



Virginia  
Retirement  
System

# VRS Update

Senate Finance  
Capital Outlay and General Government  
Subcommittee  
January 17, 2019

Presented by: VRS Director Patricia S. Bishop





Virginia  
Retirement  
System

# Remarks

**Mitchell L. Nason**

Chairman, VRS Board of Trustees



# Board Members



**Mitchell L. Nason, *Chairman***

Prince William County Department of Fire and Rescue

**Diana F. Cantor, *Vice Chairman***

Alternative Investment Management

**The Honorable J. Brandon Bell, II, CRPC**

Brandon Bell Financial Partners

**O'Kelly E. McWilliams, III**

Mintz Levin

**Wallace G. "Bo" Harris, Ph.D.**

University of Richmond

**Joseph W. Montgomery**

The Optimal Service Group,  
Wells Fargo Advisors

**W. Brett Hayes**

Wells Fargo Advisors Financial Network

**Troilen Gainey Seward, Ed.S.**

Dinwiddie County Public Schools  
(Retired)

**William H. Leighty**

Virginia Commonwealth University

# VRS Governance Structure



## **JLARC Report House Document 52 issued in 1994**

“In order to ensure that VRS is properly governed as it grows into the next century, the General Assembly needs to consider a comprehensive restructuring of the retirement system. The restructuring should focus on enhancing the independence of VRS, ...”

“To ensure the true independence of VRS, it should be established as an independent agency, outside of the executive branch. In addition, the retirement fund should be established as an independent trust in the State Constitution.”

## **JLARC Report House Document 52 issued in 1994 - Actions recommended:**

- The Virginia Retirement System should be established as an agency independent of the executive branch.
- Appointment of trustees should be a shared responsibility of the Governor and the General Assembly.
- VRS trust funds should be established as independent trusts in the Constitution of Virginia.
- The structure of advisory committees should be established in law (resulted in Investment Advisory Committee §51.1-124.26).
- Finally, the General Assembly should designate a permanent joint legislative commission or committee to carry out continuing oversight of the retirement system.

## **Nine board members:**

- Governor appoints five members, including the chair
- Joint Rules Committee appoints four members
- General Assembly confirms all appointments

## **Areas of expertise:**

- Four investment experts (shared between the governor and legislature)
- One experienced in employee benefit plans (governor)
- One local government employee (governor)
- One higher education employee (governor)
- One state employee (legislature)
- One teacher (legislature)

## ***Constitution of Virginia, Article X, Section 11:***

“The funds of the retirement system shall be deemed separate and independent trust funds, shall be segregated from all other funds of the Commonwealth, and shall be invested and administered solely in the interests of the members and beneficiaries thereof.”



## Standard of Care (§ 51.1-124.30(C)):

“The Board shall discharge its duties with respect to the Retirement System **solely in the interest of the beneficiaries thereof** and shall invest the assets of the Retirement System with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.”



Virginia  
Retirement  
System

# Health Insurance Credit



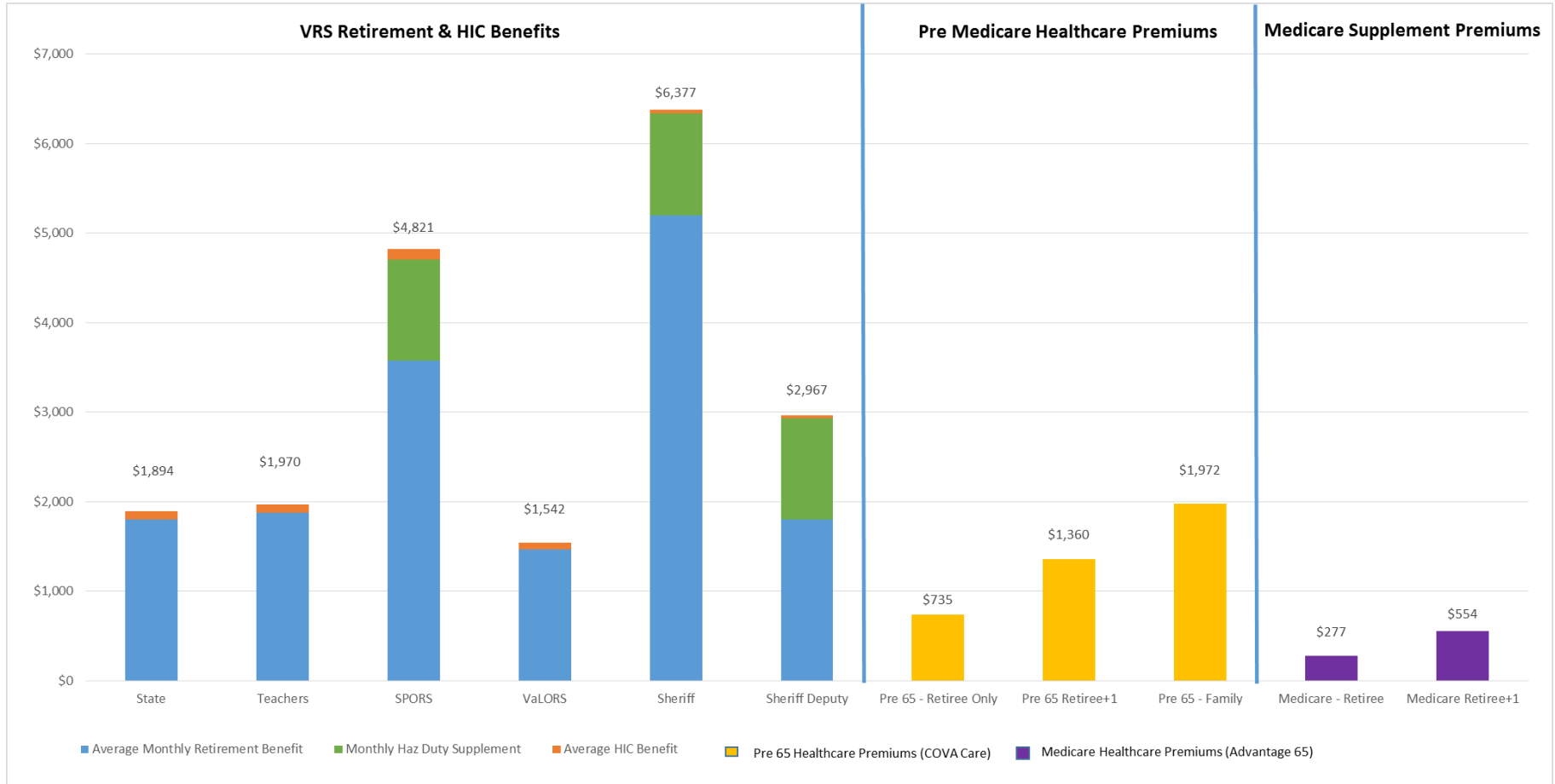
# What is the Health Insurance Credit?

- The **health insurance credit provides a reimbursement** to assist with the cost of a retiree's health insurance premiums
- The credit is a dollar amount:
  - Set by the General Assembly for each year of service
  - Added to the retiree's monthly retirement benefit
- The credit **ends upon death** and **cannot exceed the amount of the individual health insurance premium**

