

Virginia Retirement System 2011 Fiscal Impact Statement

1. Bill Number: HB1796

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: Tata

3. Committee: Appropriations

4. Title: Plans administered by the Virginia Retirement System; technical changes.

5. Summary: Plans administered by the Virginia Retirement System; technical changes.; Makes certain technical changes to the administration of various Virginia Retirement System plans, including (i) permitting multiple deductions for purchase of prior service and for the purchase of partial months; (ii) clarifying the death in service benefit for non-vested members; (iii) clarifying the extent of coverage for the voluntary long-term care insurance programs previously administered by the Department of Human Resources Management; (iv) clarifying the retirement options of persons receiving disability benefits under the Virginia Sickness and Disability Program; (v) clarifying the eligibility for the health insurance credit as it relates to participants in the defined contribution plan for certain employees of public school divisions and the defined contribution plan for certain political appointees.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: There is no fiscal impact for these technical changes.

8. Fiscal Implications: There are no fiscal implications for this legislation.

9. Specific Agency or Political Subdivisions Affected: VRS and VRS members

10. Technical Amendment Necessary: No

11. Other Comments:

The legislation makes a variety of technical changes and

- Provides that employees may purchase more than one month of service by payroll deduction in full or partial month increments.
- Clarifies that a member must be vested in order for their spouse, minor child or parent to be eligible for a monthly retirement benefit should the member die in service from a non-work related cause. The beneficiary or beneficiaries are, however, entitled to a refund of accumulated contributions and interest.
- Updates the statutes governing the voluntary long-term care insurance program, eliminates the references to the previous DHRM plan, and clarifies eligibility for the current voluntary long-term care program.

- Corrects a typographical error (an incorrect subsection citation in Section 51.1-1116) in the *Code*.
- Clarifies retirement eligibility and the calculation of benefits.
- Removes a reference to Section 51.1-513, which has been repealed.
- Clarifies that persons in the defined contribution (DC) plan for school division superintendents are eligible for the health insurance credit if they are receiving long-term disability benefits. This language would make treatment of this group the same as the Optional Retirement Plan for higher education.
- Clarifies that ORPPA participants are eligible for state health insurance.

The Board of Trustees of the VRS requested this legislation.

Date: 01.20.2011

Document: HB1795.DOC