALITIES PROVIDING VRS BENEFITS TO LAW-ENFORCEMENT OFFICERS**

<b>Counties (68)</b>		
Accomack	Grayson	Page
Alleghany	Greene	Patrick
Amelia	Halifax	Prince Edward
Amherst	Highland	Prince George
Bath	Isle of Wight	Rappahannock
Bland	James City	Richmond
Botetourt	King George	Rockbridge
Brunswick	King & Queen	Russell
Buchanan	King William	Scott
Buckingham	Lancaster	Shenandoah
Caroline	Lee	Smyth
Carroll	Louisa	Southampton
Charles City	Lunenburg	Spotsylvania
Charlotte	Madison	Stafford
Clarke	Mathews	Surry
Craig	Middlesex	Sussex
Cumberland	Montgomery	Tazewell
Dickenson	Nelson	Warren
Dinwiddie	New Kent	Washington
Floyd	Northampton	Westmoreland
Fluvanna	Northumberland	Wise
Frederick	Nottoway	Wythe
Gloucester	Orange	

**Table 4**  
**LOCALITIES PROVIDING VRS BENEFITS TO LAW-ENFORCEMENT OFFICERS, continued**

<b>Cities (12)</b>		
Alexandria Covington Fairfax Falls Church	Lexington Manassas Park Norfolk Norton	Portsmouth Richmond Roanoke South Boston
<b>Towns (69)</b>		
Abingdon Appomattox Ashland Berryville Blackstone Bluefield Bowling Green Boydton Broadway Brookneal Cape Charles Chase City Chinoteague Christiansburg Clarksville Coeburn Courtland Dayton Dublin Dumfries Edinburg Elkton Gate City	Glasgow Gretna Grundy Halifax Hamilton Hillsville Independence Iron Gate Jarratt Kenbridge Kilmarnock Lawrenceville Leesburg Louisa Marion McKenney Middleburg Montrose Mt. Jackson New Market Onancock Orange Parksley	Pembroke Pulaski Purcellville Quantico Remington Round Hill Saltville Shenandoah Smithfield Stanley Strasburg Tappahannock Tazewell Timberville Urbanna Victoria Wakefield Waverly Warsaw Weber City Wise Woodstock Wytheville

In addition, localities which have independent local retirement plans and do not participate in VRS or provide SPORS-like benefits to local law-enforcement officers will not incur any additional costs because of changes to retirement benefits under SPORS. Localities with independent retirement plans are set forth in Table 5.

**Table 5  
LOCALITIES WITH LOCAL RETIREMENT PLANS**

<b>Counties</b>	<b>Cities</b>
Arlington Fairfax Powhatan	Charlottesville Falls Church Danville Newport News Norfolk Portsmouth Richmond Roanoke

Thus, the total cost to the Commonwealth of raising the retirement allowance from .65% to 2.0% of average final compensation in excess of \$13,200 would be approximately



\$3.42 million. The total cost to the Commonwealth and the localities is approximately \$17.2 million. See Table 6.

**Table 6**  
**BIENNIAL REVENUE IMPACT IF THE RETIREMENT ALLOWANCE**  
**FOR SPORS MEMBERS IS INCREASED FROM 1.65% TO 2.0%**

State's Direct Cost	\$3,334,940
Compensation Board Reimbursement Costs for Constitutional Officers	\$88,892
Total State Costs	\$3,423,832
Localities' Cost	\$13,735,398
<b>Total Cost</b>	<b>\$17,159,230</b>

## 2. **EQUITABILITY<sup>2</sup>**

All states sponsor, in one form or another, a pension plan for their employees. The characteristics of these plans vary considerably from state to state. Generalizations can be made about public pension plans in that they are typically defined benefit plans, have minimum vesting requirements, and require employee contributions.

Most states provide more generous retirement benefits for public safety employees than for other state employees; that is, if years of service and salary are the same for both groups, public safety employees on average draw higher benefits. This can be explained, in part, due to the higher risk involved in the occupation, the reduced life span of such employees, and their tendency to retire at an earlier age than regular state employees.

A comparison of public safety pension plans and benefits is a complex process in that no two plans are identical. For instance, some retirement plans provide for automatic cost-of-living increases (COLAs) while others provide ad hoc increases only. Some plans require five years' vesting and others 10 years. These differences are reflected in the cost of the plans. A plan that provides automatic COLA and has a five year vesting requirement costs considerably more than a plan that provides ad hoc COLAs and 10-year vesting requirements. In spite of the difficulties in making on-point comparisons, an attempt will be made to compare SPORS with other states' retirement plans for law-enforcement officers.

**CHARACTERISTICS.** Most public safety pension plans generally consist of a basic benefit and Social Security. Coverage under the federal Social Security program was once elective for public employee pension plans, but is now frozen for systems that elected such coverage. Currently, there are 14 states<sup>3</sup> that do not participate in Social Security. In addition, many states offer, at the employees' option and cost, deferred compensation plans. Most states, including Virginia, offer these plans using pre-tax dollars.

All public safety employee pension plans are defined benefit plans. The amount of benefit is typically based on three factors: (i) years of service, (ii) final average salary (FAS),

<sup>2</sup>The author expresses her gratitude to Robert Vaughn, House Appropriations Committee Staff, for his contributions to this section.

<sup>3</sup>Alabama, California, Colorado, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Nevada, New Hampshire, North Dakota, Ohio, and West Virginia.

and (iii) accrual rate. The accrual rate represents the percentage of benefit earned for each year of service.

Public safety employees are generally allowed to retire at an earlier age than regular state employees. Many states allow public safety employees to retire at any age or a minimum age of 50 with 25 years of service. On the other hand, most states require general employees to work at least 30 years before retiring. In Virginia, a regular state employee may retire at age 55 with 30 years of service; however, a state trooper may retire at age 50 with 25 years of service.

Vesting requirements vary from state to state. The term "vesting" relates to an employee's right, after satisfying some minimum service requirement, to receive a pension benefit. The length of time it takes to be vested generally has an impact on the plan's cost. A shorter vesting period generally increases the plan's cost due to the possibility of more employees being eligible for a benefit. Although the trend has been towards a shorter vesting period, retirement plans in 20 states still have a 10-year vesting requirement.

Another characteristic found in most public safety pension plans is the requirement that employees contribute towards the funding of the plan. Of the 48 pension plans in the continental United States, four have employee contribution requirements in excess of 10% of salary; 29 require employees to contribute between 5% and 9.99%; six require contributions of between 0.0% and 4.99%; seven are noncontributory<sup>4</sup>; and three, Oregon, Virginia, and Wisconsin, make the payment on behalf of the employee. Virginia elected to make the payments in 1983 in lieu of a pay raise that year.

**BENEFIT PAYMENTS.** As mentioned, public pension plans are defined benefit plans. In general, public pension plans require that benefits be based upon final average salary (FAS), years of service, and an accrual rate. Of these three factors, FAS and accrual rate vary by plan.

FAS is based on a specified number of months or years of earned salary divided by that number. In Virginia, FAS is calculated by taking the 36 highest consecutive months of salary and dividing the sum by three. Because salaries tend to rise over time, the shorter the period FAS is based on, the more likely it will be to produce a higher retirement benefit. Changing the period on which FAS is based can have an impact on the cost of the pension plan. A majority of the public pension plans base FAS on a three-year period.

Another factor that varies by plan is the accrual rate. The accrual rate determines the percentage of benefit earned for each year of service. As a rule, retirement systems not participating in Social Security generally provide larger accrual rates. Examples are Massachusetts, Nevada, and Louisiana, which all have an accrual rate of 2.5%.

Some public pension plans have variable accrual rates. For example, employees in Colorado accrue at 2.5% for each year of service for the first 20 years and 1.5% for every year beyond 20 years. In Texas, law-enforcement employees receive 50% of FAS after 20 years of service and 2% for every year up to 30 years. In Virginia, the accrual rate is 1.5% for the first \$13,200 of FAS and 1.65% for FAS in excess of \$13,200. Like other specific details of pension plans, larger accrual rates generally reflect higher plan costs. For

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<sup>4</sup>Arkansas, Florida, Michigan, Missouri, Tennessee, Utah, and Wyoming.

instance, the general fund cost of changing Virginia's accrual rate for State Police from 1.65% to 2% would be approximately \$3.3 million. As noted earlier, localities opting for SPORS-like benefits would also see a significant increase in their contribution rates.

ASSUMPTIONS AND METHODOLOGY. In comparing benefit formulas and the annuity they produce, certain assumptions must be made. In order to compare the annuity derived under each state's benefit formula, Robert Vaughn of the House Appropriations Committee Staff conducted an analysis using two different methods. The first method calculates the pension benefits for each state assuming a final salary of \$25,000 and 25 years of service. The second method uses the same assumptions; however, the benefit is discounted to reflect employee contributions to the pension plan. For those states that have variable accrual rates, the percentage of benefits shown was calculated for an employee with 25 years of service.

