

COMMISSION ON EMPLOYEE RETIREMENT SECURITY & PENSION REFORM

REFERRED BILLS

DIVISION OF LEGISLATIVE SERVICES

CONNOR GARSTKA

SEPTEMBER 18, 2017

OVERVIEW

House

- **VALORS**

HB 1833: Add conservation officers

HB 2080: Add hazardous materials officers

- **Health insurance credits**

HB 2294: Expand from only teachers to include all school division employees

Senate

- **Return to work**

SB 881: Allows employees who have reached age 62 to receive retirement benefits while working in a VRS covered position

SB 1181: Allows public safety employees to receive retirement benefits while working in a VRS covered position

- **Parental leave benefits**

SB 1412: JLARC to analyze as part of total compensation study

HB 1833 & HB 2080: VALORS

Bill	HB 1833	HB 2080
Agency	DCR	DEM
Type of officer	Conservation	Hazardous materials
Number of officers	109	9
Implementation costs	\$45,000	\$30,000
Annual agency budget impact	\$430,000	\$45,000
Annual net increase in normal costs	\$320,000	\$40,000

HB 1833 & HB 2080: VALORS

2008 JLARC TOTAL COMPENSATION REVIEW

	Risks					Emergency first responder	VALORS member
	Personal assault with a deadly weapon	Personal assault without a weapon	Motor vehicle accident	Fire related incident	Other job-related accident		
VMRC police officer	High	Medium	Medium	Low	High	Yes	Yes
DGIF conservation police officer	High	Medium	Medium	Low	Medium	Yes	Yes
DCR conservation officer	Medium	Low	Low	Medium	Medium	Yes	No

*JLARC review did not include DEM hazardous materials officers

HB 2294: HEALTH INSURANCE CREDITS

BENEFITS FOR SCHOOL DIVISION EMPLOYEES

- **Amount of monthly credit: \$4 per year of creditable service
(Capped at \$45 per month)**
- **Retirees would receive benefits only prospectively
But would receive credit for service earned prior to July 2017**

HB 2294: HEALTH INSURANCE CREDITS

COSTS

- **State share: \$2.8 million**
- **Implementation: \$70,000**
- **Increase in unfunded liability: \$95 million**
- **Annual local costs: \$8 million**

SB 881 & SB 1181: RETURN TO WORK

CURRENT LAW

An employee may not receive retirement benefits while working for a VRS-participating employer unless:

- (1) Bona fide break in service**
- (2) No prearrangement between employer and retiree**
- (3) Work is not in a VRS-covered position**

SB 881: RETURN TO WORK

**Number of employees who would be eligible for
unreduced benefits at age 62**

as of June 2017: 9,000

within the next five years: 23,000

**Expected number of employees who will
choose in-service distribution**

**100% of those eligible for unreduced
benefits**

30% of those eligible for reduced benefits

SB 881: RETURN TO WORK

COSTS

- **Implementation: \$260,000**
- **Increase in unfunded liability: \$1.2 billion**
- **Increase in annual costs for retirement and OPEB plans: \$73 million**

SB 1181: RETURN TO WORK FOR PUBLIC SAFETY EMPLOYEES

Affects three categories of members

- VALORS**
- SPORS**
- Political subdivisions**

**Number of employees who would be eligible for
unreduced benefits at age 62**

as of June 2017: 800

within the next five years: 2,200

SB 1181: RETURN TO WORK FOR PUBLIC SAFETY EMPLOYEES

COSTS

- **Implementation: \$250,000**
- **Increase in unfunded liability: \$34 million**
- **Increase in annual costs for retirement and OPEB plans: \$2 million**

THANK YOU!

QUESTIONS?