

Virginia Retirement System

2005 Fiscal Impact Statement

1. **Bill Number** SB1043

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Martin

3. **Committee** Rules

4. **Title** Health insurance credit for state employees.

5. Summary/Purpose:

Health insurance credit for retired state employees. Increases the health insurance credit for retired state employees to \$6 per month for each year of creditable service with a maximum benefit of \$180. This bill does not affect the credit for state employees who retire or retired prior to July 1, 2005.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>State GF</i>	<i>State NGF</i>
2004-05		
2005-06	\$563,000	\$688,000
2006-07	\$579,000	\$708,000
2007-08	\$597,000	\$729,000
2008-09	\$615,000	\$751,000
2009-10	\$633,000	\$774,000
2010-11	\$652,000	\$797,000

7. **Budget amendment necessary:** No. The Code of Virginia requires the VRS to set contribution rates every two years. The costs associated with this bill would accrue in FY06, but would not be recognized in the employer contribution rates until FY07.

8. **Fiscal implications:** The above costs are pay-as-you-go. Prefunded costs would be greater. There may be implications for financial reporting as a result of not prefunding post employment benefits.

9. **Specific agency or political subdivisions affected:** VRS and state agencies

10. **Technical amendment necessary:** No

11. **Other comments:** None

Date: 01/21/05 / wgh

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