Table 1 of Appendix B compares the basic benefit derived using each state's benefit formula. The calculation of "Final Average Salary" was made by using a salary of \$25,000 and deflating it by the Consumer Price Index Wage Deflator and using each state's FAS period. Under this example, Pennsylvania, Massachusetts, New Mexico, and Nebraska yield the highest annual annuity. Virginia's annuity of \$9,393 ranks 48 out of 48. The asterisk denotes those states which do not participate in Social Security.

Table 2 of Appendix B compares the basic benefit, plus any supplemental benefits paid. Because Virginia provides a yearly supplemental benefit of \$7,752 payable to age 65, this amount is added to the base benefit to produce a total pension benefit of \$17,145. Under this analysis, Virginia's pension benefits rank 6 out of 48.

Based on the preceding analysis in Table 1, it would appear that Virginia's basic benefit is substantially less than that of other states. However, as was noted earlier, Virginia pays on behalf of all state employees their portion of the contribution to the retirement plan. In order to get a true comparison of employer-paid pension benefits, the employees' contribution must be discounted. Discounting for employee contributions is an accepted approach in determining the overall value of the pension benefit that is paid for by the employer. In states that are either noncontributory or pay the employees' contribution (See Table 1, Appendix B) the employees have a greater amount of disposable income, allowing them to participate in other optional retirement programs such as deferred compensation plans.

The exercise of discounting for the value of employee-paid contributions entails calculating the future value of the employees' contributions over their working career. In order to determine the future value of those contributions, the computation begins with a final salary of \$25,000 and it is deflated, based on the CPI Wage Deflator, for a 25-year period. Next, the employee contribution rate, which is stated as a percent of salary, is multiplied by the annual salary for each year and raised exponentially by the number of years preceding retirement. The sum of each annual value produces the future value of the employee-paid contribution. The future value is then divided by the present value of the total annuity to determine what percent of the total annuity was employer-paid versus employee-paid.

Table 3 of Appendix B displays the future values of retirement benefits for each state. The column entitled "Percent Paid by Employer" represents the amount of pension benefit that is employer-paid; in Virginia that amount is 100%. Based on this analysis, Virginia ranks 27 out of 48.

The final analysis, Table 4 of Appendix B, illustrates the ranking of employer paid benefits, to include any supplemental benefits. Virginia's total retirement benefit of \$17,145 ranks 1 out of 48 states.

COST OF LIVING ADJUSTMENTS (COLAs). Most pension plans provide for some form of post-retirement adjustment plan in order to keep pace with inflation and to protect an annuitant's purchasing power. A majority of the pension plans provide automatic COLAs in some form, usually tied to the CPI. In some cases, the COLA is fixed by state statute, regardless of the amount of prior year inflation. Some states base their COLAs on the investment experience of the retirement system. There are 20 states that provide COLAs on an ad hoc basis; as a result, the COLA must either be approved by the state legislature or by the governing body of the retirement system. In Virginia, COLAs are mandated by statute and are based on the CPI for the first 3%, plus half of a percent of increases from 3% to 7%, for a maximum of 5%.

It is difficult to quantify the value of each pension plan's COLA provision. An actuary is able to calculate the added cost to those pension plans that provide an automatic COLA versus those that provide an ad hoc COLA. However, actuaries will eventually reflect the cost of providing COLAs on an ad hoc basis in future plan rates. In general, pension plans which provide an automatic COLA are much more desirable to employees than those which provide ad hoc COLAs.

In summary, Virginia's pension plan for law-enforcement personnel (SPORS) appears to provide above average benefits to its members, has liberal vesting requirements, and offers a generous post-retirement protection provision.

### **3. ADMINISTRATIVE OR LEGISLATIVE CHANGES**

According to VRS, if the retirement allowance were to increase from 1.65% to 2.0% of FAS in excess of \$13,200, the only administrative changes needed would be to amend the written communications provided to all SPORS members explaining their retirement benefits and modifications to the automated benefit calculation systems.

To raise the retirement allowance by increasing the multiplier from 1.65% to 2.0%, § 51.1-206 of the *Code of Virginia* would need to be amended.

**ISSUE TWO: THE IMPLICATIONS OF REMOVING  
THE "AGE CAP" AND ALLOWING LAW-  
ENFORCEMENT OFFICERS TO RETIRE, AT ANY  
AGE, WITH 25 YEARS OF CREDITABLE SERVICE.**

The following factors were considered in determining the implications of removing the "age cap" and allowing law-enforcement officers to retire at any age with creditable service:

1. **Cost.** Whether eliminating the "age cap" and allowing law-enforcement officers to retire at any age with 25 years of creditable service will result in an additional cost to the Commonwealth and localities providing SPORS-like benefits.
2. **Equitability.** Whether the current age and service requirements under SPORS are equitable in comparison to other states' retirement plans and the VRS benefits provided to other state employees.
3. **Administrative or Legislative Changes.** Whether any administrative or legislative changes will be required to implement the proposal.

## **1. COST**

COST TO THE COMMONWEALTH. The Virginia Retirement System estimates that elimination of the 50-years-of-age requirement will result in an additional cost to the Commonwealth and localities supplying SPORS-like benefits to law-enforcement officers. VRS estimates that, based on an annual salary of \$58.1 million as provided by the Department of Planning and Budget, the Commonwealth would incur an additional cost of \$755,300 for the next biennium if State Police were eligible for retirement benefits after 25 years of service, regardless of age.

To put this cost into perspective, the Department of Planning and Budget estimates that the Commonwealth will spend approximately \$18.6 million to fund retirement benefits for SPORS in the next biennium. If the 50-year age requirement were eliminated, the additional sum of \$755,300 would represent a 4.1% increase in current costs.

The Commonwealth would also incur an additional cost attributable to the Compensation Board reimbursement costs to localities for SPORS-like benefits extended to constitutional officers such as Sheriffs. Under § 4-6.03(b) of the 1993 Virginia Acts of Assembly, Chapter 994 (Appropriation Act), the General Assembly limited the amount of reimbursement the Compensation Board may make to the localities. Currently there are only five localities which have not met the maximum and, hence, would still be eligible for additional reimbursement if the age cap were eliminated. VRS estimates that the Compensation Board's reimbursement costs would be approximately \$4,404. The localities and the amount of reimbursement they would be eligible for are as follows:

Fauquier County	\$ 573
Greensville County	\$ 0
Hanover County	\$1,233
Loudoun County	\$2,068
Rockingham County	\$ 0
<b>Total Estimated Reimbursement Costs</b>	<b>\$4,404</b>

COST TO LOCAL GOVERNMENTS. If the "age cap" is removed, and State Police officers are allowed to retire, at any age, with 25 years of creditable service, localities offering SPORS-like benefits will be required to provide the identical benefits to their local law-enforcement officers unless the provision is made optional for such localities, VRS has estimated that the annual total cost to these localities to be approximately \$3.4 million. The annual cost for each locality is listed in Table 7.

**Table 7**  
**ANNUAL REVENUE IMPACT UPON SPORS-LIKE LOCALITIES**

<b>Counties (24)</b>			
<b>Locality</b>	<b>Local Cost</b>	<b>Locality</b>	<b>Local Cost</b>
Albemarle	\$12,160	Greensville	0
Appomattox	4,854	Hanover	23,404
Augusta	33,000	Henrico	483,469
Bedford	11,200	Henry	14,241
Campbell	24,920	Loudoun	62,244
Chesterfield	251,532	Mecklenburg	7,503
Culpeper	9,920	Pittsylvania	13,638
Essex	2,468	Prince William	310,259
Fauquier	27,967	Pulaski	7,938
Franklin	13,499	Roanoke	52,266
Giles	5,671	Rockingham	0
Goochland	5,068	York	50,868
		<b>Total Counties</b>	<b>\$1,428,089</b>
<b>Cities (30)</b>			
Bedford	\$2,524	Hopewell	36,504
Bristol	47,719	Lynchburg	213,659
Buena Vista	289,252	Manassas	0
Chesapeake	2,762	Martinsville	35,830
Clifton Forge	3,117	Petersburg	94,694
Colonial Beach	721	Poquoson	15,618
Colonial Heights	32,235	Radford	10,839
Danville	6,136	Roanoke	29,157
Emporia	7,317	Salem	42,940
Franklin	11,531	Staunton	21,451
Fredericksburg	34,964	Suffolk	91,454

Table 7

ANNUAL REVENUE IMPACT UPON SPORS-LIKE LOCALITIES, continued

<b>Cities (continued)</b>			
<b>Locality</b>	<b>Local Cost</b>	<b>Locality</b>	<b>Local Cost</b>
Front Royal	5,456	Virginia Beach	522,264
Galax	1,729	Waynesboro	23,712
Hampton	240,315	Williamsburg	31,343
Harrisonburg	22,283	Winchester	28,903
		<b>Total Cities</b>	<b>\$1,906,429</b>
<b>Towns (16)</b>			
Altavista	\$879	Hurt	0
Amherst	3,321	Luray	1,255
Big Stone Gap	3,722	Narrows	2,065
Blacksburg	15,341	Pearisburg	1,774
Chatham	28,295	Rocky Mount	0
Culpeper	9,971	Vienna	13,085
Front Royal	5,456	Vinton	5,961
Herndon	0	Warrenton	10,381
		<b>Total Towns</b>	<b>\$101,506</b>
<b>ESTIMATED TOTAL:</b>		<b>\$3,436,024</b>	

If offering full retirement benefits after 25 years of service, with no age requirement were a local option rather than a mandate, the cost to the localities could be zero, unless and until the any locality opted to extend the benefit to local law-enforcement officers. If the locality chose not to make the election, the current 25 years of service and 50-years-of-age requirement would apply.

