

Virginia Retirement System 2007 Fiscal Impact Statement

1. Bill Number SB 1218

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Hanger

3. Committee Finance

4. Title Health insurance credits; teachers and other local school board employees.

5. Summary/Purpose: Health insurance credits. Increases the monthly health insurance credit for retired teachers from \$2.50 to \$4.00 for each full year of the retired member's creditable service. The bill also eliminates an overall cap to the credit, and provides disability retirees with the lesser of (1) \$4 times twice the amount of their creditable service or (2) the amount of service completed at age 60 had they remained in service to that age. The bill is applicable to current and future retirees.

6. No Fiscal Impact (or)
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 rate 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: 02/06/07/pas

Document: SB1218S1