

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact §§ 51.1-126, 51.1-126.3 and 51.1-502.2 of the Code of Virginia, relating to retirement plans.

[S 76]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 51.1-126, 51.1-126.3 and 51.1-502.2 of the Code of Virginia are amended and reenacted as follows:

§ 51.1-126. Employees of institutions of higher education.

A. Any institution of higher education which has established, or establishes, a retirement plan covering in whole or in part its employees who are engaged in the performance of teaching, administrative, or research duties is hereby authorized to make contributions for the benefit of its employees who elect to participate in such plan rather than in the retirement system established by this chapter. Any present or future employee of such institution may elect to participate in either the retirement system established by this chapter or the plan provided by the institution employing him, in accordance with guidelines established by the Virginia Retirement System. The election herein provided shall, as to any future employee, be exercised not later than ninety days from the time of entry upon the performance of his duties. The University of Virginia is authorized on and after July 1, 1996, to transfer any University of Virginia Medical Center employee who is a participant in a retirement plan established pursuant to this section to any retirement plan established pursuant to § 51.1-126.3 as an alternative to the retirement system established by this chapter, provided that the employee has elected to transfer to the plan established pursuant to § 51.1-126.3. All University of Virginia Medical Center employees who are (i) first employed by the Medical Center on or after the effective date of any retirement plan established pursuant to § 51.1-126.3 July 1, 2000, and (ii) engaged in the performance of teaching, administrative or research duties, shall be afforded the retirement plan election options coverage provided by § 51.1-126.3 rather than the election options provided by this section.

B. No employee of an institution of higher education who is an active member in a plan established under this section shall also be an active member of the retirement system or beneficiary other than a contingent annuitant.

C. 1. The contribution by the Commonwealth to such employee's retirement plan shall be 10.4 percent of creditable compensation. An institution of higher education may adopt a supplementation program for participants who, before January 1, 1991, exercise or have exercised the election to participate in the plan provided by the institution employing him as referred to in subsection A. Under such supplementation program, the institution may supplement such contribution using funds other than general funds, tuition or fees, up to an additional 2.17 percent of creditable compensation. Any employee of the University of Virginia Medical Center who participated in a retirement plan established pursuant to this section prior to the effective date of such employee's transfer to a retirement plan established under § 51.1-126.3 shall continue to receive the contribution by the Commonwealth, and any supplementation thereof by the University, at the contribution and supplementation rates which were in effect on the effective date of such transfer.

2. These contribution rates shall be examined by the Secretary of Administration prior to July 1, 1996, and at least once every six years thereafter. The Secretary shall consider the salary peer group mean contribution as determined by the State Council of Higher Education and the position of the Virginia Retirement System actuary, and, if necessary, recommend a revision to the rate of contribution by the Commonwealth.

D. The Virginia Retirement System shall develop policies and procedures, as approved by the Secretaries of Administration and Education, for the administration of all retirement plans established pursuant to this section. Such policies and procedures shall not, under any circumstances, result in the elimination of any benefit program at any institution as such benefit program existed on June 30, 1991.

§ 51.1-126.3. Employees of the University of Virginia Medical Center.

A. The University of Virginia Medical Center, hereafter referred to as the Medical Center, may establish one or more retirement plans covering in whole or in part its employees, including employees who, prior to the effective date of any plan established pursuant to this section, had been participants in any plan established pursuant to § 51.1-126 or § 51.1-126.1. The Medical Center is authorized to make contributions for the benefit of its employees who elect to participate in *are covered by* any plan established pursuant to this section rather than in any other retirement plan established by this chapter.

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Any such alternative retirement plans for Medical Center employees shall not become effective until such time as the Board of Visitors of the University of Virginia may determine. Any employee of the Medical Center may make an irrevocable election to participate in the retirement system established by this chapter or any plan provided by the Medical Center in accordance with guidelines established by the University of Virginia Board of Visitors. The election herein provided shall, as to any Medical Center employee commencing employment following the effective date of any plan established pursuant to this section, be exercised not later than ninety days following the date the employee commences performing his duties. All employees of the Medical Center who are first employed by the Medical Center on or after July 1, 2000, shall be participants in a Medical Center retirement plan established pursuant to this section, with a contribution by the Medical Center at a rate to be determined by the University of Virginia Board of Visitors. However, new Medical Center employees who are current members of the retirement system established by this chapter, including any person covered under a retirement plan established pursuant to § 51.1-126, may elect to either: (i) remain in the retirement system established by this chapter or the retirement plan established pursuant to § 51.1-126, in accordance with prior election or (ii) choose the plan provided by the Medical Center with a contribution by the Medical Center at a rate to be determined by the University of Virginia Board of Visitors. Such election shall be exercised not later than one hundred and eighty days from the time of the employee's entry into the performance of his duties for the Medical Center, and the election shall be irrevocable. Additionally, employees of the Medical Center who were employed by the Medical Center prior to July 1, 2000, and who are current members of the retirement system established by this chapter, including any person covered under a retirement plan established pursuant to § 51.1-126, may elect to either: (i) remain in the retirement system established by this chapter or the retirement plan established pursuant to § 51.1-126, in accordance with prior election or (ii) choose the plan established by the Medical Center pursuant to this section to which the contribution by the Medical Center shall be eight percent of creditable compensation. Such election shall be exercised not later than one hundred and eighty days from the time of the establishment of a retirement plan authorized by this section, and the election shall be irrevocable. During such one hundred and eighty day periods up until the time of an election of a retirement plan, all such employees of the Medical Center who have been provided with an election under this section, shall remain, in the retirement system established by this chapter or the retirement plan established pursuant to § 51.1-126, in accordance with prior election. If an election is not made within the time periods provided in this section by an employee entitled to make such election, such employee shall be deemed to have elected to remain in his current retirement system and such election shall be irrevocable.