# Health Insurance Credit Dollar Amounts

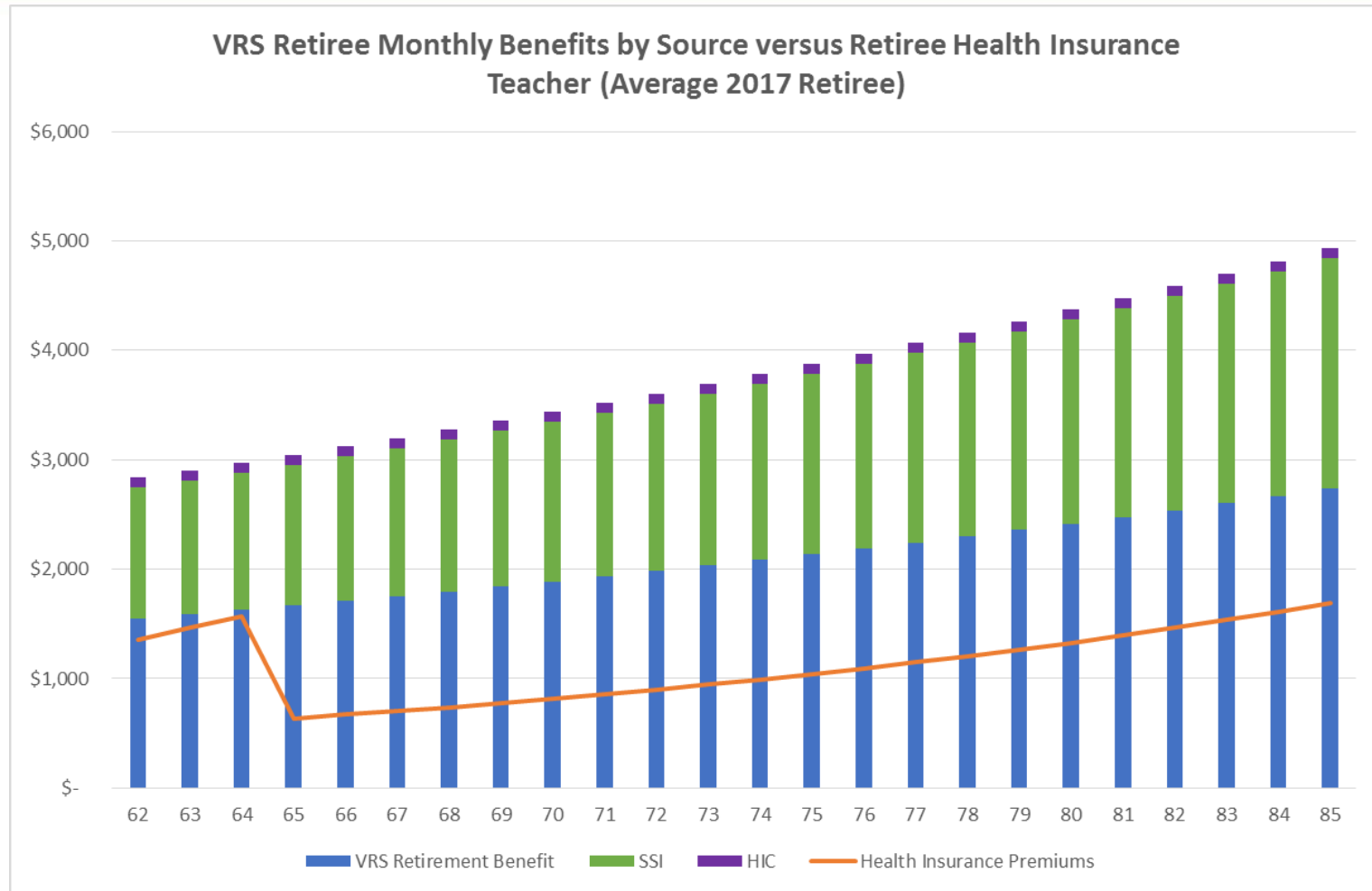
Eligible Retirees	Service Retirement Credit Amount per Year of Service	Disability Retiree and Long-Term Disability	Maximum Credit per Month
State employees, including participants in an optional or alternate retirement plan	\$4.00	\$120 or \$4 per year of service, whichever is greater	No Maximum
Teachers	\$4.00	\$4 x the smaller of (a) twice the amount of service credit or (b) the amount of service that would have been earned had the member remained an active employee until age 60	No Maximum
General registrars and their employees; constitutional officers and their employees; local social service employees	\$1.50	\$45.00	\$45.00
General registrars and their employees; constitutional officers and their employees; local social service employees if political subdivision elects \$1.00 enhancement	\$2.50	\$75.00	\$75.00
Other political subdivision employees as elected by the employer	\$1.50	\$45.00	\$45.00

# Retirement Income Compared to Health Insurance Premiums Average 2017 Retiree



- Benefits are based on average retirees within each employer group during fiscal year 2017. Sheriff information is average of last two fiscal years due to smaller sample size.
- SPORS, Sheriff and Sheriff Deputy benefits include hazardous duty supplement which continues to social security normal retirement age.

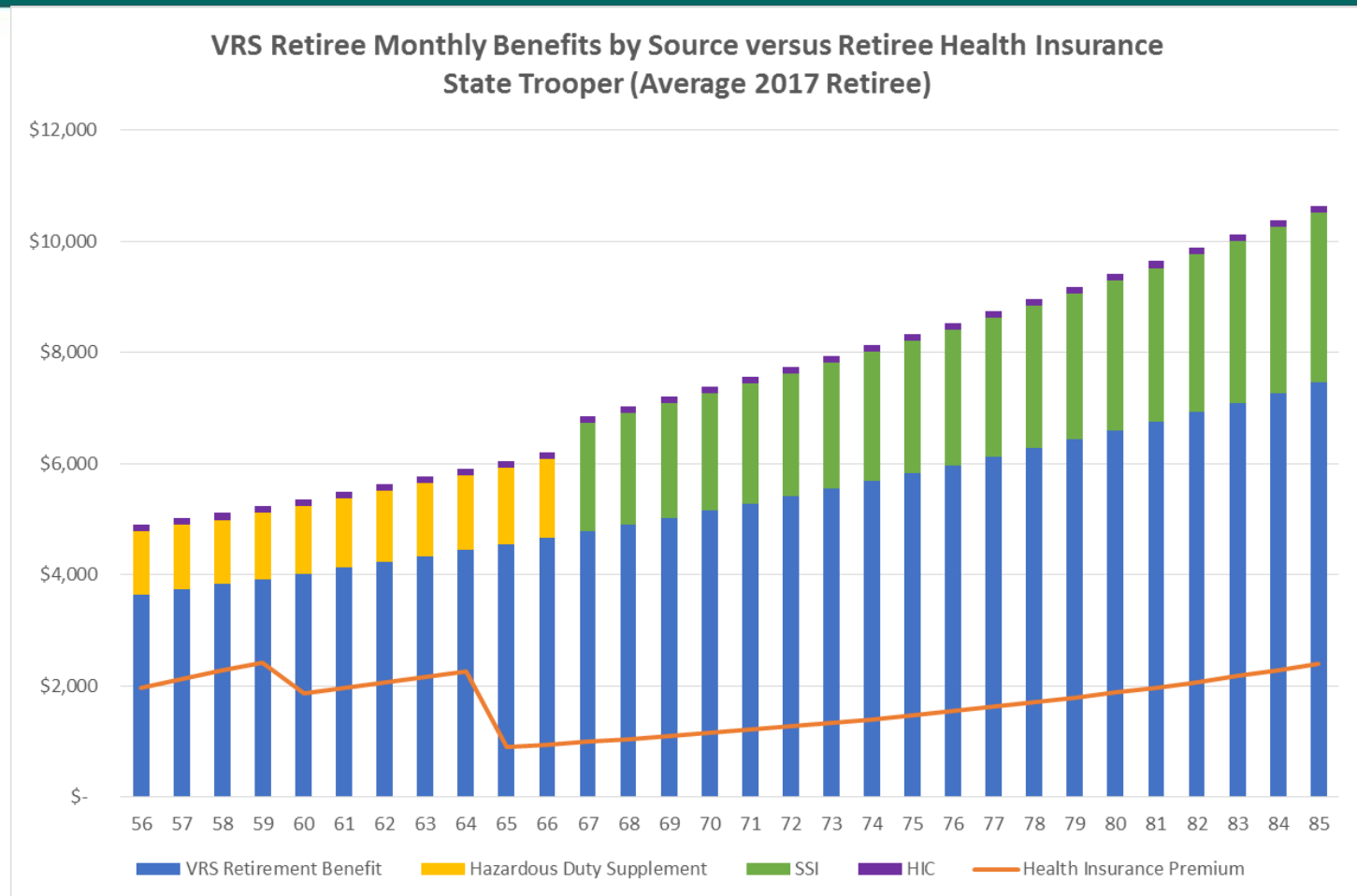
# Retirement Income Compared to Retiree Health Insurance Premiums



- Retirement and SSI COLAs outpace increases in health insurance premiums over period from Age 65 to 85
- COLA assumed to be 2.5% per year for both VRS pension and SSI.
- Healthcare trend – Pre Medicare 7.75% trending down to 5.0% - Medicare 5.75% trending down to 5.0%
- Assumed retiree elected SSI at age 62, with health insurance for retiree and spouse throughout projection period.

All data is as of 10/1/18 unless otherwise noted.

