

## Virginia Retirement System 2017 Fiscal Impact Statement

1. **Bill Number:** SB 896

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

2. **Patron:** Ruff

3. **Committee:** General Laws and Technology

4. **Title:** Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund Board; meetings.

5. **Summary:** Requires the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund Board to meet at least annually. Current law requires meetings at least quarterly.

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

7. **Fiscal Impact Estimates:** Fiscal impact estimates are not available. The legislation may produce a minimal savings.

8. **Fiscal Implications:** The Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund (VOLSAP) Board is made up of 10 unpaid members. Board members may be reimbursed, however, for costs associated with travel to and from Board meetings, for which the Virginia Retirement System (VRS) provides staff.

The 2016 Appropriation Act provided VRS general fund appropriations for the purpose of administering VOLSAP. Due to the minimal fiscal impact of SB 896, these existing appropriations should be sufficient to administer VOLSAP, including its Board functions, through the end of the current biennium.

9. **Specific Agency or Political Subdivisions Affected:** VRS.

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

11. **Other Comments:** Section 51.1-1201 of the *Code of Virginia* currently requires the VOLSAP Board to meet quarterly. Because there is no business need to require meetings on such a frequent basis, changing this requirement to meetings on at least an annual basis would be more in keeping with administrative needs and may save money in not having more frequent meetings. The Board would be free to meet more often if necessary, just not required to do so.

Although VRS administers VOLSAP, the Internal Revenue Code's exclusive benefit rule (IRC § 401(a)) prevents the VRS Trust Fund from being a funding source for the program. VOLSAP is a program that benefits certain volunteer first responders throughout the Commonwealth. Because these volunteers' service does not qualify them for VRS coverage, they are not necessarily VRS members and, therefore, the VRS Trust Fund cannot fund the program. This was the reason for the 2016 general fund appropriations described in section 8.

**Date:** 01-16-2017

**Document:** SB896.DOC/VRS