Localities that do not provide SPORS-like benefits, but rather provide VRS benefits similar to those received by other state employees, will not incur any additional costs if the retirement eligibility requirements under SPORS is changed. These localities would only incur additional costs if they elected to provide SPORS-like benefits to their law-enforcement officers.

In addition, localities which have independent local retirement plans and do not participate in VRS or provide SPORS-like benefits to local law-enforcement officers will not incur any additional costs because of changes to SPORS retirement benefits.

Thus, the total cost to the Commonwealth of eliminating the age requirement would be approximately \$759,704. The total cost to the Commonwealth and the localities is approximately \$4.2 million. See Table 8.

**Table 8**  
**BIENNIAL REVENUE IMPACT IF THE 50-YEAR AGE REQUIREMENT WAS ELIMINATED**

State's Direct Costs	\$755,300
Compensation Board Reimbursement Costs for Constitutional Officers	\$4,404
Total State Costs	\$759,704
Localities' Costs	\$3,436,024
<b>Total Costs</b>	<b>\$4,195,728</b>

## 2. **EQUITABILITY**

In determining whether the current eligibility requirements for SPORS retirement are equitable, several factors considered in the 1988 study were also considered in this analysis:

1. The traditional rationale for establishing an age requirement under SPORS;
2. The funding mechanism for the Commonwealth's retirement system;
3. A comparison of retirement benefits available to State Police officers and other state employees under VRS; and
4. A comparison of retirement benefits available to State Police officers in the Commonwealth and state police officers in surrounding states.

THE TRADITIONAL RATIONALE FOR ESTABLISHING AN AGE REQUIREMENT UNDER SPORS. The Commonwealth's rationale for establishing 55 as the age for retirement eligibility for State Police officers is twofold: (i) the quality of a State Police officer's job performance is affected by the officer's age and (ii) State Police routinely perform hazardous duties such as high speed chases and arrests. From the inception of SPORS in 1950 until 1989, the General Assembly consistently reaffirmed that 55 years of age was a reasonable retirement age for State Police, provided that the employee had served 30 years, even after considering the relationship between age, job performance, and hazardous duty of a State Police officer.

In addition, the retirement age for State Police has traditionally been lower than that of other state employees. It should be noted that in 1987 the General Assembly passed Senate Bill No. 434 and House Bill 1073, which provided that members of VRS were also eligible for full retirement benefits at age 55 with 30 years of service. Such legislation indicated a policy that favored a retirement system with uniform eligibility requirements. However, this policy was to be short lived. In 1988, the General Assembly established a subcommittee pursuant to House Joint Resolution No. 105 to reevaluate the "eligibility requirements for state police officers and other law-enforcement officers... due to the hazardous nature of their duties and the physical requirements involved..." and consider whether they "should be allowed to retire after twenty-five years of service without any age requirement."

The joint subcommittee reported its recommendations to the 1989 Session of the General Assembly. After considering virtually the same factors as have been considered in this report, the joint subcommittee did not support the elimination of the age requirement completely; rather, it recommended that the eligibility requirements for the State Police Officers Retirement System be reduced from 30 years of service and 55 years of age to 25 years of service and age 50. As stated in the report, one of the primary reasons for the recommendation was "[t]hat the proposal is consistent with the traditional policy in the Commonwealth of including age and length of service as two requirements for retirement eligibility, rather than eliminating the age factor from the formula, as initially proposed." The General Assembly adopted the joint subcommittee's recommendation in 1989 legislation.



THE FUNDING MECHANISM FOR THE COMMONWEALTH'S RETIREMENT SYSTEM.

In comparing the Commonwealth's eligibility requirements with those of other states, it is important to note that Virginia's funding mechanism provides an added benefit to SPORS and VRS members: Virginia's retirement system is a non-contributory system. A non-contributory system is one that does not require the employee to make any payments toward the member's retirement allowance; rather, the employer either (i) requires a contribution from the member by statute but elects to pay an equivalent amount in lieu of the member contribution or (ii) is simply required by statute to pay for the entire contribution. Although § 51.1-144 of the Code requires all members to contribute 5% of their salary, the Commonwealth has elected to make that payment for them.

Only seven states (Arkansas, Florida, Michigan, Missouri, Oregon, Tennessee, Utah, and Wyoming) have a completely non-contributory retirement system for law-enforcement officers; another three states pay the employee's contributory share: Oregon, Virginia, and Wisconsin. An additional three states pay at least a portion of the employee contribution: Montana, North Dakota, and Washington.

As noted in the 1989 *Report of the Joint Subcommittee Studying Retirement Benefits for State Police Officers and Other Law-enforcement Officers, and Salaries of Communications Operators of the Virginia Department of State Police*, the funding mechanism is a significant feature in evaluating the equity of the Commonwealth's retirement benefits, for although Virginia State Police are required to serve 25 years and be 50 years old to retire, they, unlike the law-enforcement officers of the majority of other states, contribute no payments toward their retirement benefits.

A COMPARISON OF RETIREMENT BENEFITS AVAILABLE TO STATE POLICE OFFICERS AND OTHER STATE EMPLOYEES UNDER VRS. An additional factor to be considered in evaluating the equitability of the eligibility requirements of State Police Officers is whether the benefits paid to State Police officers are fair or sufficient when compared to benefits to other state employees covered under VRS. As previously noted, there are two primary differences between SPORS and VRS: (i) State Police Officers may retire with full benefits at age 60 with 5 years of service and vested or at age 50 with 25 years of service, whereas VRS members may retire with full benefits at age 65 with 5 years of service and vested or at age 55 with 30 years of service; and (ii) State Police Officers with 20 years of hazardous duty service are eligible for a special supplemental allowance of \$7,752 annually which is not available to VRS members. It is fair to say that no other state employees, except Judges, have obtained retirement benefits like those of the State Police.

A COMPARISON OF ELIGIBILITY REQUIREMENTS REQUIRED OF STATE POLICE OFFICERS IN THE COMMONWEALTH AND STATE POLICE OFFICERS IN SURROUNDING STATES. Arkansas, North Carolina, and Tennessee are the only three states in the surrounding Southeastern area which require state police either to work 30 years with no age requirement, or allow them to retire with fewer years of service but with an age requirement before they are eligible for full retirement benefits. There are an additional five states which require state police either to work 25 years with no age requirement, or allow them to retire with fewer years of service and an age requirement (Alabama, Florida, Maryland, Mississippi, and South Carolina). However, Virginia is the only state that

requires an officer to serve 25 years and be at least 50 years old before he is eligible for full retirement benefits.

The age and service requirements for Southeastern states are set forth in Table 9.

**Table 9**  
**SOUTHEASTERN STATES ELIGIBILITY REQUIREMENTS FOR FULL RETIREMENT BENEFITS**

<b>State</b>	<b>Service Requirement (No Minimum Age)</b>	<b>Normal Age / Service Requirement</b>
Alabama	Any age with 25 Years	Age 52 with 10 Years
Arkansas*	Any age with 30 Years	Age 52 with 10 Years
Florida*	Any age with 25 Years (no military credit)	Age 52 with 25 Years (4 years military credit)
Georgia	N/A	Age 55 (Mandatory)
Kentucky	Any age with 20 Years	Age 55 with 5 Years
Louisiana	N/A	Age 50 with 10 Years
Maryland	Any age with 25 Years	Age 50
Mississippi	Any age with 25 Years	N/A
North Carolina	Any age with 30 Years	Age 60 with 15 Years
South Carolina	Any age with 25 Years	Age 55 with 5 Years
Tennessee*	Any age with 30 Years	Age 60 with 10 Years
Virginia*	N/A	Age 50 with 25 Years
West Virginia	N/A	Age 50 with 20 Years; Age 65 (Mandatory)

\* States with Non-Contributory Plans

From a national perspective, 28 states offer full retirement benefits to their state police with no age requirement and service requirements ranging from 20 to 35 years of service. The majority of states (13) require 25 years of service before officers are eligible for full retirement benefits; seven states require only 20 years of service; five require 30 years of service; and three require 35 years of service.

