

Department of Planning and Budget 2003 Fiscal Impact Statement

1. Bill Number HB1431

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

2. Patron Johnson

3. Committee Commerce and Labor

4. Title Eliminate social security offset for unemployment benefits

5. Summary/Purpose: The bill excludes Social Security retirement or pension benefit payments from the current requirement that unemployment compensation benefits be reduced by the amount received from any governmental or other pension, retirement or retired pay, annuity, or other periodic payment under a plan maintained or contributed to by an employer based on the recipient's prior work.

6. Fiscal Impact Estimates are Preliminary:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03	\$0	-	-
2003-04	\$4.5 million	-	NGF
2004-05	\$3.5 million	-	NGF

7. Budget amendment necessary: Yes, Item 130.

8. Fiscal implications: The bill would impact unemployment compensation by increasing benefits paid out from the unemployment trust funds since social security benefits would no longer offset an individual's unemployment benefits. The impact of this bill on unemployment taxes, paid by employers, is projected to increase in calendar year 2006 by \$0.45 per employee on average.

9. Specific agency or political subdivisions affected: Virginia Employment Commission.

10. Technical amendment necessary: No.

11. Other comments: SB1014 is a similar bill introduced by Senator Watkins.

Date: 01/13/03/mst

Document: G:\GaSessions\2003Session\Fis\Hb1431.Doc

cc: Secretary of Commerce and Trade