With respect to any employee who elects to remain a member of the Virginia Retirement System or other such authorized retirement plan, the Medical Center shall collect and pay all employee and employer contributions to the Virginia Retirement System or other such authorized retirement plan for retirement and group life insurance in accordance with the provisions of Chapter 1 (§ 51.1-124.1 et seq.) of this title for such employees. For current and new Medical Center employees who are current members of the retirement system established by this chapter, including any persons covered under a retirement plan established pursuant to § 51.1-126, who elect to become members of the retirement program established by the Medical Center, the Virginia Retirement System or other such authorized plan shall transfer to the retirement plan established by the Medical Center assets equal to the actuarially determined present value of the accrued basic benefit as of the transfer date. For purposes hereof, the basic benefit shall be the benefit accrued under the Virginia Retirement System or other such authorized retirement plan, based on creditable service and average final compensation, as defined in § 51.1-124.3 and determined as of the transfer date. The actuarial present value shall be determined on the same basis, using the same actuarial factors and assumptions used in determining the funding needs of the Virginia Retirement System or other such authorized retirement plan, so that the transfer of assets to the retirement plan established by the Medical Center will have no effect on the funded status and financial stability of the Virginia Retirement System or other such authorized retirement plan.

B. No employee of the Medical Center who is an active member of any plan established under this section shall also be an active member of the retirement system established by this chapter or a beneficiary of such other plan other than as a contingent annuitant.

C. The contribution by the Medical Center to any retirement plan established on behalf of employees of the Medical Center as provided in subsection A shall be eight percent of creditable compensation.

D. C. The University of Virginia Board of Visitors shall adopt guidelines for the implementation of the provisions of this section. The guidelines adopted by the Board of Visitors under subsection A shall be filed with the Board of Trustees of the Virginia Retirement System.

§ 51.1-502.2. Employees of the University of Virginia Medical Center.

The University of Virginia Medical Center, hereafter referred to as the Medical Center, may purchase basic group life, accidental death and dismemberment, and disability insurance policies covering in

whole or in part any of its employees who have elected to participate in any retirement plan established pursuant to ~~§ 51.1-126.3~~. In addition, the Medical Center may establish, administer and make available to each active insured employee who has elected to participate in any such retirement plan *employees a* program of optional insurance, including life, accidental death and dismemberment, and disability insurance. ~~All Employees of the Medical Center who have elected to participate in any Medical Center retirement plan established pursuant to § 51.1-126.3 shall be eligible to obtain coverage covered~~ under the aforesaid basic insurance policies purchased by the Medical Center ~~and to obtain coverage under the optional insurance program at the employee's expense as soon as such policies become effective and may not thereafter shall not~~ be covered by the insurance program established pursuant to § 51.1-501 *or be considered "eligible employees" under § 51.1-1100, unless the University of Virginia Board of Visitors, or a duly authorized agent or representative of the Board, purchases such insurance policies from the Virginia Retirement System.* Nor shall they be required to present at their own expense evidence of insurability satisfactory to an insurance company upon changing from one form of coverage to another form of coverage provided pursuant to this section. No other section of this chapter shall apply to any insurance coverage offered by the Medical Center except §§ 51.1-510 and 51.1-511; provided that any administrative or ministerial functions performed by or on behalf of the Board of the Virginia Retirement System under §§ 51.1-510 and 51.1-511 shall be performed by the Medical Center.

~~Any Medical Center employee who elects to participate in the retirement system established by Chapter 1 (§ 51.1-124.1 et seq.) of Title 51.1 may not be covered by any basic group life, accidental death and dismemberment, and disability insurance policies purchased by the Medical Center pursuant to this section; but shall continue to be eligible to obtain coverage under the insurance program established pursuant to § 51.1-501.~~

Notwithstanding the definition of "state employee" contained in § 51.1-124.3, all employees of the Medical Center may be enrolled in a health care plan other than that provided for in § 2.1-20.1 at the election of the Medical Center and subject to the review and approval of the Board of Visitors of the University of Virginia; ~~provided, however, that any Medical Center employee who was first employed by the Medical Center prior to July 1, 1996, and who had not been classified as a health care provider under the provisions of § 51.1-502.1 prior to July 1, 1996, shall be provided the option of enrolling in a health care plan elected by the Medical Center or enrolling in the health care plan established pursuant to § 2.1-20.1 until such time as the University of Virginia Board of Visitors may determine that it is not in the best interest of the University to continue to provide that option to any employees of the Medical Center. If the Board of Visitors determines that such health plan option will not continue to be provided, any Medical Center employees who must reenroll in a different health plan shall be allowed to do so with a waiver of preexisting medical conditions for the employees and, if applicable, their spouses and dependents.~~

Subject to such eligibility criteria as it may establish, the Medical Center may make available to any of its employees the insurance programs established pursuant to this section, including health plan coverage, notwithstanding the fact that such employees may not be eligible for participation in any retirement plan established pursuant to § 51.1-126.3 or the retirement system established pursuant to Chapter 1 of Title 51.1 of the Code of Virginia (*§ 51.1-124.1 et seq.*) of this title.

The eligibility of any employee of the Medical Center for participation in any insurance program established pursuant to this section shall not of itself render such employees eligible for participation in the Virginia Retirement System or any optional retirement program.