The age and service requirements for eligibility for full retirement benefits in 48 contiguous states are set forth in Table 10.

**Table 10**  
**AGE AND YEARS OF SERVICE FOR FULL SERVICE RETIREMENT FOR STATE POLICE**

<b>State</b>	<b>Age/Service Requirements</b>
Alabama	Age 52 with 10 years OR any age with 25 years
Arizona	Age 62 with 15 years OR any age with 20 years
Arkansas*	Age 52 with 10 years OR any age with 30 years
California	Age 50 with 5 years
Colorado	Age 50 with 25 years; age 55 with 20 years; age 65 with 5 years OR any age with 35 years
Connecticut	Any age with 20 years
Delaware	Age 62 with 10-24 years OR any age with 25 years
Florida*	Age 52 with 25 years (4 years military) OR any age with 25 years (no military)
Georgia	Age 55 (Mandatory)
Idaho	Age 60 with 5-24 years; age 55 with 25-29 years; age 50 with 30 years
Illinois	Age 50 with 25 years OR age 55 with 20 years
Indiana	Age 55 OR any age with 20 years [pre-1987] OR any age with 25 years [1987 & later]
Iowa	Age 55 with 22 years
Kansas	Age 60 with 15-19 years; age 55 with 20-24 years; age 50 with 25-34 years OR any age with 35 years
Kentucky	Age 55 with 5-19 years OR any age with 20 years
Louisiana	Age 50 with 10 years and up

**Table 10**  
**AGE AND YEARS OF SERVICE FOR FULL SERVICE RETIREMENT FOR STATE POLICE, continued**

<b>State</b>	<b>Age/Service Requirements</b>
Maine	Any age with 25 years
Maryland	Age 50 OR any age with 25 years
Massachusetts	Any age with 20 years
Michigan*	Age 50 with 10-29 years OR any age with 30 years
Minnesota	Age 55 with 5 years
Mississippi	Any age with 25 years
Missouri*	Age 55 with 10 years
Montana	Any age with 20 years
Nebraska	Age 55 with 10 years
Nevada	Age 65 with 5 years; age 55 with 10-19 years; age 50 with 20-29 years OR any age with 30 years
New Hampshire	Any age with 35 years
New Jersey	Age 55 with 10-24 years OR any age with 25 years
New Mexico	Any age with 25 years; age 60 with 20 years; age 61 with 17 years; age 62 with 14 years; age 63 with 11 years; age 64 with 8 years; age 65 with 5 years Patrolmen or sergeant--earn additional 20% service credit per year (20 yr., 10 months; 4 years, 2 months credit)
New York	Age 55 with 10 years
North Carolina	Age 60 with 15-29 years OR any age with 30 years
North Dakota	Age 55 with 10 years
Ohio	Age 52 with 20-24 years; age 48 with 25 years
Oklahoma	Any age with 20 years
Oregon*	Age 55 with unreduced benefits
Pennsylvania	Age 50 with 20 years
Rhode Island	Any age with 25 years
South Carolina	Age 55 with 5-24 years OR any age with 25 years
South Dakota	Age 55; age 50 with 25 years
Tennessee*	Age 60 with 10-29 years OR any age with 30 years
Texas	Age 50 with 20 years
Utah*	Age 65 with 5 years; age 60 with 10-19 years OR any age with 20 years
Vermont	Age 55 with 20 years
Virginia*	Age 60; age 50 with 25 years
Washington	Age 55 with 5 years OR any age with 25 years
West Virginia	Age 50 with 20 years
Wisconsin	Age 54 with 5-34 years; age 53 with 35 years
Wyoming*	Any age with 25 years

\* States with Non-Contributory Plans

Source: 1992 Pendat Survey; Telephone Survey 6/93

### **3. ADMINISTRATIVE OR LEGISLATIVE CHANGES**

According to VRS, if the eligibility requirements for SPORS are amended, the only administrative changes needed would be to update the written communications provided to all SPORS members explaining their retirement benefits and modification to the automated benefit calculation systems.

To eliminate the 50 years of age requirement, §§ 51.1-206 and 51.1-207 of the Code would need to be amended.

## CONCLUSION

The Department of Planning and Budget has estimated that it will cost the Commonwealth approximately \$18.6 million dollars to fund retirement benefits for SPORS members in the next biennium under the present formula.

If the retirement allowance of members of SPORS were to increase by raising the multiplier from 1.65 to 2.00 percent of average final compensation, it would cost the Commonwealth an additional \$3,334,940, which represents a 17.9% increase in current costs. In addition, the Commonwealth would have to pay localities extending SPORS-like benefits to their constitutional officers an additional \$88,892. It would cost localities providing SPORS-like benefits to their local law-enforcement officers approximately \$13,735,398.

If the 50-year age requirement were eliminated, and law-enforcement officers were allowed to retire at any age, with 25 years of creditable service, it would cost the Commonwealth an additional \$755,300, which represents a 4.1% increase in current costs. The State would also have to pay reimbursement costs of \$4,404 to those localities extending SPORS-like benefits to Constitutional Officers. Localities providing SPORS-like benefits to their local law-enforcement offices would have to pay an additional \$3,436,024.

With regard to the issue of equitability, the fact that there are numerous inherent difficulties in comparing various retirement plans must be stressed. Because no two plans are identical, multiple factors must be considered to address the differences. This report has attempted such a comparison and the analysis indicates that, overall, SPORS appears to provide above-average benefits to its members relative to other states.

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**APPENDIX A**

**State Police Retirement Systems**

**Source: 1992 Pendat Survey; Telephone Survey 6/93.**

**APPENDIX A**

State	Benefit Formula	Age/Service Requirement	Employee Contribution
Alabama	(FAS) (yrs) (.02875) FAS = average 3 highest of last 6 yrs	Age 52 with 10 yrs Any age with 25 yrs	10%
Arizona	50% FAS, add 2% average monthly salary times yrs over 20, add 2.5% yrs 25 and over FAS = average highest 36 months of last 20 yrs	Age 62 with 15 yrs Any age with 20 yrs	3.85%
Arkansas	Through age 62 (FAS) (yrs) (.02949) After age 62 (FAS) (yrs) (.0155) FAS = average of highest 5 yrs	Age 52 with 10 yrs Any age with 30 yrs	Non-contributory
California	FAS = average highest 12 consecutive months Age 50 (yrs) (.02) (FAS) Age 51 (yrs) (.0214) (FAS) Age 52 (yrs) (.0228) (FAS) Age 53 (yrs) (.0242) (FAS) Age 54 (yrs) (.0256) (FAS) Age 55-60 (yrs) (.027) (FAS)	Age 50 with 5 yrs	8%
Colorado	1st 20 yrs (FAS) (yrs) (.025) Yrs over 20 (FAS) (yrs over 20) (.04) FAS = average 3 highest yrs	Age 50 with 25 yrs Age 55 with 20 yrs Age 65 with 5 yrs Any age with 35 yrs	11.5%
Connecticut	Hazardous duty requirement 50% -- 20 average salary + 2% for any year or fraction of a year NO MAXIMUM Average = 3 highest paid yrs	20 Yrs service -- hazardous duty regardless of age	4%
Delaware	(FAS) (yrs) (.025) FAS = average of highest 36 months (3 yrs)	Age 62 with 10-24 yrs Any age with 25 yrs	5%
Florida	(FAS) (yrs) (.03) FAS = average of highest 5 yrs	Age 52 with 25 yrs (4 yrs military) Any age with 25 yrs (no military)	Non-contributory
Georgia	(FAS) (yrs) (.020) FAS = average highest 2 yrs	Age 44 (mandatory)	1.25%
Idaho	(FAS) (yrs) (.020) FAS = average of highest 60 months (5 yrs)	Age 60 with 5-24 yrs Age 55 with 25-29 yrs Age 50 with 30 yrs	6.4%
Illinois	1st 10 yrs: (FAS) (yrs) (.0225) Years 11-20: (FAS) (yrs) (.025) Years 21-30: (FAS) (yrs) (.0275) Yrs over 30: (FAS) (yrs) (.0275) FAS = higher of final salary at retirement or average of last 4 yrs	Age 50 with 25 yrs Age 55 with 20 yrs	5.5%
Indiana	50%, FAS, add 1% each 6 months over 20 yrs, maximum = 74% of salary FAS = salary at retirement	Age 55 Any age with 20 yrs (pre-1987) Any age with 25 yrs (1987 & later)	5% (pre-1987) 6% (1987 & later)
Iowa	57% of FAS	Age 55 with 22 yrs	5.88%
Kansas	(FAS) (yrs) (.020) FAS = average of last 36 months (3 yrs)	Age 60 with 15-19 yrs Age 55 with 20-24 yrs Age 50 with 25-34 yrs Any age with 35 yrs	7%
Kentucky	(FAS) (yrs) (.025) FAS = average highest 60 months (5 yrs)	Age 55 with 5-19 yrs Any age with 20 yrs	7%

