

Preliminary Projected Fiscal Impact Summary: Commission Recommendations to Pension Plans

VSTRS –	Employer ARC	Employee Contribution %	State Contribution
FY 2010 actuarial recommendation & appropriation:	\$41.5 million	3.4%	7.4%
FY 2011 actuarial recommendation, no changes:	\$63.5 million	3.4%	10.8%
FY 2011 recommendation, changes, no cost sharing	\$56.7 million	3.4%	9.67%
FY 2011 recommendation, changes, 3.5% state increase	\$43.0 million	5.47%	7.32%
FY 2011 recommendation, changes, 50/50 sharing*:	\$50.1 million	4.25%	8.53%
FY 2011 recommendation, changes, 50/50 sharing**:	\$37.5 million	6.39%	6.39%
FY 2011 recommendation, changes, 60/40 sharing***:	\$45.0 million	5.11%	7.67%

Changes = Normal retirement at 65/rule of 90, early retirement at 58 with actuarial equivalent reduction for early commencement, lengthening salary averaging period from three years to five years, increase in maximum benefit from 50% to 60% of FAS; changes not applicable to those presently within five years of normal retirement (for early retirement change, exclusion applies to those now within five years of early retirement eligibility).

Sharing: * 50/50 using FY 2010 as baseline (based on changes above)
 ** 50/50 of total required contribution (based on changes above)
 *** 60/40 of total required contribution (based on changes above)

VSERS –	Employer ARC	Employee Contribution %	State Contribution %
FY 2010 actuarial recommendation & appropriation:	\$32.0 million	5.1%	7.6%
FY 2011 actuarial recommendation, no changes:	\$41.6 million	5.1%	9.8%
FY 2011 recommendation, changes, no cost sharing	\$36.4 million	5.1%	8.62%
FY 2011 recommendation, changes, 3.5% state increase	\$33.1 million	5.83%	7.84%
FY 2011 recommendation, changes, 50/50 sharing*:	\$34.3 million	5.56%	8.11%
FY 2011 recommendation, changes, 50/50 sharing**:	\$28.9 million	6.84%	6.84%
FY 2011 recommendation, changes, 60/40 sharing***:	\$34.7 million	5.47%	8.20%

Changes = Normal retirement at 65/rule of 90, early retirement at 58 with actuarial equivalent reduction for early commencement, lengthening salary averaging period from three years to five years for Group F, from two to three for Group C, and from final salary to two years for state Group D, increase in maximum benefit from 50% to 60% of FAS; changes not applicable to those presently within five years of normal retirement (for early retirement change, exclusion applies to those now within five years of early retirement eligibility).

Sharing: * 50/50 using FY 2010 as baseline (based on changes above)
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