# Retirement Income Compared to Retiree Health Insurance Premiums



- Retirement and SSI COLAs outpace increases in health insurance premiums over period from Age 65 to 85
- COLA assumed to be 2.5% per year for both VRS pension and SSI.
- Healthcare trend – Pre Medicare 7.75% trending down to 5.0% - Medicare 5.75% trending down to 5.0%
- Assumed retiree defers SSI until hazardous duty supplement ends age 67, with health insurance for family until age 60, then retiree and spouse coverage throughout remainder of projection period.

# Costs to Modify HIC Benefits - SPORS & VaLORS

State	June 30, 2017 Valuation Results	Proportionate Share of State plan for SPORS & VALORS	Impact to Increase SPORS & VaLORS HIC from \$4 to \$6	Change in Costs
Covered Payroll	\$6,480,712,000	\$449,415,000	\$449,415,000	\$0
Actuarial Value of Assets	\$79,451,000	\$5,510,000	\$5,510,000	\$0
Actuarial Accrued Liability	\$990,724,000	\$68,703,000	\$101,978,000	\$33,275,000
HIC Cost as a percent of payroll	1.17%	1.17%	1.96%*	0.79%
Estimated Required Contribution	\$72,548,000	\$4,605,000	\$8,600,000	\$3,995,000
Unfunded accrued liability	\$911,273,000	\$63,194,000	\$96,469,000	\$33,275,000
Funded Status	8.02%	8.02%	5.40%	-2.62%

\* Please note that the Governor's proposed budget showed an increased cost as a percent of payroll of 2.15% versus the 1.96% shown above, which we believe may be due to adjustments for future payrolls since our analysis above was based on the 2017 valuation.

- Increases unfunded liability by over 50% to \$96.5 million.
- Increases annual funding by approximately \$4 million per year.
- Lowers funded status to 5.40%.



# Costs to Modify HIC Benefits – Constitutional Officers Sheriffs and Deputies

Constitutional Officers	June 30, 2017 Valuation Results	Proportionate Share of Constitutional Officers plan for Sheriffs, Deputies, and Staff	Cost to Increase Sheriffs, Deputies, and Staff HIC from \$1.5 to \$5	Change in Costs
Covered Payroll	\$630,541,000	\$431,597,000	\$431,597,000	\$0
Actuarial Value of Assets	\$2,427,000	\$1,661,000	\$1,661,000	\$0
Actuarial Accrued Liability	\$28,724,000	\$19,661,000	\$62,377,000	\$42,716,000
HIC Cost as a percent of payroll	0.38%	0.38%	1.11%*	0.73%
Estimated Required Contribution	\$2,221,000	\$1,413,000	\$4,590,000	\$3,177,000
Unfunded accrued liability	\$26,297,000	\$18,000,000	\$60,716,000	\$42,716,000
Funded Status	8.45%	8.45%	2.66%	-5.79%

\* Please note that the Governor's proposed budget showed an increased cost as a percent of payroll of 1.23% versus the 1.11% shown above, which we believe may be due to adjustments for future payrolls since our analysis above was based on the 2017 valuation.

- Increases unfunded liability by over 230% to \$60.7 million.
- Increases annual funding by approximately \$3.2 million per year.
- Lowers funded status to 2.66%.

All data is as of 10/1/18 unless otherwise noted.



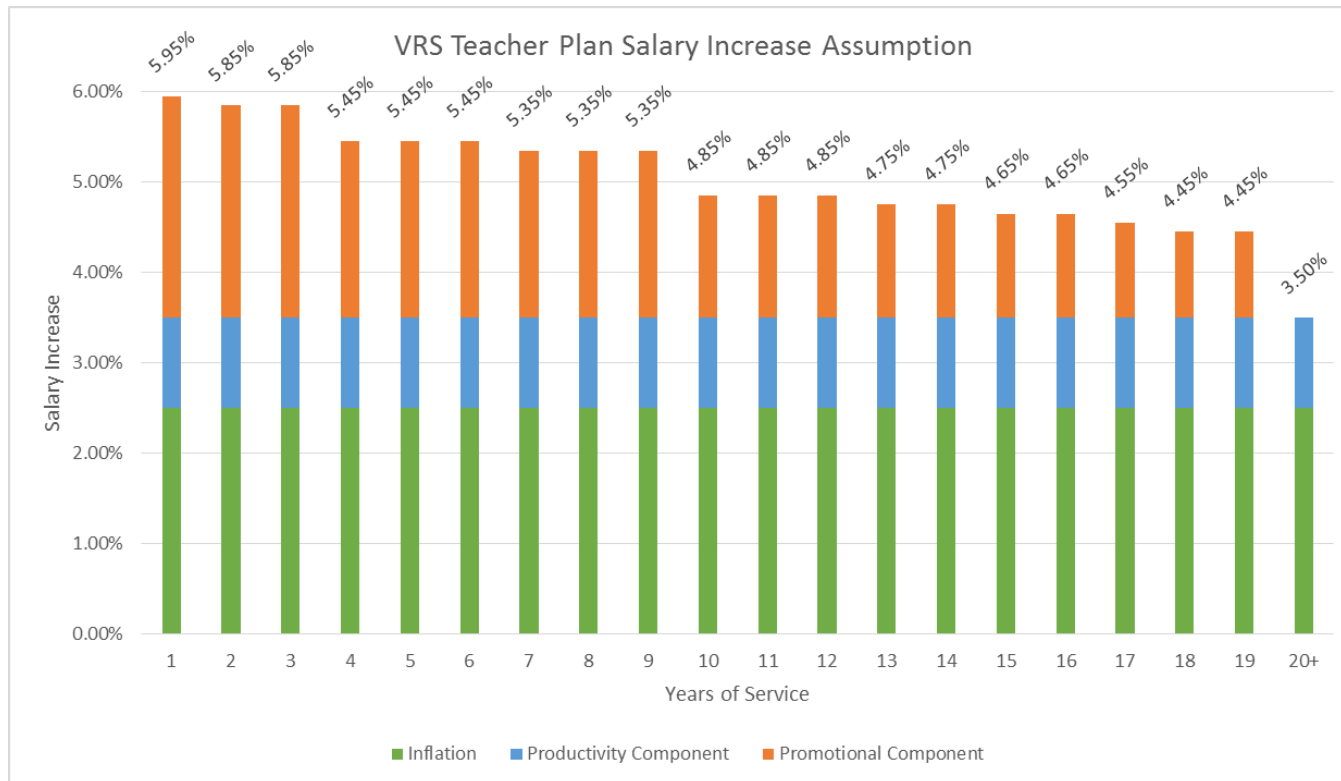
Virginia  
Retirement  
System

# Teacher Salary Increases



# Teacher Salary Assumptions

- Salary growth rates assumptions include an inflation rate of 2.50%, plus a productivity component of 1.00%, plus a step-rate/promotional component which varies by years of service.



# Teacher Salary Assumptions

- Based on the current demographics of the Teacher plan, the expected increase in payroll is approximately 4.90%.
- Assuming that the 5.0% salary incentive increase in the proposed budget for funded SOQ instructional and support positions represents the wage inflation adjustment, VRS would estimate an average increase in payroll of 6.40% when combined with normal merit increases due to promotions and performance.

	2018	2019 Expected	2019 with 5% raises
Total Payroll	\$8,086,933,000	\$8,471,819,000	\$8,593,123,000
Average Pay	\$53,300	\$55,900	\$56,700
Average Increase		4.90%	6.40%

Note: Estimated impacts may vary depending upon how employers implement salary changes.

# Teacher Salary Assumptions

Cost Component	2018 Valuation Results	Teacher Rate After Impact of 5.0% Salary Increase
Total Normal Cost	10.56%	10.56%
Employee Contribution	4.71%	4.71%
Employer Normal Cost Rate	5.85%	5.85%
Admin Expense	0.25%	0.25%
Amortization Rate	8.62%	8.87%
Total Employer DB Rate	14.72%	14.97%
Hybrid Match	0.51%	0.51%
Total Employer Rate	15.23%	15.48%

Note: Estimated impacts may vary depending upon how employers implement salary changes.

# Teacher Salary Assumptions

- While experience from fiscal years 2017 and 2018 indicates salary increases slightly below expectations, 4.85% and 4.06% respectively, the most recent experience study for the four-year period ending June 30, 2016 shows actual salary increase experience very close to the assumed rates.