**NOTE:** Survey of 48 contiguous states; does not include Alaska or Hawaii

STATE POLICE RETIREMENT SYSTEMS, continued

State	Benefit Formula	Age/Service Requirement	Employee Contribution
Louisiana	1st 10 yrs: (FAS) (yrs) (.025) Thereafter: (FAS) (yrs) (.030) FAS = average highest 36 months (3 yrs)	Age 50 with 10 yrs	8%
Maine	50% (FAS) FAS = average highest 3 yrs	Any age with 25 yrs of service	7.5% - 7.65%
Maryland	1st 25 yrs: (FAS) (yrs) (.022) Over 25 yrs: (FAS) (yrs) (.011) FAS = average of highest 3 yrs	Age 50 Any age with 25 yrs	8% (1st 25 yrs) 4% (Thereafter)
Massachusetts	60% (FAS) Over 20 yrs: 60% (FAS) + 3% for each additional year MAXIMUM of 75% FAS = last 12 months' salary	Any age with 20 yrs	8% + 2% for salary exceeding \$30,000
Michigan	(FAS) (yrs) (.020) FAS = average of last 24 months (2 yrs)	Age 50 with 10-29 yrs Any age with 30 yrs	Non-contributory
Minnesota	(FAS) (yrs) (.025) FAS = average of last 60 months (5 yrs)	Age 55 with 5 yrs	8.5%
Mississippi	(FAS) (yrs) (.025) FAS = average highest 4 consecutive yrs	Any age with 25 yrs	6.5%
Missouri	(FAS) (yrs) (.020) FAS = average of highest 36 months (3 yrs)	Age 55 with 10 yrs	Non-contributory
Montana	(FAS) (yrs) (.020) FAS = average of highest 36 months (3 yrs)	Any age with 20 yrs	8.70% Some or all paid by employer
Nebraska	(FAS) (yrs) (.030) FAS = average of last 36 months (3 yrs)	Age 55 with 10 yrs	8%
Nevada	(FAS) (yrs) (.025) FAS = average of highest 36 months (3 yrs)	Age 65 with 5 yrs Age 55 with 10-19 yrs Age 50 with 20-29 yrs Any age with 30 yrs	12.5%
New Hampshire	(FAS) (yrs) (.025) FAS = average of highest 3 yrs	Any age with 35 yrs	9.3%
New Jersey	(FAS) (yrs) (.020) FAS = average of highest 36 months (3 yrs)	Age 55 with 10-24 yrs Any age with 25 yrs	8.5%
New Mexico	(FAS) (yrs) (.03) FAS = average 3 highest consecutive yrs MAXIMUM = 80% of salary	Any age with 25 yrs Age 60 with 20 yrs Age 61 with 17 yrs Age 62 with 14 yrs Age 63 with 11 yrs Age 64 with 8 yrs Age 65 with 5 yrs Patrolmen or sergeant -- earn additional 20% service credit per year (20 yrs, 10 months on 4 yrs, 2 months credit)	7.6%
New York	FAS = average of highest 36 months (3 yrs)	Age 55 with 10 yrs	3%
North Carolina	(FAS) (yrs) (.017) FAS = average of highest 48 months (4 yrs)	Age 60 with 5-29 yrs Any age with 30 yrs	6%

STATE POLICE RETIREMENT SYSTEMS, *continued*

State	Benefit Formula	Age/Service Requirement	Employee Contribution
North Dakota	(FAS) (yrs) (.0283) FAS = average of highest 36 months (3 yrs)	Age 55 with 10 yrs	16.7% Some or all paid by employer
Ohio	(FAS) (yrs) FAS = average of highest 36 months (3 yrs)	Age 52 with 20-24 yrs Age 48 with 25 yrs	10.5%
Oklahoma	(FAS) (yrs) (.025) FAS = highest consecutive 30 months of last 60 months	Any age with 20 yrs	8%
Oregon	(FAS) (yrs) (.02) FAS = average 3 highest yrs	Age 55 Age 50 with 25 yrs	6% contribution paid by state
Pennsylvania	20 yrs: 50% last calendar year salary 25 yrs: 75% last calendar year salary	Age 50 with 20 yrs	26.29%
Rhode Island	20 yrs: 50% salary at retirement time Over 20 yrs: 50% salary + 3% for each year up to MAXIMUM = 65% of salary	Any age with 25 yrs	7.5%
South Carolina	(FAS) (yrs) (.0214) FAS = average of highest 36 months (3 yrs)	Age 55 with 5-24 yrs Any age with 25 yrs	6.5%
South Dakota	(FAS) (yrs) (.02) FAS = average highest 3 yrs of last 10	Age 55 Age 50 with 25 yrs	Employee: 5%
Tennessee	(FAS) (yrs) (.0175) FAS = average of highest 60 months (5 yrs)	Age 60 with 10-29 yrs Any age with 30 yrs	Non-contributory
Texas	FAS = average highest 3 of last 5 yrs 1st 20 yrs: 50% (FAS) Years 20-29: 50% (FAS) + 2% each additional year Years over 30: 50% (FAS) + 2% each additional year up to 30 yrs + 1% each year over 30 up to 80% FAS	Age 50 with 20 yrs	6%
Utah	1st 20 yrs: (FAS) (yrs) (.025) Years over 20: (FAS) (yrs) (.020) FAS = average of highest 36 months (3 yrs)	Age 65 with 5 yrs Age 60 with 10-19 yrs Any age with 20 yrs	Non-contributory
Vermont	(FAS) (yrs) (.0167) up to 50% (FAS) MAXIMUM FAS = average of 3 highest consecutive yrs	Age 55 with 20 yrs	5%
Virginia	Less than 35 yrs: \$13,200 (.015) + (.0165) FAS in excess of \$13,200 (yrs) 35 Years and over: 35 yrs: (FAS) (yrs) (.0165) FAS = average highest consecutive 36 months	Age 50 with 25 yrs	5% All contribution paid by employer
Washington	(FAS) (yrs) (.020) FAS = average of highest 24 months (2 yrs)	Age 55 with 5 yrs Any age with 25 yrs	7% Some or all contribution paid by employer



STATE POLICE RETIREMENT SYSTEMS, *continued*

State	Benefit Formula	Age/Service Requirement	Employee Contribution
West Virginia	1st 20 yrs: greater of 60% (FAS) or \$500/month FAS = average of highest consecutive 36 months (3 yrs) 20-25 yrs: 60% (FAS) + 2% for each of 5 additional yrs up to MAXIMUM of 70% Over 25 yrs: 70% (FAS) + 1% for each of 1st 5 additional yrs up to MAXIMUM of 75%	Age 50 with 20 yrs	6%
Wisconsin	(FAS) (yrs) (.020) FAS = average of highest 3 yrs divided by 12	Age 54 with 5-34 yrs Age 53 with 35 yrs	6.70% Some or all paid by employer
Wyoming	(FAS) (yrs) (.020) FAS = average of last 36 months salary (3 yrs)	Any age with 25 yrs	Non-contributory

