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SENATE BILL NO. 146

Offered January 12, 2000

A BILL to amend and reenact §§ 22.1-295 and 51.1-155 of the Code of Virginia, relating to retired teachers.

Patrons—Couric, Bolling, Edwards, Howell, Lambert, Lucas, Martin, Potts and Quayle

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 22.1-295 and 51.1-155 of the Code of Virginia are amended and reenacted as follows:

§ 22.1-295. Employment of teachers.

A. The teachers in the public schools of a school division shall be employed and placed in appropriate schools by the school board upon recommendation of the division superintendent. In placing teachers, school boards shall fill positions with licensed instructional personnel qualified in the relevant subject areas.

B. School boards shall adopt employment policies and practices designed to promote the employment and retention of the highest quality instructional personnel and to effectively serve the educational needs of students. Such policies shall include, but need not be limited to, incentives for excellence in teaching, including financial support for teachers attending professional development seminars or those seeking and obtaining national certification. School boards shall develop a procedure for use by division superintendents and principals in evaluating instructional personnel that is appropriate to the tasks performed and addresses, among other things, student academic progress and the skills and knowledge of instructional personnel, including, but not limited to, instructional methodology, classroom management, and subject matter knowledge.

C. *Local school boards may hire licensed instructional personnel who have retired from employment with a Virginia local school board provided that such persons (i) have been retired for at least one year before returning to the classroom as a full-time licensed instructional employee; (ii) are licensed to teach in the Commonwealth; and (iii) are hired on an annual contract basis and not eligible for continuing contract status as described under §§ 22.1-303 and 22.1-304.*

§ 51.1-155. Service retirement allowance.

A. Retirement allowance. - 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 his creditable service.

2. Early retirement; applicable to teachers, state employees, and certain others. - 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 thirty 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 which he would have completed a total of thirty years of creditable service. The provisions of this subdivision shall apply to teachers and state employees. These provisions shall also apply to employees of any political subdivision that participates in the retirement system if the political subdivision makes the election provided in subdivision 3 of this subsection.

3. Early retirement; applicable to employees of certain political subdivisions. - 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 creditable service of the member equals thirty or more years but the sum of his age at retirement plus his creditable service at retirement is less than ninety, 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 which the sum of his then attained age plus his then creditable service would have been equal to ninety or more had he remained in service until such date. If the member has less than thirty years of creditable service, the retirement allowance shall be reduced for the period by which the actual retirement date precedes the earlier of (i) his normal retirement date or (ii) the first date on which he would have completed a total of at least thirty years of creditable service and his then creditable service plus his then attained age would have been equal to ninety or more.

The provisions of this subdivision shall apply to the employees of any political subdivision that participates in the retirement system. The participating political subdivision may, however, elect to provide its employees with the early retirement allowance set forth in subdivision 2 of this subsection.

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60 Any election pursuant to this subdivision shall be set forth in a legally adopted resolution.

61 4. Additional allowance. - In addition to the allowance payable under subdivisions 1, 2, and 3 of this
62 subsection, a member shall receive an additional allowance which shall be the actuarial equivalent, for
63 his attained age at the time of retirement, of the excess of his accumulated contributions transferred from
64 the abolished system to the retirement system, including interest credited at the rate of two percent
65 compounded annually since the transfer to the date of retirement, over the annual amounts equal to four
66 percent of his annual creditable compensation at the date of abolishment for a period equal to his period
67 of membership in the abolished system.

68 5. 50/10 retirement. - The allowance shall be payable in a monthly stream of payments equal to the
69 greater of (i) the actuarial equivalent of the benefit the member would have received had he terminated
70 service and deferred retirement to age fifty-five or (ii) the actuarially calculated present value of the
71 member's accumulated contributions, including accrued interest.

72 B. Beneficiary serving in position covered by this title.

73 1. Except as provided in ~~subdivision~~ subdivisions 2 and 3, if a beneficiary of a service retirement
74 allowance under this chapter is at any time in service as an employee in a position covered for
75 retirement purposes under the provisions of this or any chapter other than Chapter 7 (§ 51.1-700 et seq.)
76 of this title, his retirement allowance shall cease while so employed. Any member who retires and later
77 returns to covered employment shall not be entitled to select a different retirement option for a
78 subsequent retirement.

79 2. Active members of the General Assembly who are eligible to receive a retirement allowance under
80 this title, excluding their service as a member of the General Assembly, shall be eligible to receive a
81 retirement allowance based on their creditable service and average final compensation for service other
82 than as a member of the General Assembly. Such members of the General Assembly shall continue to
83 be reported as any other members of the retirement system. Upon ceasing to serve in the General
84 Assembly, members of the General Assembly receiving a retirement allowance based on their creditable
85 service and average final compensation for service other than as a member of the General Assembly
86 shall have their retirement allowance recomputed prospectively to include their service as a member of
87 the General Assembly. Active members of the General Assembly shall be prohibited from receiving a
88 service retirement allowance under this title based solely on their service as a member of the General
89 Assembly.

90 3. *Any person who has continuously been receiving a service retirement allowance under this chapter
91 for at least twelve months immediately before being hired by a local school board as a licensed
92 instructional employee, pursuant to the conditions under subsection C of § 22.1-295, may elect to
93 continue to receive the retirement allowance during such employment. If such person elects to continue
94 to receive the retirement allowance, then the period of such employment, and the compensation received
95 will not increase, decrease, or affect in any way his retirement benefits before, during, or after such
96 employment. This subdivision shall apply only to persons who are receiving a service retirement
97 allowance based, at least in part, on prior service as a local school board instructional employee who
98 was required to be licensed by the Board of Education.*

99 **2. That the provisions of this act shall expire on June 30, 2006.**