

Virginia Retirement System 2007 Fiscal Impact Statement

1. Bill Number SB 831

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Davis

3. Committee Finance

4. Title Health insurance; increases credit for retired teachers.

5. Summary/Purpose: Health insurance credits for retired teachers. Increases the monthly health insurance credit for retired teachers from \$2.50 for each year of creditable service to \$4 for each year of creditable service. The bill also removes a monthly cap for such credit and reduces the eligibility requirement from 15 years of creditable service to five years of creditable service. This legislation also removes the cap for the \$1.00 enhanced teacher credit, the cost of which is borne by the locality.

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	14,956,000	15,554,000	16,176,000	16,823,000	17,496,000	18,196,000
Total GF	14,956,000	15,554,000	16,176,000	16,823,000	17,496,000	18,196,000
State-NGF						
SPORS-NGF						
VaLORS-NGF						
Total NGF						
Teacher-Local	23,090,000	24,014,000	24,975,000	25,974,000	27,013,000	28,094,000
Local Agregate						
Total Local	23,090,000	24,014,000	24,975,000	25,974,000	27,013,000	28,094,000
Grand Total	38,046,000	39,568,000	41,151,000	42,797,000	44,509,000	46,290,000

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

8. Fiscal implications: See Expense Impact above

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

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/18/07/pas

Document: SB831