TEACHERS COMPARISON OF ACTUAL SALARY GROWTH TO EXPECTED						
YEARS OF SERVICE	MALES			FEMALES		
	Actual	Expected	Ratio of actual to expected	Actual	Expected	Ratio of actual to expected
0 to 1	\$319,711	\$319,715	1.00	\$1,252,399	\$1,255,634	1.00
2 to 3	\$469,493	\$474,309	0.99	\$1,940,936	\$1,965,366	0.99
4 to 6	\$670,427	\$677,609	0.99	\$2,707,736	\$2,738,194	0.99
7 to 9	\$841,358	\$850,954	0.99	\$3,131,465	\$3,172,643	0.99
10 to 12	\$781,163	\$787,154	0.99	\$2,783,902	\$2,811,071	0.99
13 to 14	\$486,244	\$490,494	0.99	\$1,717,881	\$1,735,680	0.99
15 to 16	\$427,330	\$431,776	0.99	\$1,448,808	\$1,464,652	0.99
17	\$178,016	\$179,913	0.99	\$598,001	\$604,052	0.99
18 to 19	\$328,093	\$330,986	0.99	\$1,043,203	\$1,053,886	0.99
20 or more	\$1,385,468	\$1,389,213	1.00	\$5,214,397	\$5,233,916	1.00
<Total>	\$5,887,303	\$5,932,123	0.99	\$21,838,728	\$22,035,094	0.99

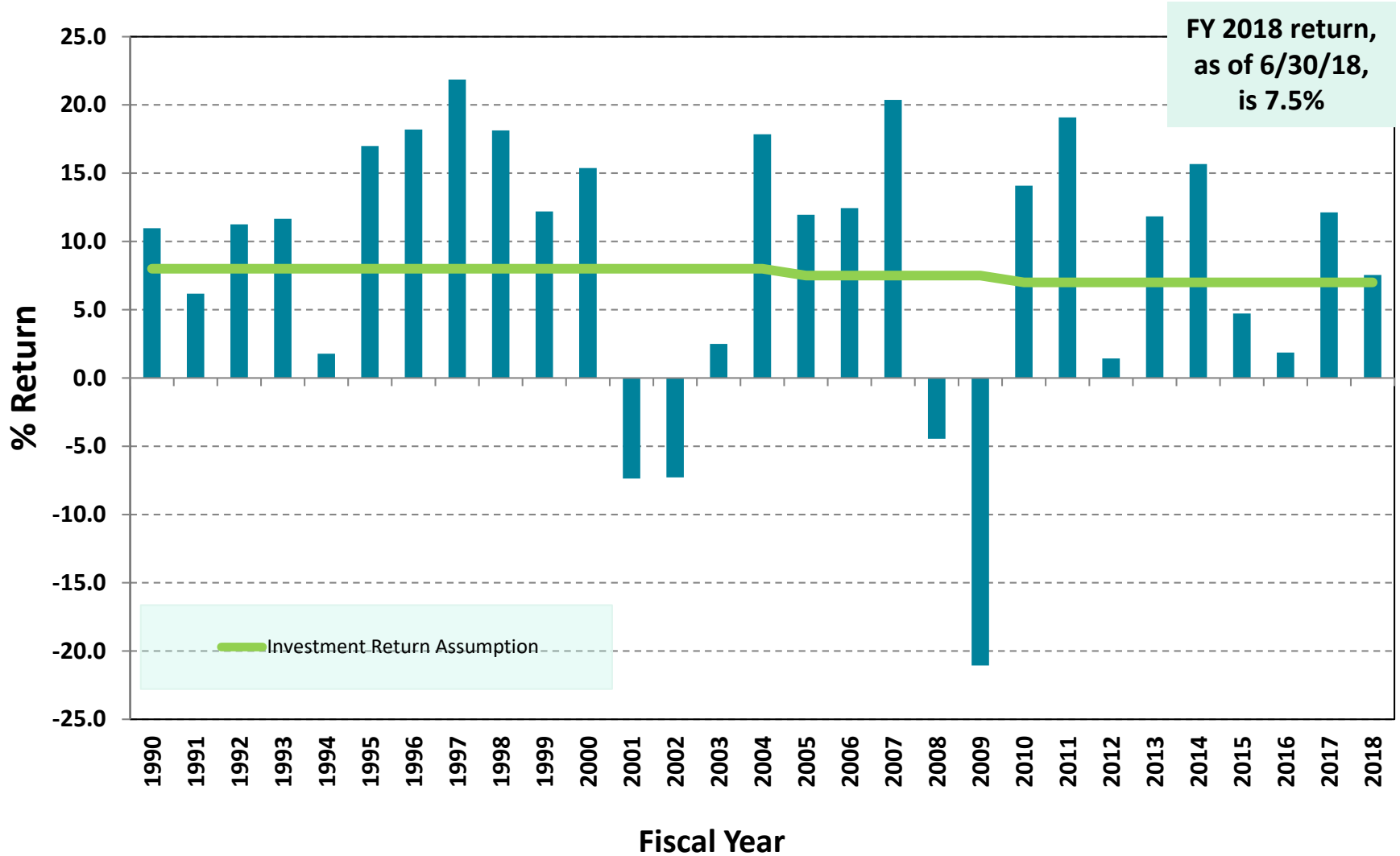


Virginia  
Retirement  
System

# Investments



# VRS Fiscal Year Returns



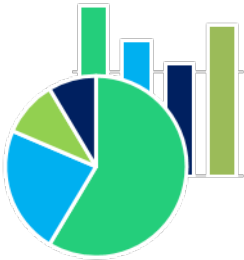


- This pay plan is anchored by two broad, long-standing principles:
- **Base salaries** are consistent with the 75<sup>th</sup> percentile of a peer group of other leading public funds.
  - Public funds of similar size to VRS
  - Funds with significant (>25%) assets managed internally
- **Total compensation** (base salary combined with incentive compensation) approximates the median (50<sup>th</sup> percentile) of a blended group weighted:
  - 75% to leading public funds
  - 25% to a broad range of private-sector firms that employ investment professionals.

# Investments Team Provides Value Add\*



VRS' investment professionals have provided an average annual **value add of \$270 million** net of all fees and incentive payments per year above the VRS Board policy benchmark, resulting in about **\$2.7 billion in additional dollars** to the fund over the past 10 years. This is money the Commonwealth and employers do not have to fund.



In addition, rather than using external managers or Wall Street firms, the highly qualified investment staff manage approximately one-third of the portfolio in-house, **saving about \$52 million** in external fees annually.



In 2018, the incentive compensation pay equaled about **2%** of the average annual value add to the VRS Trust Fund.

\* Value add is defined as the additional amount of money VRS investment professionals earned for the total fund, net of all fees and incentive payments, above and beyond the VRS Board policy benchmark.



