

# Virginia Retirement System

## 2001 Fiscal Impact Statement

1. **Bill Number** HB2079

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
<b>Second House</b>	<input checked="" type="checkbox"/> In Committee	<input checked="" type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. **Patron** Putney

3. **Committee** Finance

4. **Title** Firefighters' and Rescue Squad Workers' Service Award Fund.

5. **Summary/Purpose:**

This bill makes technical changes to the Virginia Firefighters' and Rescue Squad Workers' Pension Fund in order to receive a favorable ruling by the IRS concerning the tax treatment of any payments from the fund. The bill also allows the amount to be contributed by members to be set by the Board, instead of \$30 per quarter. In addition, the bill provides for distribution of funds in the event of a death and permits a member to name his or her own beneficiary. The Senate substitute clarifies the distribution of contribution coming into the fund from various sources.

6. **No Fiscal Impact**

7. **Budget amendment necessary:** None

8. **Fiscal implications:** None

9. **Specific agency or political subdivisions affected:** VRS

10. **Technical amendment necessary:** None

11. **Other comments:** The enabling legislation established this program as a pension fund that would require an IRS qualification. Restructuring the program as a service award negates the necessity for IRS qualification and provides for more efficient administration of the program.

**Date:** 03/02/01/ wgh

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