

# Virginia Retirement System 2008 Fiscal Impact Statement

**1. Bill Number:** HB9

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                  In Committee              Substitute                  Enrolled

**2. Patron:**        Wright

**3. Committee:** Appropriations

**4. Title:**            **Health insurance credits; increased for certain retired employees of local social services boards.**

**5. Summary:** Health insurance credits; retired employees of local social services boards. House Bill 9 increases the monthly health insurance credit funded by the state for retired employees of local social services boards from \$1.50 to \$4.00 for each full year of the retired member's creditable service. The bill eliminates the overall cap on the monthly amount of the credit and for retired local social services employees eliminates the optional retiree health care credit that localities could provide local social service retirees. House Bill 9 also establishes the formula for determining the monthly health insurance credit for retirees whose retirement was for disability consistent with the formula for the teacher health retiree health care credit. The measure equalizes the health insurance credit for retired employees of local social services boards to the credit available to retired state employees and teachers.

**6. Fiscal Impact Estimates:**

**6a. Expenditure Impact:**

|                 | <u><b>2008-09</b></u> | <u><b>2009-10</b></u> | <u><b>2010-11</b></u> | <u><b>2011-12</b></u> | <u><b>2012-13</b></u> | <u><b>2013-14</b></u> |
|-----------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| State-GF        | \$650,000             | \$676,000             | \$703,000             | \$731,000             | \$760,000             | \$790,000             |
| SPORS-GF        |                       |                       |                       |                       |                       |                       |
| VaLORS-GF       |                       |                       |                       |                       |                       |                       |
| JRS-GF          |                       |                       |                       |                       |                       |                       |
| Teacher-GF      |                       |                       |                       |                       |                       |                       |
| Total GF        | <u>\$650,000</u>      | <u>\$676,000</u>      | <u>\$703,000</u>      | <u>\$731,000</u>      | <u>\$760,000</u>      | <u>\$790,000</u>      |
| State-NGF       | \$433,000             | \$450,000             | \$468,000             | \$487,000             | \$506,000             | \$526,000             |
| SPORS-NGF       |                       |                       |                       |                       |                       |                       |
| VaLORS-NGF      |                       |                       |                       |                       |                       |                       |
| Total NGF       | <u>\$433,000</u>      | <u>\$450,000</u>      | <u>\$468,000</u>      | <u>\$487,000</u>      | <u>\$506,000</u>      | <u>\$526,000</u>      |
| Teacher-Local   |                       |                       |                       |                       |                       |                       |
| Local Aggregate |                       |                       |                       |                       |                       |                       |
| Total Local     |                       |                       |                       |                       |                       |                       |
| Grand Total     | <u>\$1,083,000</u>    | <u>\$1,126,000</u>    | <u>\$1,171,000</u>    | <u>\$1,218,000</u>    | <u>\$1,266,000</u>    | <u>\$1,316,000</u>    |

- 7. Budget Amendment Necessary:** Yes. The cost of this legislation will be reflected in increased employer contribution rate for FY09.
- 8. Fiscal Implications:** See Expenditure Impact above.
- 9. Specific Agency or Political Subdivisions Affected:** VRS and the State Department of Social Services and any VRS participating locality that provides the optional \$1 per month per year of service for retiree health care credit to local social services employees.
- 10. Technical Amendment Necessary:** No
- 11. Other Comments:** None

**Date:** 01/20/2008 pas  
**Document:** HB9. DOC