

VIRGINIA RETIREMENT SYSTEM

2002 Fiscal Impact Statement

1. **Bill Number** HB1050

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Darner

3. **Committee** Appropriations

4. **Title** Health insurance credits; retired local school division employees.

5. **Summary/Purpose:**

This bill provides the health insurance credit currently provided to retired teachers to all local school board employees retired under the Virginia Retirement System at state expense.

6. **Fiscal Impact Estimates are:**

6a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02			
2002-03			
2003-04	\$1.3 million		State Share
	\$1.8 million		Local Share

7. **Budget amendment necessary:** Yes. Item 511

8. **Fiscal implications:** Chapter 1073 of the 2000 Acts of Assembly requires the VRSto conduct actuarial valuations annually. The costs associated with this bill would accrue in FY03 and FY04, but would not be recognized in the employer contribution rates until FY04. There would be a reduction in costs to local school divisions of \$1.9 million in the aggregate.

9. **Specific agency or political subdivisions affected:** VRSto and public school divisions

10. **Technical amendment necessary:** No

11. **Other comments:** The above costs were recalculated on a pay-as-you-go basis.

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