**APPENDIX B**

**Comparison of State Police Benefits**

**Source: Robert Vaughn, House Appropriations Committee Staff**

## COMPARISON OF STATE POLICE BENEFITS

Plan	FAS Period	Employee Contribution	Benefit as a Percent of AFS	Final Average Salary	Pension Benefit	Rank
Pennsylvania	Final Avg. Sal	6.25%	75.00%	\$25,000	\$18,750	1
Massachusetts *	Final Salary	8.00%	75.00%	\$25,000	\$18,750	2
New Mexico	3H	7.60%	75.00%	\$23,961	\$17,970	3
Nebraska	3H	8.00%	75.00%	\$23,961	\$17,970	4
Alabama *	3H/10	10.02%	71.88%	\$23,961	\$17,222	5
Florida	5H	non-contrib	75.00%	\$22,808	\$17,106	6
Louisiana *	3H	8.00%	70.00%	\$23,961	\$16,772	7
Rhode Island	Final Avg. Sal	7.50%	65.00%	\$25,000	\$16,250	8
Arkansas	5H	non-contrib	70.20%	\$22,808	\$16,011	9
Indiana	Final Salary	6.00%	60.00%	\$25,000	\$15,000	10
Oklahoma	2.5H	8.00%	62.50%	\$23,961	\$14,975	11
North Dakota *	3H	6.30%	62.50%	\$23,961	\$14,975	12
New Hampshire *	3H	9.30%	62.50%	\$23,961	\$14,975	13
Nevada *	3H	12.50%	62.50%	\$23,961	\$14,975	14
Montanna	3H	8.70%	62.50%	\$23,961	\$14,975	15
Mississippi	4H	6.50%	62.50%	\$23,411	\$14,632	16
Utah	3H	non-contrib	60.00%	\$23,961	\$14,376	17
Ohio *	3H	10.50%	60.00%	\$23,961	\$14,376	18
New Jersey	3H	8.50%	60.00%	\$23,961	\$14,376	19
Connecticut	3H	4.00%	60.00%	\$23,961	\$14,376	20
Arizona	3H/20	3.85%	60.00%	\$23,961	\$14,376	21
Illinois	4H	5.50%	61.25%	\$23,411	\$14,339	22
Minnesota	5H	8.50%	62.50%	\$22,808	\$14,255	23
Kentucky	5H	7.00%	62.50%	\$22,808	\$14,255	24
Delaware	5H	5.00%	62.50%	\$22,808	\$14,255	25
New York	3H	3.00%	57.50%	\$23,961	\$13,777	26
Colorado *	3H	11.50%	57.50%	\$23,961	\$13,777	27
Texas	5H	6.00%	60.00%	\$22,808	\$13,685	28
Maryland *	3H	8.00%	55.00%	\$23,961	\$13,178	29
South Carolina	3H	6.50%	53.50%	\$23,961	\$12,819	30
Washington	2H	7.00%	50.00%	\$24,450	\$12,225	31

\*Not In Social Security

Table 1

## COMPARISON OF POLICE BENEFITS

Plan	FAS Period	Employee Contribution	Benefit as a Percent of AFS	Final Average Salary	Pension Benefit	Rank
Michigan *	2H	non-contrib	50.00%	\$24,450	\$12,225	32
Georgia	2H	1.25%	50.00%	\$24,450	\$12,225	33
Wyoming	3H	non-contrib	50.00%	\$23,961	\$11,980	34
Wisconsin	3H	non-contrib	50.00%	\$23,961	\$11,980	35
South Dakota	3H	5.00%	50.00%	\$23,961	\$11,980	36
Oregon	3H	non-contrib	50.00%	\$23,961	\$11,980	37
Missouri	3H	non-contrib	50.00%	\$23,961	\$11,980	38
Maine *	3H	1.00%	50.00%	\$23,961	\$11,980	39
Kansas *	3H	7.00%	50.00%	\$23,961	\$11,980	40
Iowa	3H	9.10%	50.00%	\$23,961	\$11,980	41
California *	3H	8.00%	50.00%	\$23,961	\$11,980	42
Idaho	5H	6.40%	50.00%	\$22,808	\$11,404	43
West Virginia *	Career Earnings	6.00%	70.00%	\$14,984	\$10,489	44
Vermont	3H	5.00%	41.75%	\$23,961	\$10,004	45
Tennessee	5H	non-contrib	43.75%	\$22,808	\$9,979	46
North Carolina	4H	6.00%	41.00%	\$23,411	\$9,599	47
Virginia	3H	non-contrib	39.20%	\$23,961	\$9,393	48

\*Not In Social Security

Table 1

## COMPARISON OF STATE POLICE BASIC SUPPLEMENTAL BENEFITS

Plan	FAS Period	Employee Contribution	Base Benefit as a Percent of AFS	Final Average Salary	Base Pension Benefit	Supplement	Total Pension Benefit	Rank
Pennsylvania	Final Avg. Sal	6.25%	75.00%	\$25,000	\$18,750	\$0	\$18,750	1
Massachusetts *	Final Salary	8.00%	75.00%	\$25,000	\$18,750	\$0	\$18,750	2
New Mexico	3H	7.60%	75.00%	\$23,961	\$17,970	\$0	\$17,970	3
Nebraska	3H	8.00%	75.00%	\$23,961	\$17,970	\$0	\$17,970	4
Alabama *	3H/10	10.02%	71.88%	\$23,961	\$17,222	\$0	\$17,222	5
Virginia	3H	non-contrib	39.20%	\$23,961	\$9,393	\$7,752	\$17,145	6
Florida	5H	non-contrib	75.00%	\$22,808	\$17,106	\$0	\$17,106	7
Louisiana *	3H	8.00%	70.00%	\$23,961	\$16,772	\$0	\$16,772	8
Rhode Island	Final Avg. Sal	7.50%	65.00%	\$25,000	\$16,250	\$0	\$16,250	9
Arkansas	5H	non-contrib	70.20%	\$22,808	\$16,011	\$0	\$16,011	10
Indiana	Final Salary	6.00%	60.00%	\$25,000	\$15,000	\$0	\$15,000	11
Oklahoma	2.5H	8.00%	62.50%	\$23,961	\$14,975	\$0	\$14,975	12
North Dakota *	3H	6.30%	62.50%	\$23,961	\$14,975	\$0	\$14,975	13
New Hampshire *	3H	9.30%	62.50%	\$23,961	\$14,975	\$0	\$14,975	14
Nevada *	3H	12.50%	62.50%	\$23,961	\$14,975	\$0	\$14,975	15
Montana	3H	8.70%	62.50%	\$23,961	\$14,975	\$0	\$14,975	16
Mississippi	4H	6.50%	62.50%	\$23,411	\$14,632	\$0	\$14,632	17
Utah	3H	non-contrib	60.00%	\$23,961	\$14,376	\$0	\$14,376	18
Ohio *	3H	10.50%	60.00%	\$23,961	\$14,376	\$0	\$14,376	19
New Jersey	3H	8.50%	60.00%	\$23,961	\$14,376	\$0	\$14,376	20
Connecticut	3H	4.00%	60.00%	\$23,961	\$14,376	\$0	\$14,376	21
Arizona	3H/20	3.85%	60.00%	\$23,961	\$14,376	\$0	\$14,376	22
Illinois	4H	5.50%	61.25%	\$23,411	\$14,339	\$0	\$14,339	23
Minnesota	5H	8.50%	62.50%	\$22,808	\$14,255	\$0	\$14,255	24
Kentucky	5H	7.00%	62.50%	\$22,808	\$14,255	\$0	\$14,255	25
Delaware	5H	5.00%	62.50%	\$22,808	\$14,255	\$0	\$14,255	26
New York	3H	3.00%	57.50%	\$23,961	\$13,777	\$0	\$13,777	27
Colorado *	3H	11.50%	57.50%	\$23,961	\$13,777	\$0	\$13,777	28
Texas	5H	6.00%	60.00%	\$22,808	\$13,685	\$0	\$13,685	29
Maryland *	3H	8.00%	55.00%	\$23,961	\$13,178	\$0	\$13,178	30
South Carolina	3H	6.50%	53.50%	\$23,961	\$12,819	\$0	\$12,819	31

\*Not In Social Security

Table 2

**COMPARISON OF STATE POI**

**BASIC SUPPLEMENTAL BENEFITS**

Plan	FAS Period	Employee Contribution	Base Benefit as a Percent of AFS	Final Average Salary	Base Pension Benefit	Supplement	Total Pension Benefit	Rank
Washington	2H	7.00%	50.00%	\$24,450	\$12,225	\$0	\$12,225	32
Michigan *	2H	non-contrib	50.00%	\$24,450	\$12,225	\$0	\$12,225	33
Georgia	2H	1.25%	50.00%	\$24,450	\$12,225	\$0	\$12,225	34
Wyoming	3H	non-contrib	50.00%	\$23,961	\$11,980	\$0	\$11,980	35
Wisconsin	3H	non-contrib	50.00%	\$23,961	\$11,980	\$0	\$11,980	36
South Dakota	3H	5.00%	50.00%	\$23,961	\$11,980	\$0	\$11,980	37
Oregon	3H	non-contrib	50.00%	\$23,961	\$11,980	\$0	\$11,980	38
Missouri	3H	non-contrib	50.00%	\$23,961	\$11,980	\$0	\$11,980	39
Maine *	3H	1.00%	50.00%	\$23,961	\$11,980	\$0	\$11,980	40
Kansas *	3H	7.00%	50.00%	\$23,961	\$11,980	\$0	\$11,980	41
Iowa	3H	9.10%	50.00%	\$23,961	\$11,980	\$0	\$11,980	42
California *	3H	8.00%	50.00%	\$23,961	\$11,980	\$0	\$11,980	43
Idaho	5H	6.40%	50.00%	\$22,808	\$11,404	\$0	\$11,404	44
West Virginia *	Career Earnings	6.00%	70.00%	\$14,984	\$10,489	\$0	\$10,489	45
Vermont	3H	5.00%	41.75%	\$23,961	\$10,004	\$0	\$10,004	46
Tennessee	5H	non-contrib	43.75%	\$22,808	\$9,979	\$0	\$9,979	47
North Carolina	4H	6.00%	41.00%	\$23,411	\$9,599	\$0	\$9,599	48

