

Virginia Retirement System 2010 Fiscal Impact Statement

1. Bill Number: HB1055

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Armstrong

3. Committee: Appropriations

4. Title: **Retirement System; increases amount of monthly health insurance credits.**

5. Summary: Increases the amount of monthly health insurance credits from \$1.50 per year of creditable service to \$4.00 per year of creditable service for retired Constitutional officers and their employees, general registrars and their employees, and employees of local social services boards. The bill is not in force any time that the entire cost of the health insurance credits is not paid by the Commonwealth.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>
Constitutional Officers - GF	\$3,032,000	\$3,032,000	\$3,123,000	\$3,217,000	\$3,314,000
Registrars - GF	\$50,000	\$50,000	\$52,000	\$54,000	\$56,000
Social Service -GF	<u>\$1,486,000</u>	<u>\$1,486,000</u>	<u>\$1,531,000</u>	<u>\$1,577,000</u>	<u>\$1,624,000</u>
Total GF	<u>\$4,568,000</u>	<u>\$4,568,000</u>	<u>\$4,706,000</u>	<u>\$4,848,000</u>	<u>\$4,994,000</u>
Constitutional Officers - NGF					
Registrars - NGF					
Social Service -NGF					
Total NGF					
Teacher-Local					
Local Aggregate					
Total Local					
Grand Total	<u>\$4,568,000</u>	<u>\$4,568,000</u>	<u>\$4,706,000</u>	<u>\$4,848,000</u>	<u>\$4,994,000</u>

7. Budget Amendment Necessary: Yes. The cost of this legislation will be reflected in increased employer contribution rates for FY11.

8. Fiscal Implications: See expenditure impact above.

9. Specific Agency or Political Subdivisions Affected: VRS, retired Constitutional officers and their employees, general registrars and their employees, and employees of local social services boards.

10. Technical Amendment Necessary: No

11. Other Comments: From Internal Impact Statement: The provisions of this legislation are not in force if the entire cost of the health insurance credit is not borne by the Commonwealth, including any time that the Appropriations Act permits the State Compensation Board to recoup the cost of the health insurance credits it pays to VRS, by withholding the amount of such cost from its payments to localities.

In addition, §51.1-1403 B has been stricken by this legislation. Paragraph B had previously addressed the “additional dollar” that the actuary would value for two localities (Pittsylvania County and the City of Roanoke).

Date: 1/27/2010 psb

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