

# Virginia Retirement System 2007 Fiscal Impact Statement

**1. Bill Number** HB2370

**House of Origin** ☐ Introduced ☐ Substitute ☐ Engrossed

**Second House** ☐ In Committee ☒ Substitute ☐ Enrolled

**2. Patron** Tata

**3. Committee** Finance

**4. Title** Health insurance credits; teachers.

**5. Summary/Purpose:** Health insurance credits; teachers. Increases the monthly health insurance credit to retired teachers from \$2.50 to \$4 for each full year of the retired member's creditable service and removes the \$75 a month cap. Deletes the local option for an additional \$1 for the health insurance credit and uses the traditional VRS disability formula to calculate the health insurance credit for those who retire on disability.

The effective date of the provisions of the bill is July 1, 2007 and is applicable to teachers who retired prior to the effective date of this legislation and to those who will retire on or after July 1, 2007.

**6. Fiscal Impact Estimates are:**

**6a. Expenditure Impact:**

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
State-GF						
SPORS-GF						
VaLORS-GF						
JRS-GF						
Teacher-GF	12,070,000	12,553,000	13,055,000	13,577,000	14,120,000	14,685,000
Total GF	12,070,000	12,553,000	13,055,000	13,577,000	14,120,000	14,685,000
State-NGF						
SPORS-NGF						
VaLORS-NGF						
Total NGF						
Teacher-Local	18,634,000	19,379,000	20,154,000	20,960,000	21,798,000	22,670,000
Local Agregate						
Total Local	18,634,000	19,379,000	20,154,000	20,960,000	21,798,000	22,670,000
Grand Total	30,704,000	31,932,000	33,209,000	34,537,000	35,918,000	37,355,000

**7. Budget amendment necessary:** Yes. The cost of this legislation will be reflected in increased employer contribution rates for FY08.

**8. Fiscal implications:** See Expenditure Impact above.

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

**10. Technical amendment necessary:** No

**11. Other comments:** None

**Date:** 02/19/07/pas

**Document:** HB2370S1