

Virginia Retirement System

2006 Fiscal Impact Statement

(Revised)

1. Bill Number HB59

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

2. Patron Putney

3. Committee Passed both House and Senate

4. Title Health insurance Credit; Removes the \$120 monthly cap .

5. Summary/Purpose:

Health insurance credits for retired state employees. Retains the monthly health insurance credits provided to retired state employees at \$4 per year of creditable service, and removes the maximum monthly cap of \$120.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact (Full-Funding):

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
State-GF	1,621,000	1,686,000	1,753,000	1,823,000	1,896,000	1,972,000
SPORS-GF	85,000	88,000	92,000	96,000	100,000	104,000
VaLORS-GF	328,000	341,000	355,000	369,000	384,000	399,000
JRS-GF	59,000	61,000	63,000	66,000	69,000	72,000
Teacher-GF	-	-	-	-	-	-
Total GF	2,093,000	2,176,000	2,263,000	2,354,000	2,449,000	2,547,000
State-NGF	2,014,000	2,095,000	2,179,000	2,266,000	2,357,000	2,451,000
SPORS-NGF	19,000	20,000	21,000	22,000	23,000	24,000
VaLORS-NGF	25,000	26,000	27,000	28,000	29,000	30,000
Total NGF	2,058,000	2,141,000	2,227,000	2,316,000	2,409,000	2,505,000
Teacher-Local	-	-	-	-	-	-
Local Agregate	-	-	-	-	-	-
Total Local	-	-	-	-	-	-
Grand Total	4,151,000	4,317,000	4,490,000	4,670,000	4,858,000	5,052,000

6b. Expenditure Impact (Pay-as-you-go):

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
State-GF	737,000	766,000	797,000	829,000	862,000	896,000
SPORS-GF	39,000	41,000	43,000	45,000	47,000	49,000
VaLORS-GF	149,000	155,000	161,000	167,000	174,000	181,000
JRS-GF	27,000	28,000	29,000	30,000	31,000	32,000
Teacher-GF	-	-	-	-	-	-
Total GF	952,000	990,000	1,030,000	1,071,000	1,114,000	1,158,000
State-NGF	915,000	952,000	990,000	1,030,000	1,071,000	1,114,000
SPORS-NGF	9,000	9,000	9,000	9,000	9,000	9,000
VaLORS-NGF	12,000	12,000	12,000	12,000	12,000	12,000
Total NGF	936,000	973,000	1,011,000	1,051,000	1,092,000	1,135,000
Teacher-Local	-	-	-	-	-	-
Local Agregate	-	-	-	-	-	-
Total Local	-	-	-	-	-	-
Grand Total	1,888,000	1,963,000	2,041,000	2,122,000	2,206,000	2,293,000

7. Budget amendment necessary: Yes. The legislation requires that the provisions of this act shall not become effective unless there is an appropriation of funds included in the Appropriations Act for the period of July 1, 2006 through June 30, 2008.

8. Fiscal implications: The fiscal impact calculations for this bill include both the pre-funded and the pay-as-you-go costs. The Government Accounting Standards Board (GASB) will require that future liabilities that are not covered under the pay-as-you-go funding plan must be reported. The Virginia Retirement System Board of Trustees has certified rates for the 2006-2008 biennium for the HIC in order to begin funding these liabilities.

9. Specific agency or political subdivisions affected: VRS and State Agencies

10. Technical amendment necessary: No

11. Other comments: None

Date: 03/31/06/pas

Document: HB59ER