

Virginia Retirement System

Revised 2005 Fiscal Impact Statement

1. Bill Number SB727

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Potts

3. Committee Finance

4. Title Health insurance credits for retired state employees; removes cap.

5. Summary/Purpose:

Health insurance credits for retired state employees. Removes the monthly health insurance credit cap of \$120 for retired state employees.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
STATE GF	\$ 10,408,000	\$ 10,720,000	\$ 11,042,000	\$ 11,373,000	\$ 11,714,000	\$ 12,066,000
VALORS GF						
SPORS GF						
JRS						
TEACHERS STATE						
TOTAL GF						
STATE NGF	\$ 12,721,000	\$ 13,102,000	\$ 13,495,000	\$ 13,900,000	\$ 14,317,000	\$ 14,747,000
VALORS NGF						
SPORS NGF						
TOTAL NGF						
TEACHERS LOCAL						
LOCAL AGGREGATE						
TOTAL LOCAL						

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: 01/25/05/ wgh

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