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HOUSE BILL NO. 372

Offered January 12, 2000

A BILL to amend and reenact §§ 51.1-206 and 51.1-217 of the Code of Virginia, relating to retirement benefits under the State Police Officers' Retirement System and the Virginia Law Officers' Retirement System.

Patrons—Tate, Abbitt, Day, Grayson, Jackson, Phillips, Shuler and Stump

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 51.1-206 and 51.1-217 of the Code of Virginia are amended and reenacted as follows:

§ 51.1-206. Service retirement allowance.

A. A member shall receive an annual retirement allowance, payable for life, as follows:

1. Normal retirement. - The allowance shall equal 1.70 percent of his average final compensation multiplied by the amount of creditable service.

For retirements between October 1, 1994, and December 31, 1998, any state police officer who is a member or beneficiary of a retirement system administered by the Board shall receive an additional retirement allowance equal to three percent of the service or disability retirement allowance payable under this section. Average final compensation attributable to service as Governor, Lieutenant Governor, Attorney General, or member of the General Assembly shall not be included in computing this additional retirement allowance.

2. Early retirement. - The allowance shall be determined in the same manner as for normal retirement with creditable service and average final compensation being determined as of the date of actual retirement. If the member has less than twenty-five years of service at retirement, the amount of the retirement allowance shall be reduced on an actuarial equivalent basis for the period by which the actual retirement date precedes the earlier of (i) his normal retirement date or (ii) the first date on or after his fiftieth birthday on which he would have completed a total of twenty-five years of creditable service.

3. 50/10 retirement. - The allowance shall be payable in a monthly stream of payments equal to the greater of (i) the amount the member would receive if he had taken early retirement or (ii) the actuarially calculated present value of the member's accumulated contributions, including accrued interest.

B. In addition to the allowance payable under subsection A of this section, a member shall receive an additional allowance equal to \$8,952 annually from date of retirement until his ~~sixty-fifth birthday~~ *he attains the minimum age for him to be eligible for Social Security retirement benefits.*

Such allowance shall be reviewed and adjusted by the Board biennially to an amount recommended by the actuary of the Virginia Retirement System based upon increases in social security benefits in the interim. This subsection shall not apply to the following: (i) any member who qualifies for retirement under subsection C of § 51.1-205 and is credited with less than twenty years' service rendered in a hazardous position or (ii) any member employed initially on or after July 1, 1974, who is credited with less than twenty years' service rendered in a hazardous position.

C. If a beneficiary of a service retirement allowance under this chapter is at any time in service as an employee in a position covered for retirement purposes under the provisions of this or any chapter other than Chapter 7 (§ 51.1-700 et seq.) of this title, his retirement allowance shall cease while so employed.

§ 51.1-217. (Effective October 1, 1999) Service retirement allowance.

A. A member shall receive an annual retirement allowance, payable for life, as follows:

1. Normal retirement. - The allowance shall equal 1.70 percent of his average final compensation multiplied by the amount of creditable service.

2. Early retirement. - The allowance shall be determined in the same manner as for normal retirement with creditable service and average final compensation being determined as of the date of actual retirement. If the member has less than twenty-five years of service at retirement, the amount of the retirement allowance shall be reduced on an actuarial equivalent basis for the period by which the actual retirement date precedes the earlier of (i) his normal retirement date or (ii) the first date on or after his fiftieth birthday on which he would have completed a total of twenty-five years of creditable service.

3. 50/10 retirement. - The allowance shall be payable in a monthly stream of payments equal to the greater of (i) the amount the member would have received if he had taken early retirement or (ii) the actuarially calculated present value of the member's accumulated contributions, including accrued interest.

B. In addition to the allowance payable under subsection A of this section, a member shall receive

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60 an additional allowance equal to \$8,952 annually from date of retirement until ~~his sixty-fifth birthday~~ *he*
61 *attains the minimum age for him to be eligible for Social Security retirement benefits.*

62 Such allowance shall be reviewed and adjusted by the Board biennially to an amount recommended
63 by the actuary of the Virginia Retirement System based upon increases in Social Security benefits in the
64 interim. This subsection shall not apply to the following: (i) any member who qualifies for retirement
65 under subsection C of § 51.1-216 and is credited with less than twenty years' service rendered in a
66 hazardous position or (ii) any member employed initially on or after July 1, 1974, who is credited with
67 less than twenty years' service rendered in a hazardous position.

68 C. If a beneficiary of a service retirement allowance under this chapter is at any time in service as an
69 employee in a position covered for retirement purposes under the provisions of this or any chapter other
70 than Chapter 7 (§ 51.1-700 et seq.) of this title, his retirement allowance shall cease while so employed.