

## Virginia Retirement System 2004 Fiscal Impact Statement

**1. Bill Number** HB199

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

**2. Patron**        Tata

**3. Committee**    Finance

**4. Title**            Group life and accident insurance for state and local employees.

**5. Summary/Purpose:**

Group life and accident insurance for state and local employees. Provides an employee who has at least 20 years of creditable service with life insurance benefits equal to twice the amount of his highest annual salary, and provides a retiree, who retired with at least 20 years of creditable service, and then returns to work in a covered position, with life insurance equal to the greater of twice his highest salary or the amount he would have been eligible for had he remained retired.

**6.** No fiscal impact.

**7. Budget amendment necessary:** No

**8. Fiscal implications:** Because of its limited applicability, the actuarial impact of this Bill is insignificant.

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

**10. Technical amendment necessary:** Yes

House Bill 199 contains a technical error that makes the application of the provisions contrary to the stated intent of the VRS Board of Trustees, who asked that this bill be introduced. We are, therefore, requesting that the Governor return the bill to the General Assembly with the following amendment:

Line 110 of the Engrossed Bill

After “shall”, strike “not”.

**11. Other comments:** This Bill makes several technical changes to clarify legislation from 2003 as well as to reduce the eligibility threshold from 25 years to 20 years. The reason for

changing the eligibility is to make this provision consistent with eligibility for other benefits administered by the VRS so as to improve administrative efficiency and communications.  
This Bill is requested by the VRS Board of Trustees.

**Date:** 03/08/04 / wgh

**Document:** h199er