

**VIRGINIA
HIGHER EDUCATION
ADVOCACY DAY**

2011

**Virginia
Retirement
System**

KEEP YOUR PROMISE! NO PAY CUTS!

Proposals to force Virginia state employees to fund the Virginia Retirement System with a pay cut are an unacceptable breach of promise. Virginia's college and university faculty call upon the General Assembly to honor its commitment to fund the Virginia Retirement System. We oppose legislation that would shift the burden from the Commonwealth to its own employees.

1) State employees gave up a pay raise in exchange for the State's assurance that it would take over their 5% contribution to VRS. Unless the General Assembly restores the full 5% raise to offset a new 5% contribution to the Virginia Retirement System, employees will suffer a pay cut. State employees must be held harmless in any proposal to fund VRS.

2) A pay cut following 3 years with no faculty pay raises will make Virginia higher education institutions less competitive in recruitment and retention of highly qualified faculty. This makes a bad situation worse. It is yet another reason college faculty should not suffer a reduction in their remuneration.

3) For faculty who do not participate in the VRS defined benefit program, but instead participate in the Optional Retirement Program, compensation is also cut 1.9% from the State's matching retirement funds. It's a double blow, as matching funds are cut and then given as a state employer contribution to VRS. Those participating in TIAA-CREF or any other optional retirement program should be exempted, and all faculty should be held harmless.

If the General Assembly restores its contributions to VRS at the Board-certified rates, pay cuts to employees would be unnecessary.