\*Not In Social Security

Table 2

**COMPARISON OF STATE POLICE BASIC BENEFITS--DISCOUNTED FOR EMPLOYEE CONTRIBUTION**

Plan	FAS Period	Employee Contribution	Base Benefit as a Percent of AFS	Final Average Salary	Base Pension Benefit	Percent Paid By Employer	Employer Paid Benefit	Rank
Florida	5H	non-contrib	75.00%	\$22,808	\$17,106	100.00%	\$17,106	1
Arkansas	5H	non-contrib	70.20%	\$22,808	\$16,011	100.00%	\$16,011	2
Utah	3H	non-contrib	60.00%	\$23,961	\$14,376	100.00%	\$14,376	3
Pennsylvania	Final Avg. Sal	6.25%	75.00%	\$25,000	\$18,750	75.84%	\$14,220	4
Massachusetts *	Final Salary	8.00%	75.00%	\$25,000	\$18,750	69.07%	\$12,951	5
New Mexico	3H	7.60%	75.00%	\$23,961	\$17,970	69.35%	\$12,462	6
Michigan *	2H	non-contrib	50.00%	\$24,450	\$12,225	100.00%	\$12,225	7
Nebraska	3H	8.00%	75.00%	\$23,961	\$17,970	67.73%	\$12,172	8
Wyoming	3H	non-contrib	50.00%	\$23,961	\$11,980	100.00%	\$11,980	9
Wisconsin	3H	non-contrib	50.00%	\$23,961	\$11,980	100.00%	\$11,980	10
Oregon	3H	non-contrib	50.00%	\$23,961	\$11,980	100.00%	\$11,980	11
Missouri	3H	non-contrib	50.00%	\$23,961	\$11,980	100.00%	\$11,980	12
New York	3H	3.00%	57.50%	\$23,961	\$13,777	84.22%	\$11,603	13
Arizona	3H/20	3.85%	60.00%	\$23,961	\$14,376	80.59%	\$11,586	14
Connecticut	3H	4.00%	60.00%	\$23,961	\$14,376	79.83%	\$11,477	15
Georgia	2H	1.25%	50.00%	\$24,450	\$12,225	92.59%	\$11,319	16
Maine *	3H	1.00%	50.00%	\$23,961	\$11,980	93.95%	\$11,255	17
Louisiana *	3H	8.00%	70.00%	\$23,961	\$16,772	65.43%	\$10,974	18
Rhode Island	Final Avg. Sal	7.50%	65.00%	\$25,000	\$16,250	66.55%	\$10,814	19
Indiana	Final Salary	6.00%	60.00%	\$25,000	\$15,000	71.01%	\$10,651	20
Delaware	5H	5.00%	62.50%	\$22,808	\$14,255	74.58%	\$10,631	21
North Dakota *	3H	6.30%	62.50%	\$23,961	\$14,975	69.51%	\$10,409	22
Illinois	4H	5.50%	61.25%	\$23,411	\$14,339	72.20%	\$10,353	23
Tennessee	5H	non-contrib	43.75%	\$22,808	\$9,979	100.00%	\$9,979	24
Alabama *	3H/10	10.02%	71.88%	\$23,961	\$17,222	57.83%	\$9,959	25
Mississippi	4H	6.50%	62.50%	\$23,411	\$14,632	67.80%	\$9,921	26
Virginia	3H	non-contrib	69.20%	\$23,961	\$9,393	100.00%	\$9,393	27
Texas	5H	6.00%	60.00%	\$22,808	\$13,685	68.22%	\$9,336	28
Kentucky	5H	7.00%	62.50%	\$22,808	\$14,255	64.41%	\$9,181	29
Oklahoma	2.5H	8.00%	62.50%	\$23,961	\$14,975	61.28%	\$9,177	30
Montana	3H	8.70%	62.50%	\$23,961	\$14,975	57.89%	\$8,669	31

\*Not in Social Security

Table 3

**COMPARISON OF STATE POLICE BASIC BENEFITS--DISCOUNTED FOR EMPLOYEE CONTRIBUTION**

Plan	FAS Period	Employee Contribution	Base Benefit as a Percent of AFS	Final Average Salary	Base Pension Benefit	Percent Paid By Employer	Employer Paid Benefit	Rank
South Dakota	3H	5.00%	50.00%	\$23,961	\$11,980	69.75%	\$8,356	32
New Hampshire *	3H	9.30%	62.50%	\$23,961	\$14,975	54.99%	\$8,235	33
New Jersey	3H	8.50%	60.00%	\$23,961	\$14,376	57.14%	\$8,215	34
South Carolina	3H	6.50%	53.50%	\$23,961	\$12,819	63.25%	\$8,108	35
Minnesota	5H	8.50%	62.50%	\$22,808	\$14,255	56.78%	\$8,094	36
Maryland *	3H	8.00%	55.00%	\$23,961	\$13,178	56.00%	\$7,380	37
Washington	2H	7.00%	50.00%	\$24,450	\$12,225	58.50%	\$7,151	38
Kansas *	3H	7.00%	50.00%	\$23,961	\$11,980	57.65%	\$6,907	39
Ohio *	3H	10.50%	60.00%	\$23,961	\$14,376	47.06%	\$6,766	40
Idaho	5H	6.40%	50.00%	\$22,808	\$11,404	59.32%	\$6,765	41
Vermont	3H	5.00%	41.75%	\$23,961	\$10,004	63.77%	\$6,379	42
California *	3H	8.00%	50.00%	\$23,961	\$11,980	51.60%	\$6,182	43
West Virginia *	Career Earnings	6.00%	70.00%	\$14,984	\$10,489	58.54%	\$6,140	44
Nevada *	3H	12.50%	62.50%	\$23,961	\$14,975	39.50%	\$5,915	45
Colorado *	3H	11.50%	57.50%	\$23,961	\$13,777	39.50%	\$5,442	46
Iowa	3H	9.10%	50.00%	\$23,961	\$11,980	44.94%	\$5,384	47
North Carolina	4H	6.00%	41.00%	\$23,411	\$9,599	54.69%	\$5,250	48