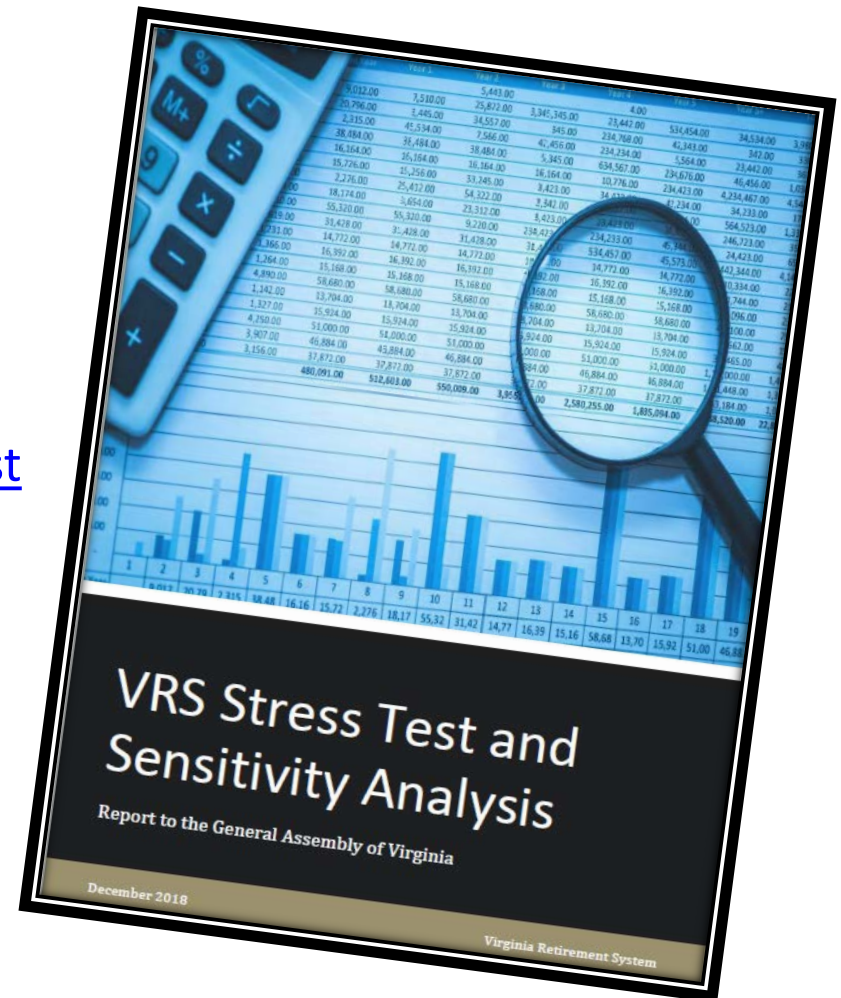
Virginia  
Retirement  
System

# Stress Testing



# Stress Testing Report

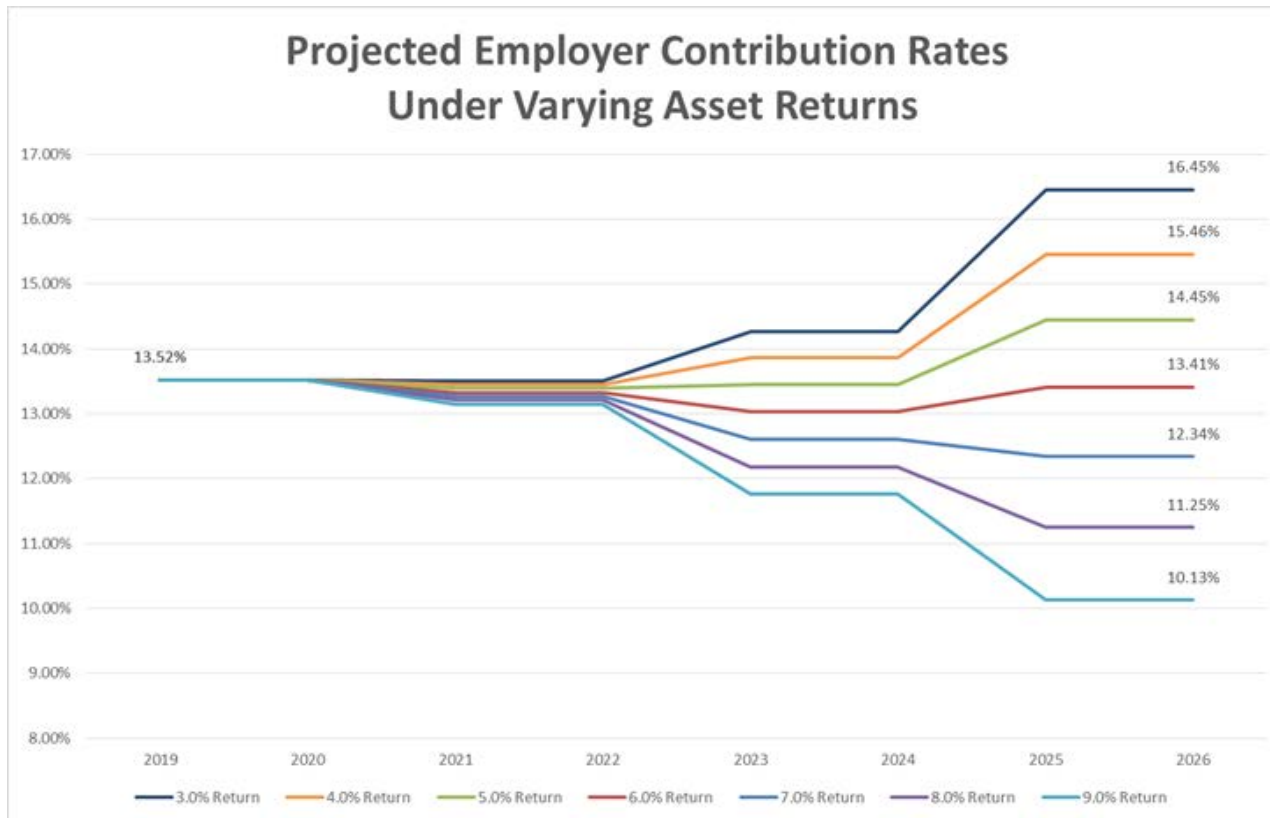
- VRS regularly reports sensitivity and stress testing analyses to General Assembly members.
  - 2018 report issued in December
  - Available on the VRS website:  
<https://www.varetire.org/stresstest>



# Investment Risk – Possible Future Outcomes

- The exhibit below provides a range of expected employer contribution rates under varying expected rates of return from 3.0% - 9.0% over the next five years for the State Plan.

## State Plan



# Sensitivity Analysis – Discount Rate

## State Plan

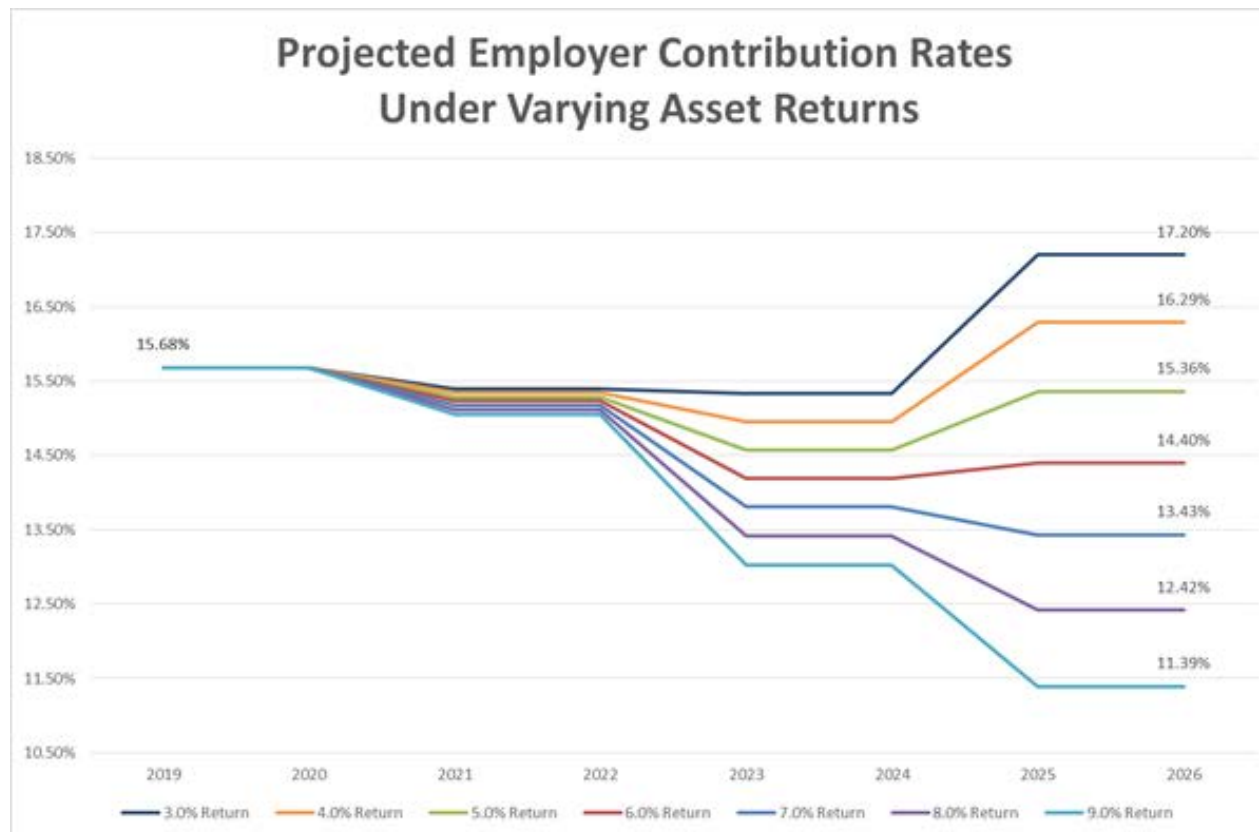
(\$ Thousands)

Discount Rate	Current 7.00%	6.75%	6.50%
Total Employer Normal Cost Rate	4.90%	5.38%	5.91%
Total Amortization Rate	8.04%	8.94%	9.84%
Defined Contribution Hybrid Plan Contribution	0.58%	0.58%	0.58%
Total Employer Rate	13.52%	14.90%	16.33%
Change in Employer Rate		1.38%	2.81%
Estimated Change in Annual Funding		\$55,712	\$113,442
Unfunded Liability	\$5,763,770	\$6,408,154	\$7,081,383
Change in Unfunded Liability		\$644,384	\$1,317,613
Funded Status	75.28%	73.30%	71.20%

# Investment Risk – Possible Future Outcomes

- The exhibit below provides a range of expected employer contribution rates under varying expected rates of return from 3.0% - 9.0% over the next five years for the Teacher Plan.

