

JFO/jm; 2/19/19					
Cash Flow for H.107 Family and Medical Leave using ADS/VDOL costs for IT and Administration of Program, Placeholder for Tax Dept.					
PRELIMINARY					
Assumptions/Parameters	Tax Dept IT Development Cost	ADS IT Development Cost	Pyrl Tax Rate, Yr 2-5	Int rate on Treas funds, Yrs 2-4	Int rate on Treas funds, Yrs 5+
Tax IT: Collect contributions	\$1,000,000	\$11,350,000	0.670%	2.50%	2.50%
VDOL IT: All else					
	Start System 7/1/19	Start Taxes 7/1/20	Start Benefits 10/1/21		
	One year start-up	No ben's in FY2020	Fully operating in Oct.	Fully operating	Fully operating
	FY2020	FY2021	FY2022	FY2023	FY2024
	Year 1	Year 2	Year 3	Year 4	Year 5
PROGRAM REVENUE	\$0	\$105,687,159	\$108,064,519	\$110,496,559	\$112,982,103
Contributions from payroll tax	\$0	\$105,687,159	\$108,064,519	\$110,496,559	\$112,982,103
TOTAL COSTS (ben, IT, admin, addn to reserves)	\$5,532,200	\$100,651,521	\$85,007,590	\$95,405,943	\$106,287,138
Benefits paid			\$78,646,654	\$107,274,037	\$109,741,339
IT product development & personnel (ADS)	\$4,865,200	\$6,484,400	\$1,216,962	\$1,222,691	\$1,228,592
Admin costs from VDOL for Yr3+ (\$6 to \$10mil)			\$8,000,000	\$8,184,000	\$8,372,232
IT/Personnel costs from Tax Dept (JFO est.)	\$667,000	\$333,000	\$300,000	\$306,900	\$313,959
Needed additions to reserves		\$93,834,121	-\$3,156,027	-\$21,581,684	-\$13,368,983
Reserves required: 9 mos bens & admin at t+1		\$88,163,616	\$90,169,118	\$92,220,787	\$94,319,685
Reserve balance carried forward		-\$5,532,200	\$5,035,638	\$23,056,930	\$15,090,616
Interest earned on reserves	\$0	-\$138,305	\$125,891	\$576,423	\$377,265
Reserve balance as of start of year	\$0	-\$5,670,505	\$5,161,529	\$23,633,353	\$15,467,881
EXCESS FUND BALANCE	-\$5,532,200	\$5,035,638	\$23,056,930	\$15,090,616	\$6,694,965
For Reference:	FY2020	FY2021	FY2022	FY2023	FY2024
Wages subject to PFL tax	\$15,419,553,127	\$15,774,202,849	\$16,129,032,743	\$16,492,023,724	\$16,863,000,507
% Change in Wage Base (use CPI-U)		2.3%	2.2%	2.3%	2.2%
Total benefits, IWPR estimate	\$100,200,000	\$102,504,600	\$104,862,206	\$107,274,037	\$109,741,339

					JFO/jm; 2/19/19
Cash Flow for H.107 Family and Medical Leave using ADS/VDOL costs for IT and Administration of Program, Placeholder for Tax Dept.					
PRELIMINARY -- Recession Scenario					
Assumptions/Parameters	Tax Dept IT Development Cost	ADS IT Development Cost	Pyrl Tax Rate, Yr 2-5	Int rate on Treas funds, Yrs 2-4	Int rate on Treas funds, Yrs 5+
Tax IT: Collect contributions	\$1,000,000	\$11,350,000	0.670%	0.50%	1.50%
VDOL IT: All else					
	Start System 7/1/19	Start Taxes 7/1/20	Start Benefits 10/1/21		
	One year start-up	No ben's in FY2020	Fully operating in Oct.	Fully operating	Fully operating
	FY2020	FY2021	FY2022	FY2023	FY2024
	Year 1	Year 2	Year 3	Year 4	Year 5
PROGRAM REVENUE	\$0	\$102,682,579	\$102,341,638	\$102,804,666	\$116,612,076
Contributions from payroll tax	\$0	\$102,682,579	\$102,341,638	\$102,804,666	\$116,612,076
TOTAL COSTS (ben, IT, admin, addn to reserves)	\$5,532,200	\$100,540,877	\$88,016,708	\$104,642,741	\$123,620,667
Benefits paid			\$78,646,654	\$107,274,037	\$109,741,339
IT product development & personnel (ADS)	\$4,865,200	\$6,484,400	\$1,216,962	\$1,222,691	\$1,228,592
Admin costs from VDOL for Yr3+ (\$6 to \$10mil)			\$8,000,000	\$8,184,000	\$8,372,232
IT/Personnel costs from Tax Dept (JFO est.)	\$667,000	\$333,000	\$300,000	\$306,900	\$313,959
Needed additions to reserves		\$93,723,477	-\$146,908	-\$12,344,886	\$3,964,545
Reserves required: 9 mos bens & admin at t+1		\$88,163,616	\$90,169,118	\$92,220,787	\$94,319,685
Reserve balance carried forward		-\$5,532,200	\$2,141,702	\$14,324,930	-\$1,838,076
Interest earned on reserves	\$0	-\$27,661	\$10,709	\$71,625	-\$27,571
Reserve balance as of start of year	\$0	-\$5,559,861	\$2,152,410	\$14,396,555	-\$1,865,647
EXCESS FUND BALANCE	-\$5,532,200	\$2,141,702	\$14,324,930	-\$1,838,076	-\$7,008,591
For reference	FY2020	FY2021	FY2022	FY2023	FY2024
Alternative Growth in Wages -- Nom., 0.5% Infla					
Wages subject to PFL tax	\$15,419,553,127	\$15,325,758,083	\$15,274,871,334	\$15,343,979,964	\$15,548,276,794
% Change in Wage Base (use CPI-U)		-0.608%	-0.332%	0.452%	1.331%
Total benefits, same IWPR estimate	\$100,200,000	\$102,504,600	\$104,862,206	\$107,274,037	\$109,741,339