\*Not In Social Security

Table 3



# COMPARISON OF STATE POLICE BASIC SUPPLEMENTAL BENEFITS--DISCOUNTED FOR EMPLOYEE CONTRIBUTION

Plan	FAS Period	Employee Contribution	Base Benefit as a Final Average		Base Benefit	Percent Paid By Employer	Employer Paid Benefit	Supplement	Total Employer	
			Percent of AFS	Salary					Paid Benefit	Rank
Virginia	3H	non-contrib	39.20%	\$23,961	\$9,393	100.00%	\$9,393	\$7,752	\$17,145	1
Florida	5H	non-contrib	75.00%	\$22,808	\$17,106	100.00%	\$17,106	\$0	\$17,106	2
Arkansas	5H	non-contrib	70.20%	\$22,808	\$16,011	100.00%	\$16,011	\$0	\$16,011	3
Utah	3H	non-contrib	60.00%	\$23,961	\$14,376	100.00%	\$14,376	\$0	\$14,376	4
Pennsylvania	Final Avg. Sal	6.25%	75.00%	\$25,000	\$18,750	75.84%	\$14,220	\$0	\$14,220	5
Massachusetts *	Final Salary	8.00%	75.00%	\$25,000	\$18,750	69.07%	\$12,951	\$0	\$12,951	6
New Mexico	3H	7.60%	75.00%	\$23,961	\$17,970	69.35%	\$12,462	\$0	\$12,462	7
Michigan *	2H	non-contrib	50.00%	\$24,450	\$12,225	100.00%	\$12,225	\$0	\$12,225	8
Nebraska	3H	8.00%	75.00%	\$23,961	\$17,970	67.73%	\$12,172	\$0	\$12,172	9
Missouri	3H	non-contrib	50.00%	\$23,961	\$11,980	100.00%	\$11,980	\$0	\$11,980	10
Oregon	3H	non-contrib	50.00%	\$23,961	\$11,980	100.00%	\$11,980	\$0	\$11,980	11
Wisconsin	3H	non-contrib	50.00%	\$23,961	\$11,980	100.00%	\$11,980	\$0	\$11,980	12
Wyoming	3H	non-contrib	50.00%	\$23,961	\$11,980	100.00%	\$11,980	\$0	\$11,980	13
New York	3H	3.00%	57.50%	\$23,961	\$13,777	84.22%	\$11,603	\$0	\$11,603	14
Arizona	3H/20	3.85%	60.00%	\$23,961	\$14,376	80.59%	\$11,586	\$0	\$11,586	15
Connecticut	3H	4.00%	60.00%	\$23,961	\$14,376	79.83%	\$11,477	\$0	\$11,477	16
Georgia	2H	1.25%	50.00%	\$24,450	\$12,225	92.59%	\$11,319	\$0	\$11,319	17
Maine *	3H	1.00%	50.00%	\$23,961	\$11,980	93.95%	\$11,255	\$0	\$11,255	18
Louisiana *	3H	8.00%	70.00%	\$23,961	\$18,772	65.43%	\$10,974	\$0	\$10,974	19
Rhode Island	Final Avg. Sal	7.50%	65.00%	\$25,000	\$16,250	66.55%	\$10,814	\$0	\$10,814	20
Indiana	Final Salary	6.00%	60.00%	\$25,000	\$15,000	71.01%	\$10,651	\$0	\$10,651	21
Delaware	5H	5.00%	62.50%	\$22,808	\$14,255	74.58%	\$10,631	\$0	\$10,631	22
North Dakota *	3H	6.30%	62.50%	\$23,961	\$14,975	69.51%	\$10,409	\$0	\$10,409	23
Illinois	4H	5.50%	61.25%	\$23,411	\$14,339	72.20%	\$10,353	\$0	\$10,353	24
Tennessee	5H	non-contrib	43.75%	\$22,808	\$9,979	100.00%	\$9,979	\$0	\$9,979	25
Alabama *	3H/10	10.02%	71.88%	\$23,961	\$17,222	57.83%	\$9,959	\$0	\$9,959	26
Mississippi	4H	8.50%	62.50%	\$23,411	\$14,632	67.80%	\$9,921	\$0	\$9,921	27
Texas	5H	6.00%	60.00%	\$22,808	\$13,685	68.22%	\$9,336	\$0	\$9,336	28
Kentucky	5H	7.00%	62.50%	\$22,808	\$14,255	64.41%	\$9,181	\$0	\$9,181	29
Oklahoma	2.5H	8.00%	62.50%	\$23,961	\$14,975	61.28%	\$9,177	\$0	\$9,177	30
Montana	3H	8.70%	62.50%	\$23,961	\$14,975	57.89%	\$8,669	\$0	\$8,669	31
South Dakota	3H	5.00%	50.00%	\$23,961	\$11,980	69.75%	\$8,356	\$0	\$8,356	32
New Hampshire *	3H	9.30%	62.50%	\$23,961	\$14,975	54.99%	\$8,235	\$0	\$8,235	33
New Jersey	3H	8.50%	60.00%	\$23,961	\$14,376	57.14%	\$8,215	\$0	\$8,215	34
South Carolina	3H	6.50%	53.50%	\$23,961	\$12,819	63.25%	\$8,108	\$0	\$8,108	35
Minnesota	5H	8.50%	62.50%	\$22,808	\$14,255	56.78%	\$8,094	\$0	\$8,094	36

\*Not In Social Security

Table 4

COMPARISON OF STATE POLICE BASIC SUPPLEMENTAL BENEFITS--DISCOUNTED FOR EMPLOYEE CONTRIBUTION

Plan	FAS Period	Employee Contribution	Base Benefit as a Final Average Percent of AFS	Final Average Salary	Base Benefit	Percent Paid By Employer	Employer Paid Benefit	Supplement	Total Employer Paid Benefit	Rank
Maryland *	3H	8.00%	55.00%	\$23,961	\$13,178	56.00%	\$7,380	\$0	\$7,380	37
Washington	2H	7.00%	50.00%	\$24,450	\$12,225	58.50%	\$7,151	\$0	\$7,151	38
Kansas *	3H	7.00%	50.00%	\$23,961	\$11,980	57.65%	\$6,907	\$0	\$6,907	39
Ohio *	3H	10.50%	60.00%	\$23,961	\$14,376	47.06%	\$6,766	\$0	\$6,766	40
Idaho	5H	6.40%	50.00%	\$22,808	\$11,404	59.32%	\$6,765	\$0	\$6,765	41
Vermont	3H	5.00%	41.75%	\$23,961	\$10,004	63.77%	\$6,379	\$0	\$6,379	42
California *	3H	8.00%	50.00%	\$23,961	\$11,980	51.60%	\$6,182	\$0	\$6,182	43
West Virginia *	Career Earnings	6.00%	70.00%	\$14,984	\$10,489	58.54%	\$6,140	\$0	\$6,140	44
Nevada *	3H	12.50%	62.50%	\$23,961	\$14,975	39.50%	\$5,915	\$0	\$5,915	45
Colorado *	3H	11.50%	57.50%	\$23,961	\$13,777	39.50%	\$5,442	\$0	\$5,442	46
Iowa	3H	9.10%	50.00%	\$23,961	\$11,980	44.94%	\$5,384	\$0	\$5,384	47
North Carolina	4H	6.00%	41.00%	\$23,411	\$9,599	54.69%	\$5,250	\$0	\$5,250	48

\*Not in Social Security

Table 4

## CHARACTERISTICS OF STATE POLICE RETIREMENT PLANS

State	Social Security	Employee Contribution	Vesting Period	FAS Period	Post Retirement Increase
Alabama	no	10.02%	10	3H/10	Ad Hoc
Arizona	yes	3.85%	5	3H/20	Ad Hoc
Arkansas	yes	non-contrib	10	5H	CPI - 3% Cap
California	no	8.00%	5	3H	2% per year
Colorado	no	11.50%	5	3H	CPI - 3% Cap + Ad Hoc
Connecticut	yes	4.00%	10	3H	3% per year
Delaware	yes	5.00%	5	5H	Ad Hoc
Florida	yes	non-contrib	10	5H	CPI - 3% Cap
Georgia	yes	1.25%	10	2H	CPI - 1.5% Semi Annual Cap
Idaho	yes	6.40%	5	5H	Ad Hoc - not to exceed 6%
Illinois	yes	5.50%	8	4H	3% per year
Indiana	yes	6.00%	10	Final Salary	Ad Hoc
Iowa	yes	9.10%	4	3H	Ad Hoc
Kansas	no	7.00%	10	3H	Ad Hoc
Kentucky	yes	7.00%	5	5H	Ad Hoc
Louisiana	no	8.00%	10	3H	Ad Hoc - 3% Cap
Maine	no	1.00%	10	3H	CPI - 4% Cap
Maryland	no	8.00%	5	3H	CPI - 3% Cap
Massachusetts	no	8.00%	10	Final Salary	Ad Hoc - 3% Cap
Michigan	no	non-contrib	10	2H	3% per year
Minnesota	yes	8.50%	3	5H	CPI - 3.5% Cap
Mississippi	yes	6.50%	4	4H	CPI - 2.5% Cap
Missouri	yes	non-contrib	10	3H	4% min - 5% max
Montana	yes	8.70%	5	3H	Excess Investment COLA
Nebraska	yes	8.00%	5	3H	Ad Hoc
Nevada	no	12.50%	5	3H	2% per year
New Hampshire	no	9.30%	10	3H	Ad Hoc
New Jersey	yes	8.50%	10	3H	60% of CPI
New Mexico	yes	7.60%	5	3H	CPI - 3% Cap
New York	yes	3.00%	10	3H	Ad Hoc

## CHARACTERISTICS OF STATE POLICE RETIREMENT PLANS

State	Social Security	Employee Contribution	Vesting Period	FAS Period	Post Retirement Increase
North Carolina	yes	6.00%	5	4H	Ad Hoc
North Dakota	no	6.30%	5	3H	Ad Hoc
Ohio	no	10.50%	5	3H	CPI - 3% Cap
Oklahoma	yes	8.00%	10	2.5H	Ad Hoc
Oregon	yes	non-contrib	5	3H	CPI - 2% Cap + Ad Hoc
Pennsylvania	yes	6.25%	10	Final Avg. Sal	Ad Hoc
Rhode Island	yes	7.50%	10	Final Avg. Sal	3% per year
South Carolina	yes	6.50%	5	3H	CPI - 4% Cap
South Dakota	yes	5.00%	5	3H	3% per year
Tennessee	yes	non-contrib	10	5H	CPI - 3% Cap
Texas	yes	6.00%	5	5H	Ad Hoc
Utah	yes	non-contrib	4	3H	CPI - 4% Cap
Vermont	yes	5.00%	10	3H	Half of CPI - 5% Cap
Virginia	yes	non-contrib	5	3H	CPI to 3%, 1/2 CPI over - 5% Cap
Washington	yes	7.00%	5	2H	CPI - 3% Cap
West Virginia	no	6.00%	5	Career Earnings	Ad Hoc
Wisconsin	yes	non-contrib	5	3H	Ad Hoc
Wyoming	yes	non-contrib	4	3H	Ad Hoc