## Teacher Plan





# Sensitivity Analysis – Discount Rate

## Teacher Plan

(\$ Thousands)

Discount Rate	Current 7.00%	6.75%	6.50%
Total Employer Normal Cost Rate	6.22%	6.88%	7.58%
Total Amortization Rate	9.02%	9.95%	10.91%
Defined Contribution Hybrid Plan Contribution	0.44%	0.44%	0.44%
Total Employer Rate	15.68%	17.27%	18.93%
Change in Employer Rate		1.59%	3.25%
Estimated Change in Annual Funding		\$125,919	\$257,382
Unfunded Liability	\$12,321,149	\$13,723,870	\$15,195,516
Change in Unfunded Liability		\$1,402,721	\$2,874,367
Funded Status	72.62%	70.40%	68.30%





Virginia  
Retirement  
System

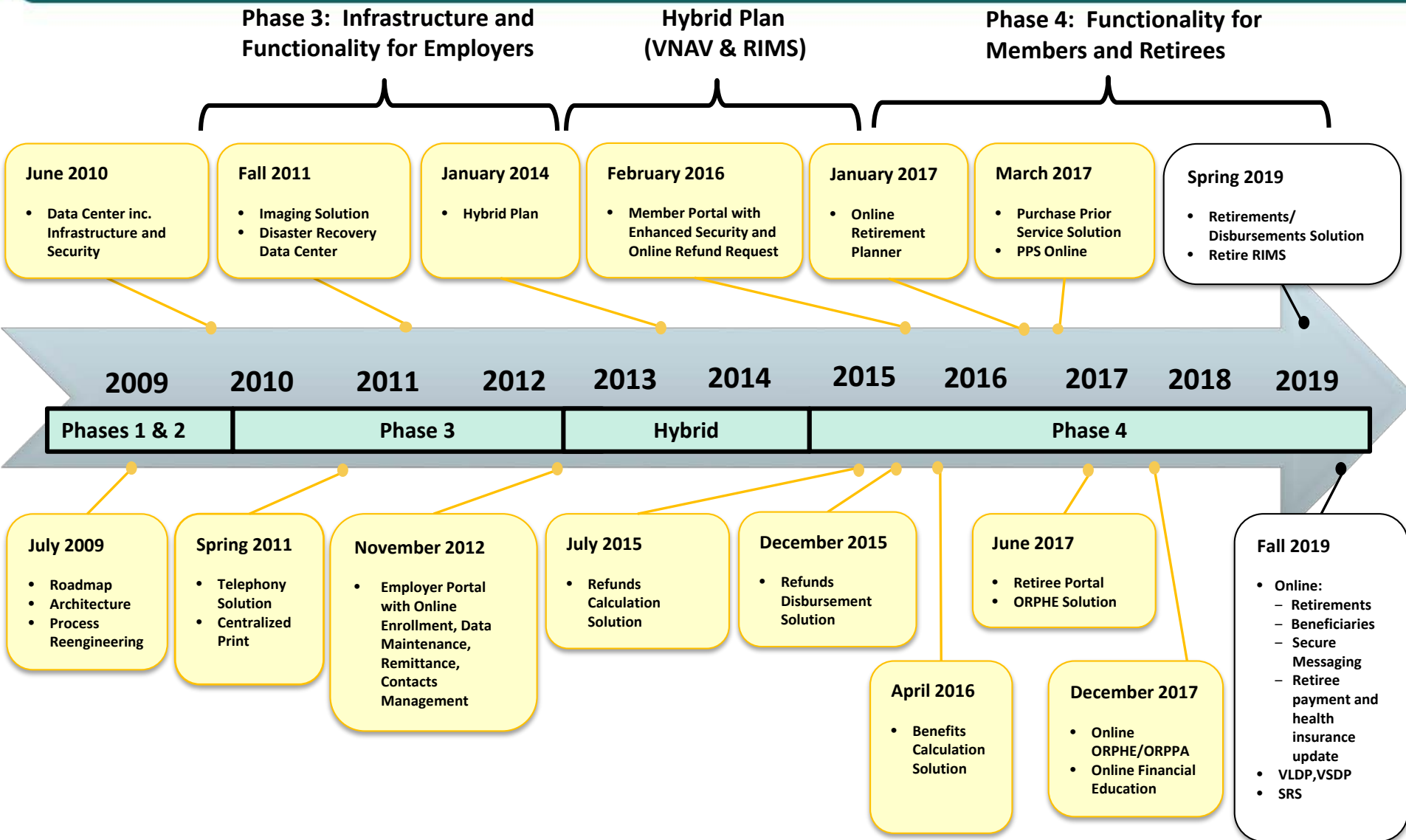
# Modernization Update



## Guiding Principles

- Web-based, self-service for members and employers
- Reliable, accurate, high quality and efficient delivery of member benefits
- Paperless, to the extent possible
- Safeguard member confidence and VRS reputation
- Security of member's data and personal information
- Provide consistent and robust education and counseling
- Leverage technology to achieve improved outcomes

