

# Virginia Retirement System 2003 Fiscal Impact Statement

**1. Bill Number** HB1968

**House of Origin** ☒ Introduced ☐ Substitute ☐ Engrossed

**Second House** ☐ In Committee ☐ Substitute ☐ Enrolled

**2. Patron** Athey

**3. Committee** Appropriations

**4. Title** Virginiasicknessanddisabilityprogram.

**5. Summary/Purpose:**

Virginiasicknessanddisabilityprogram.Requires the Virginia Retirement System, by July 1, 2004, to promulgate regulations that will allow participation in the Virginia Sickness and Disability Program (VSDP) of employees of a locality participating in the Retirement System. The regulations may be developed so as to allow such participation to be phased in over a period of 5 years.

**6. No Fiscal Impact**

**7. Budget amendment necessary:** Yes. If approved, \$150,000 (NGF) for plan design and communications.

**8. Fiscal implications:** There is a possible fiscal impact on localities that would participate in this program, depending upon utilization of VSDP benefits as opposed to current disability retirement benefits.

**9. Specific agency or political subdivisions affected:** VRS and political subdivisions participating in the program.

**10. Technical amendment necessary:** The VRS Board of Trustees does not promulgate regulations, therefore, the following amendment is offered:

Line 14, after "shall", strike "promulgate regulations" and insert "develop policies and procedures"

Line 15, after "The", strike "regulations" and insert "policies and procedures"

**11. Other comments:** The VRS is not opposed to the phased extension of VSDP benefits to political subdivisions. The current VSDP benefits were designed specifically to interface with the sick leave policies of the Commonwealth. The current benefits may not interface efficiently with the unique sick leave policies of the various political subdivisions. In lieu of approval of this bill, VRS would recommend a study with the objective of developing a plan design that would be more efficient given that sick leave policies among the various political subdivisions

are not consistent with one another and do not mirror the sick leave policies of the Commonwealth.

**Date:** 01/16/03/wgh

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