

OFFICE OF FISCAL ANALYSIS

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SB-442

AN ACT INCREASING THE AMOUNT OF THE TEACHERS'
RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Teachers' Retirement Bd.	GF - Cost	Approximately 600,000	Approximately 600,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which increases, from \$220 to \$350, the per person monthly municipal health insurance subsidy provided by the Teachers' Retirement Board (TRB) to eligible retirees and their dependents, results in an estimated cost of approximately \$600,000 in FY 23.

The TRB municipal health insurance subsidy account funds the state's one-third share of the TRB municipal subsidy cost. The remaining two-thirds of the cost of the increased subsidy is funded by the Teachers' Health Insurance Fund that is supported by active teachers' contributions of 1.25% of salary.

sHB 5037, the revised FY 23 budget bill, as favorably reported by the Appropriations Committee, appropriated \$4.74 million to double the two TRB municipal health insurance subsidies: from \$110 to \$220 per month for most eligible members and from \$220 to \$440 per month for members who are 65 or older, not Medicare eligible and paying more than \$440 per month for health insurance.

The Out Years

The annualized fiscal impact identified above would continue subject participation and legislative action.