# VRS Modernization



# Appendix





Virginia  
Retirement  
System

# Funded Status and Contribution Rates

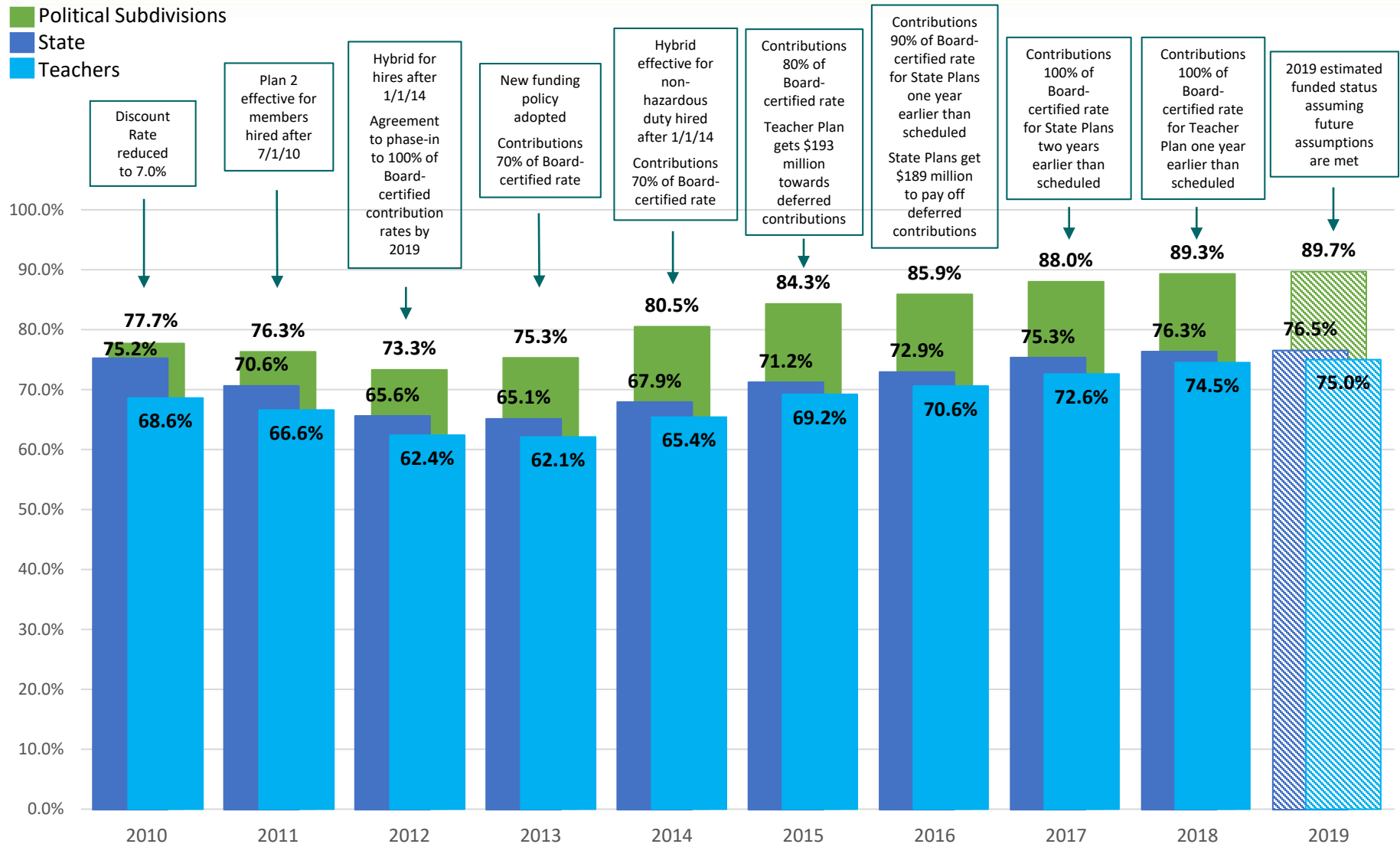




## Governor and General Assembly

- Accelerated pay-down of deferred contributions is estimated to save \$60.5 million over six years
- Funding 100% of actuarially determined contribution rates earlier than anticipated improves funded status and is estimated to save \$232 million over 20 years
- Actions improve health of plans and avoid adding future costs to the plans
- Funded status is improving – nearly 10% over the last five years
- New plan design reduces costs
- Risk sharing introduced with hybrid plan
  - 25% percent of members are in hybrid plan
  - Lowers defined benefit risk to employers by approximately one-third
- Paying certified contribution rates stops adding to the plan's unfunded liabilities

# Funded Status and Pension Reforms



Since 2012, State and Teacher plans have experienced a 10% improvement in funded status and Political Subdivisions in aggregate have seen a 15% improvement.



# Funded Status by Plan – OPEBs

Plan	6/30/2017 Funding Basis Smoothed Assets	6/30/2018 Funding Basis Smoothed Assets
Group Life	46.6%	49.7%
HIC State	8.0%	9.7%
HIC Teachers	7.1%	8.2%
HIC Constitutional Officers	8.5%	11.0%
HIC Social Services	7.8%	9.3%
HIC Registrars	6.5%	10.8%
HIC - Locals in Aggregate	56.4%	56.6%
VSDP	193.1%	181.4%
VLDP Teachers	40.0%	50.5%
VLDP Political Subdivisions	50.0%	32.8%



# Funded Status by Plan - Pensions

Plan	6/30/2017 Funding Basis Smoothed Assets	6/30/2018 Funding Basis Smoothed Assets
State	75.3%	76.3%
Teacher	72.6%	74.5%
Political Subdivisions in Aggregate	88.0%	89.3%
Total VRS	77.0%	78.6%
SPORS	75.5%	74.7%
ValORS	67.2%	68.7%
JRS	80.1%	83.0%
Grand Total	76.8%	78.3%

# Virginia Retirement System

## Unfunded Liabilities by Plan (Dollars in Billions)



Plan	6/30/2017 Funding Basis Smoothed Assets	6/30/2017 GASB Basis Market Assets	6/30/2018 Funding Basis Smoothed Assets	6/30/2018 GASB Basis Market Assets
State	\$ 5.8	\$ 5.5	\$ 5.7	\$ 5.6
Teacher	\$12.3	\$11.9	\$11.8	\$11.6
Political Subdivisions	\$ 2.6	\$ 2.3	\$ 2.4	\$ 2.2
<b>Total VRS</b>	<b>\$20.7</b>	<b>\$19.7</b>	<b>\$19.9</b>	<b>\$19.4</b>
SPORS	\$ 0.3	\$ 0.2	\$ 0.3	\$ 0.3
VaLORS	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6
JRS	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
<b>Grand Total</b>	<b>\$21.7</b>	<b>\$20.6</b>	<b>\$20.9</b>	<b>\$20.4</b>

\* GASB unfunded liabilities are based on 7.00% discount rate.

# OPEB Liability

## Unfunded Liabilities by Plan (Dollars in Millions)

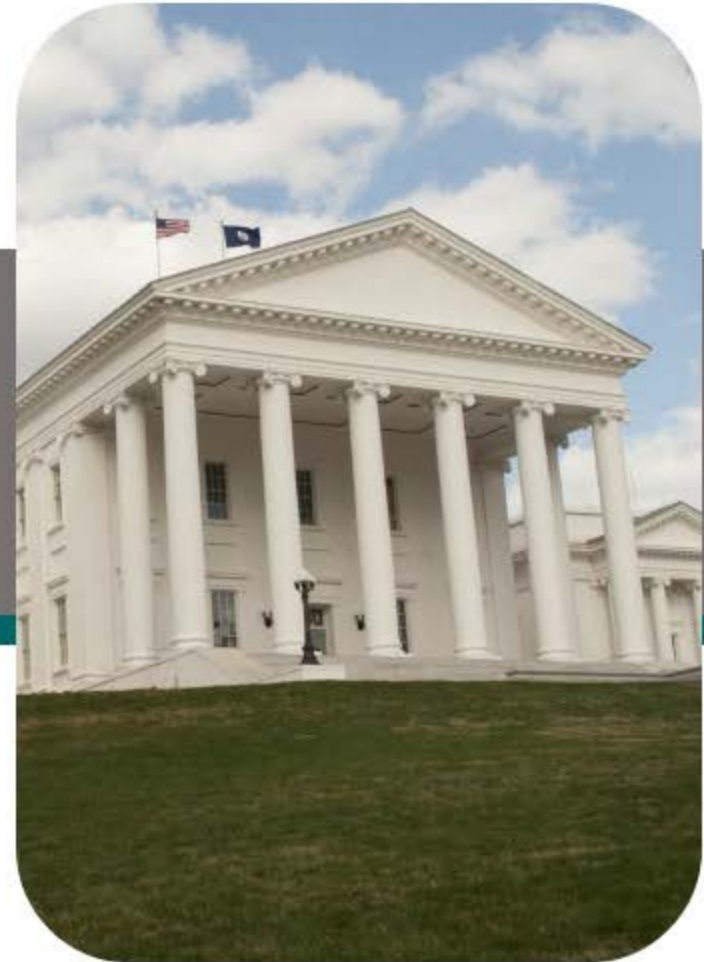


Plan	6/30/2017 Funding Basis Smoothed Assets	6/30/2018 Funding Basis Smoothed Assets
Group Life	\$ 1,614.6	\$ 1,592.5
HIC State	\$ 911.3	\$ 899.4
HIC Teachers	\$ 1,260.9	\$ 1,265.9
HIC Constitutional Officers	\$ 26.3	\$ 26.4
HIC Social Services	\$ 12.9	\$ 12.9
HIC Registrars	\$ 0.5	\$ 0.5
HIC - Locals in Aggregate	\$ 17.1	\$ 17.8
VSDP	\$ (210.9)	\$ (195.2)
VLDP Teachers	\$ 0.5	\$ 0.7
VLDP Political Subdivisions	\$ 0.4	\$ 1.9



Virginia  
Retirement  
System

# 2019 Legislation



Bill Number	Patron	Description
HB 1631 HB 2024 SB 1023	Leftwich Murphy Cosgrove	Allows a retired law-enforcement officer to continue to receive his service retirement allowance during a subsequent period of employment by a local school division as a school security officer.  Applies to Chapter 1 of Title 51.1
HB 1765 SB 1203 SB1582	Yancey Stuart Suetterlein	Allows a retired law-enforcement officer to continue to receive his service retirement allowance during a subsequent period of employment by a local school division as a school security officer.  Applies to Title 51.1

Bill Number	Patron	Description
HB 1694	Reid	Adds E-911 dispatchers to the list of local employees eligible to receive enhanced retirement benefits similar to those provided to State Police officers. The bill provides that such benefits would be available only to dispatchers hired starting in 2020.
HB 1824	Reid	Provides an additional 96 hours of sick leave to disabled veterans, defined in the bill as veterans with a disability rating by the U.S. Department of Veterans Affairs of at least 60 percent, available during the 12 months following such veteran's start or return to state employment after active duty or following a disability rating decision from the U.S. Department of Veterans Affairs, whichever is later. The bill provides that such additional sick leave shall be used only for the purpose of undergoing medical treatment for the service-related disability and would be provided only to those disabled veterans whose disability occurred on or after January 1, 2016.

