

## Virginia Retirement System 2017 Fiscal Impact Statement

1. **Bill Number:** HB 2243

<b>House of Origin</b>	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Engrossed
<b>Second House</b>	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. **Patron:** Jones

3. **Committee:** Appropriations

4. **Title:** Line of Duty Act.

5. **Summary:** Clarifies provisions of the Line of Duty Act, including clarifying that suspension or reinstatement of health insurance benefits begins and ends at the beginning of a health insurance plan year rather than in the middle of a plan year. Clarifies that the suspension of LODA health insurance coverage due to excess earned income does not apply to someone whose coverage is based on a death or disability that occurred before July 1, 2017. Permits State Police to share otherwise confidential information with VRS and DHRM before the July 1, 2017 transition date. The bill codifies certain provisions of the Line of Duty Act which currently are in the Appropriation Act. The bill contains an emergency clause.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** No fiscal impact.

8. **Fiscal Implications:** None.

9. **Specific Agency or Political Subdivisions Affected:** VRS, DHRM, State Police, DOA, all state agencies that employ LODA-covered personnel, and all political subdivisions that employ LODA-covered personnel or have LODA-covered volunteers.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** The technical changes in this bill accomplish the following:

- § 9.1-400 – Codifies existing Appropriation Act language that provides LODA benefits to a member of any fire company that provides fire protection services to the Virginia Air National Guard;
- § 9.1-400 – Removes language from the definition of a “disabled person” to clarify that if a person loses benefits due to means testing that person is still deemed to be disabled but is not eligible for benefits during the time the he or she earns more than the indexed amount earned at the time of the disability;

- § 9.1-400 – Clarifies that a child will qualify as an “eligible dependent” for purposes of LODA benefits only if the child is born as the result of a pregnancy, adoption, or preadoptive agreement prior to the time of the employee’s death or disability;
- § 9.1-400 – Amends the definition of a “nonparticipating employer” to account for employers that opted out of the LODA Fund after July 1, 2012;
- § 9.1-400.1 – Codifies existing Appropriation Act language that specifies the locality that is financially responsible for a volunteer department that serves more than one locality;
- § 9.1-401 – Replaces a defined term with a defined term that is more accurate in describing the individuals who may be eligible for health insurance coverage;
- § 9.1-401 – Codifies existing Appropriation Act language that allows health insurance credit payments associated with an “eligible spouse” of a “disabled person” who is receiving health insurance coverage to be deposited into the LODA Fund or paid to a participating employer, as applicable;
- § 9.1-401 – Clarifies that the suspension of LODA health insurance coverage due to excess earned income does not take effect until the beginning of the subsequent health plan year;
- § 9.1-401 – Clarifies that the suspension of LODA health insurance coverage due to excess earned income does not apply to someone whose coverage is based on a death or disability that occurred before July 1, 2017;
- § 9.1-401 – Replaces the January 15 earned income notification date with March 1 of each calendar year in recognition of W-2s not being distributed until the end of each January;
- § 9.1-404 – Codifies existing Appropriation Act language that provides VRS the authority to use its Medical Board for purposes of determining eligibility for LODA benefits and not just for appeals;
- § 9.1-407 – Replaces existing language with terms that are already defined in § 9.1-400;
- § 9.1-407 – Clarifies the method by which LODA training material is developed;
- § 9.1-408 – Extends the applicability of an existing confidentiality provision for claim information obtained or created by the State Police to claim information created or obtained by VRS or DHRM, in recognition of VRS’ and DHRM’s new roles in the administration of LODA benefits;
  - § 9.1-408 – Clarifies that VRS may distribute such confidential information to necessary parties for purposes of administering an appeal of a LODA eligibility determination; and
- § 9.1-408 – To ensure an efficient transition of the program, permits State Police and DOA to share otherwise confidential information with VRS and DHRM before the July 1, 2017 transition date.

The engrossed bill includes an amendment on line 103 that changes the definition of eligible spouse such that the spouse of a deceased person who remarries on or after July 1, 2017 is no longer eligible for LODA benefits. The amendment allows eligible spouses who remarry prior to July 1, 2017 to remain eligible for benefits. The bill contains an emergency enactment clause for the changes contained in § 9.1-408.

**Date:** 02-8-2017

**Document:** HB2243E.DOC/VRS