

VIRGINIA RETIREMENT SYSTEM

2002 Fiscal Impact Statement

1. **Bill Number** HB690

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

2. **Patron** Tata

3. **Committee** Appropriations

4. **Title** Deferred compensation plan for government employees.

5. **Summary/Purpose:** This bill provides for a "cash match" program for all public school teachers in the Commonwealth. The bill provides that the Commonwealth shall pay the entire cost of such a "cash match" and transfer the funds to the teachers' tax deferred savings accounts in any amount that may be appropriated for such purposes from time to time and direct the VRS to work with local school superintendents to develop appropriate procedures.

6. **Fiscal Impact:** There are currently 125,000 school teachers in the Commonwealth. If a program such as this became a law and the cash match amount were equal to the current state match of \$40 per month and 50% of the teachers took advantage of the program, the annual cost would be \$30 million. VRS has no way of knowing what the actual usage would be and provides these numbers for illustrative purposes only.

7. **Budget amendment necessary:** No

8. **Fiscal implications:** Because the provision of matching funds for this program is subject to the appropriation of funds, the fiscal implications are subject to budget language that would appropriate funds for the purpose of the bill.

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

10. **Technical amendment necessary:** No

11. **Other comments:** None

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