Bill Number	Patron	Description
HB 1857	McQuinn	Requires school divisions to provide a health insurance credit of \$4 per year of service to all retired members of local school divisions with at least 15 years of creditable service. The measure does not apply to any employee who retired on disability prior to July 1, 2019, if this measure would reduce the monthly credit currently payable. Eligible employees who retired prior to July 1, 2019, but who did not receive the HIC prior to that date will only receive the \$4 per year of service HIC prospectively.
HB 2152 SB 1122 SB 1332	Ingram Ruff Ruff	Increases annually the amount of the health insurance credit for retirees who rendered at least 30 years of creditable service in the Virginia Retirement System. The bill increases the credit by the same percentage as any annual post-retirement supplement that is calculated for employees hired on or after July 1, 2010.

Bill Number	Patron	Description
HB 2171	Brewer	Provides that certain members of the Virginia Retirement System who retire early, if such members relied on an erroneously high estimate of benefits in their decision to retire, shall receive payments at the estimated amount. The bill provides that the benefits adjustment would apply to any member who received an erroneous estimate on or after January 1, 2017; however, the adjustment would apply only to payments made on and after July 1, 2019.
HB 2481	McNamara	Authorizes a locality that participates in the Virginia Retirement System to opt out of the group life insurance program and instead establish, either by self-funding or purchasing insurance, local life insurance coverage or accidental death and dismemberment insurance.



Bill Number	Patron	Description
SB 1032	Stanley	Changes the age through which a retired law-enforcement officer covered under the Virginia Law Officers' Retirement System is entitled to receive an additional retirement allowance from the law-enforcement officer's sixty-fifth birthday to retirement age as defined by the Social Security Act. This change aligns the additional allowance with that currently provided under the State Police Officers' Retirement System.
SB 1384	McDougle	Increases by 5% the retirement allowance for judges for service earned on and after their fifty-fifth birthday. The bill provides that the increase applies only to judges who retire on or after July 1, 2019.
SB 1480	Deeds	Adds conservation officers of the Dept. of Conservation and Recreation as members of VaLORS. The bill makes conservation officers eligible to accrue retirement benefits under VaLORS only for creditable service on and after July 1, 2019.

# 2019 Legislation

Bill Number	Patron	Description
HJ 679	Ayala	Requests VRS to study the impact of permitting part-time public school teachers to participate in a retirement plan administered by VRS.
SB 1227	Chase	Extends the sunset provision for the critical shortage teacher program to July 1, 2025.
SJ 296	Vogel	Confirms VOLSAP Board appointments.

# LODA Related: 2019 Legislation

Bill Number	Patron	Description
HB 1690	Simon	Expands the list of disabled persons and the beneficiaries of disabled or deceased persons eligible to receive benefits under the Line of Duty Act to include Metropolitan Washington Airports Authority police officers whose disability or death occurs as a direct or proximate result of the performance of their duty.
HB 2166	Rush	Removes from the definition of law-enforcement officer, as it applies to an investigator with Virginia Lottery, the requirement that the investigator be a full-time member.

# LODA Related: 2019 Legislation

Bill Number	Patron	Description
HB 2075	J. Bell	<p>Adds correctional officers and full-time sworn members of the enforcement division of the Department of Motor Vehicles to the list of public safety officers who are entitled to a presumption that hypertension and heart disease are occupational diseases compensable under Workers' Compensation.</p> <p>Also adds correctional officers to the list of public safety employees who are entitled to a presumption that certain infectious diseases are compensable occupational diseases.</p>
HB 2618	Heretick	<p>Adds full-time sworn officers of the enforcement division of the Department of Motor Vehicles to the list of public safety employees who are entitled to a presumption that hypertension and heart disease are occupational diseases compensable under the Virginia Workers' Compensation Act.</p>

# LODA Related: 2019 Legislation

Bill Number	Patron	Description
HB 1706	Kory	<p>Declares that PTSD suffered by a first responder (including volunteers) is an occupational disease suffered in the line of duty if it resulted from the responder's documented exposure to a qualifying event in the course of his employment. Qualifying events include seeing a deceased minor, directly witnessing the death of a minor, and seeing a decedent whose death involved grievous bodily harm of a nature that shocks the conscience.</p> <p>This bill adds § 65.2-400.1 to create a new occupational disease, and only applies to volunteers- <i>employees</i>, as defined in § 65.2-101(1)(I).</p>

# LODA Related: 2019 Legislation

Bill Number	Patron	Description
HB 2281 HB 2513 SB 1465	Filler-Corn Hugo McPike	<p>Creates a presumption that PTSD is an occupational disease, suffered in the line of duty, that is covered by Workers' Compensation if certain employees (i) receive a diagnosis of PTSD; (ii) suffer death or any impairment resulting in total or partial disability from work caused by the PTSD; and (iii) receive a statement from a provider that the PTSD was caused by a single critical event or multiple exposures to critical events that occurred in the course of the employment. Provides that a "critical event" results in serious injury or death to an individual; deals with a minor who has been injured, killed, abused, exploited, or a victim of a crime; deals with mass casualties; results in injury to or the death of a coworker; involves an immediate threat to the life of the claimant or another individual; or involves the abuse, cruelty, injury, exploitation, or death of an animal.</p> <p>These bills amend § 65.2-402 by adding a subsection D to create a new presumption. It applies to all of the individuals listed in § 65.2-402(B), plus animal protection officers and 911 dispatchers.</p>

# LODA Related: 2019 Legislation

Bill Number	Patron	Description
HB 1804	Hugo	Adds cancers of the colon, brain, or testes to the list of cancers that are presumed to be an occupational disease covered by the Virginia Workers' Compensation Act when firefighters and certain employees develop the cancer. The measure removes the compensability requirement that the employee who develops cancer encountered a toxic substance in the line of duty.
SB 1022	Chase	
SB 1030	Cosgrove	
SB 1172	McPike	
SB 1528	Vogel	

# 2019 Budget Language: Contribution Rates



Topic	Explanation of Item																		
Item 474 H. 1 and H. 2	<p>Governor’s proposed budget fully funds the actuarially recommended retirement plan contribution rates for FY 2020:</p> <table><tr><th></th><th>FY 2019</th><th>FY 2020</th></tr><tr><td>Teachers</td><td>15.68%</td><td>15.68%</td></tr><tr><td>State Employees</td><td>13.52%</td><td>13.52%</td></tr><tr><td>State Police</td><td>24.88%</td><td>24.88%</td></tr><tr><td>VaLORS</td><td>21.61%</td><td>21.61%</td></tr><tr><td>Judicial</td><td>34.39%</td><td>34.39%</td></tr></table>		FY 2019	FY 2020	Teachers	15.68%	15.68%	State Employees	13.52%	13.52%	State Police	24.88%	24.88%	VaLORS	21.61%	21.61%	Judicial	34.39%	34.39%
	FY 2019	FY 2020																	
Teachers	15.68%	15.68%																	
State Employees	13.52%	13.52%																	
State Police	24.88%	24.88%																	
VaLORS	21.61%	21.61%																	
Judicial	34.39%	34.39%																	



Topic	Explanation of Item
Item 474- K.7	<p>SPORS and VALORS retirees are provided an HIC of \$6 per year of creditable service, up to the amount of the health insurance premium.</p> <p>SPORS and VALORS members receiving LTD or retired under § 51.1-156 receive a maximum monthly credit of (i) \$180, (ii) \$6 per year of creditable service at the time of disability retirement or eligibility for LTD.</p> <p>Retired sheriffs and deputy sheriffs are provided an HIC of \$5 per year of creditable service, up to the amount of the health insurance premium.</p> <p>Sheriffs and deputy sheriffs retiring under disability retirement receive a maximum monthly credit of \$150 or \$5 per year of creditable service.</p>

Topic	Explanation of Item
Item 486- G	Increases the membership of the Board of Trustees to 12 members, including three ex-officio non-voting members: the Secretary of Finance, the staff director of SFC and the staff director of HAC or their designees.