

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: HB1998

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

2. Patron: Torian

3. Committee: Rules

4. Title: Secretary of Finance work group to review retirement savings options.

5. Summary: Directs the Secretary of Finance to convene a work group to review current state and federal laws and regulations that encourage citizens of the Commonwealth to save for retirement by participating in retirement savings plans. The review will include an examination of retirement savings options for self-employed individuals, part-time employees, full-time employees whose employers do not offer a retirement savings plan, and groups with a low savings rate. The work group will include representatives of the Department of Taxation, small business, the self-employed, the Virginia College Savings Plan, and other stakeholders. The work group will develop an implementation plan to encourage and facilitate saving for retirement and report to the Governor and the General Assembly by November 1, 2015.

6. Budget Amendment Necessary: Yes, Item 252

7. Fiscal Impact Estimates: Preliminary, see Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2015	\$0	-
2016	\$750,000	General
2017	\$0	-
2018	\$0	-
2019	\$0	-
2020	\$0	-
2021	\$0	-

8. Fiscal Implications: This legislation would require the Secretary of Finance to convene a work group to study state and federal laws and programs that encourage retirement savings, as well as retirement savings options available to individuals that may not have access to an employer based retirement plan or have a low savings rate. The work group is directed to develop an implementation plan to encourage citizens to save for retirement, which shall include recommendations for statutory and budget changes. The findings and plan are due on November 1, 2015.

The Office of the Secretary of Finance indicates that it does not currently have the resources to undertake such a study and that the proposed timeline will require the hiring of outside consultants. Due to the nature and complexity of the bill, the estimated cost could be as high as \$750,000. The projections in Item 7, above, assume that the majority of the consulting work will be accomplished in fiscal year 2016.

9. Specific Agency or Political Subdivisions Affected: Secretary of Finance, Department of Taxation, and Virginia College Savings Plan

10. Technical Amendment Necessary: No.

11. Other Comments: VRS indicated that it has not had time to finalize cost estimates, but believes that the agency could accomplish the study internally for less than the estimated cost to the Secretary of Finance's Office. VRS anticipates it may require additional funding for outside legal counsel in performing the study.

This revised fiscal impact statement clarifies input received from VRS.

C: Secretary of Finance

Date: January 29, 2015

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