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**SENATE BILL NO. 995**

Offered January 10, 2001

Prefiled January 9, 2001

*A BILL to amend and reenact §§ 51.1-216 and 51.1-217 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 2.1 of Title 51.1 a section numbered 51.1-221, relating to the Virginia Law Officers' Retirement System.*

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 Patron—Stolle
 

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Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 51.1-216 and 51.1-217 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding in Chapter 2.1 of Title 51.1 a section numbered 51.1-221 as follows:**

§ 51.1-216. Service retirement generally.

A. Normal retirement. -

1. Any employee commencing employment or reemployment on or after July 1, 2001, and any employee who makes the election provided in § 51.1-221, who is a member in service in any retirement program administered by the Virginia Retirement System at his normal retirement date with five or more years of creditable service, may retire upon written notification to the Board, setting forth the date the retirement is to become effective.

2. Any other employee who is a member in service at his normal retirement date with five or more years of creditable service may retire upon written notification to the Board, setting forth the date the retirement is to become effective.

B. Early retirement. -

1. Any employee commencing employment or reemployment on or after July 1, 2001, and any employee who makes the election provided in § 51.1-221, who is a member in service in any retirement program administered by the Virginia Retirement System and who has attained his fiftieth birthday with five or more years of creditable service, may retire upon written notification to the Board, setting forth the date the retirement is to become effective.

2. Any other employee who is a member in service and who has attained his fiftieth birthday with five or more years of creditable service may retire upon written notification to the Board setting forth the date the retirement is to become effective.

C. Deferred retirement for members terminating service. -

1. Any employee commencing employment or reemployment on or after July 1, 2001, and any employee who makes the election provided in § 51.1-221, who terminates service from any position with membership in any retirement program administered by the Virginia Retirement System, may retire under the provisions of subdivision A. 1., B. 1., or D. 1. if he has not withdrawn his accumulated contributions prior to the effective date of his retirement or if he has five or more years of creditable service for which his employer has paid the contributions and such contributions cannot be withdrawn. For the purposes of this subsection, any requirements as to the member being in service shall not apply. No member shall be entitled to the benefits of this subsection if his employer certifies that his service was terminated because of dishonesty, malfeasance, or misfeasance in office. The certification may be appealed to the Board.

2. Any other member who terminates service after five or more years of creditable service may retire under the provisions of ~~subsection~~ subdivision A. 2., B. 2., or D. 2. ~~of this section~~ if he has not withdrawn his accumulated contributions prior to the effective date of his retirement or if he has five or more years of creditable service for which his employer has paid the contributions and such contributions cannot be withdrawn. For the purposes of this subsection, any requirements as to the member being in service shall not apply. No member shall be entitled to the benefits of this subsection if his employer certifies that his service was terminated because of dishonesty, malfeasance, or misfeasance in office. The certification may be appealed to the Board.

D. 50/10 retirement. -

1. Any employee commencing employment or reemployment on or after July 1, 2001, and any employee who makes the election provided in § 51.1-221, who is a member in service in any retirement system administered by the Virginia Retirement System, and who has attained his fiftieth birthday with ten or more years of creditable service may retire prior to his normal retirement date upon written notification to the Board setting forth the date the retirement is to become effective.

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59 2. Any *other* member in service on or after January 1, 1994, who has attained his fiftieth birthday  
60 with ten or more years of creditable service may retire prior to his normal retirement date upon written  
61 notification to the Board setting forth the date the retirement is to become effective.

62 E. Effective date of retirement. - The effective date of retirement shall be after the last day of service  
63 of the member, but shall not be more than ninety days prior to the filing of the notice of retirement.

64 F. Notification on behalf of member. - If the member is physically or mentally unable to submit  
65 written notification of his intention to retire, the member's appointing authority may submit notification  
66 on his behalf.

67 § 51.1-217. Service retirement allowance.

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

69 1. Normal retirement. -

70 *a. For any employee commencing employment or reemployment on or after July 1, 2001, and for any*  
71 *employee who makes the election provided in § 51.1-221, the allowance shall equal (1) two and one-half*  
72 *percent of his average final compensation multiplied by the amount of creditable service earned (a) as a*  
73 *member in the retirement system established by this chapter, (b) as a member in the retirement system*  
74 *established by Chapter 2 of Title 51.1, or (c) while earning the benefits permitted by § 51.1-138; and*  
75 *(2) 1.70 percent of his average final compensation multiplied by all other creditable service, if any; and*  
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77 *b. For any other employee,*~~The~~ *the allowance shall equal 1.70 percent of his average final*  
78 *compensation multiplied by the amount of creditable service.*

79 2. Early retirement. - The allowance shall be determined in the same manner as for normal retirement  
80 with creditable service and average final compensation being determined as of the date of actual  
81 retirement. (i) *For an individual retiring pursuant to subdivision B. 1. of § 51.1-216, who is not retiring*  
82 *directly from service as an employee as defined in § 51.1-212, and who has less than thirty years of*  
83 *service and (ii) for all other individuals retiring pursuant to subdivision B. 1. of § 51.1-216, and for an*  
84 *individual retiring pursuant to subdivision B. 2. of § 51.1-216*~~If the member~~ *who has less than*  
85 *twenty-five years of service at retirement, the amount of the retirement allowance shall be reduced on an*  
86 *actuarial equivalent basis for the period by which the actual retirement date precedes the earlier of (i)*  
87 *his normal retirement date or (ii) the first date on or after his fiftieth birthday on which he would have*  
88 *completed a total of twenty-five years of creditable service.*

89 3. 50/10 retirement. - The allowance shall be payable in a monthly stream of payments equal to the  
90 greater of (i) the amount the member would have received if he had taken early retirement or (ii) the  
91 actuarially calculated present value of the member's accumulated contributions, including accrued  
92 interest.

93 B. Any person who is an employee on June 30, 2001, and on July 1, 2001, who does not make the  
94 election provided in § 51.1-221, ~~he~~ *shall receive, in addition to the allowance payable under subsection A*  
95 *, a member shall receive annually from the date of his retirement until his sixty-fifth birthday, an annual*  
96 *allowance equal to \$9,264. Beginning July 1, 2001, and biennially thereafter, such allowance shall be*  
97 *reviewed and adjusted by the Board to an amount recommended by the actuary of the Virginia*  
98 *Retirement System based upon increases in Social Security benefits in the interim. This subsection shall*  
99 *not apply to the following: (i) any member who qualifies for retirement under subsection C of*  
100 *§ 51.1-216 and is credited with less than twenty years' service rendered in a hazardous position or (ii)*  
101 *any member employed initially on or after July 1, 1974, who is credited with less than twenty years'*  
102 *service rendered in a hazardous position.*

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

106 D. No person shall be eligible to receive any of the allowances provided in this section if he receives  
107 retirement benefits under Chapter 2 of Title 51.1 or under § 51.1-138.

108 § 51.1-221. Election of Benefits.

109 All persons who are employees on June 30, 2001, and on July 1, 2001, shall have until October 31,  
110 2001, to elect to be covered by the benefits provided in subdivision A. 1. (a) of § 51.1-217.

111 2. That the provisions of this act shall not affect retirement benefits for retirements that are  
112 effective prior to July 1, 2001.

113 3. That the present value of benefits accrued on behalf of members of the Virginia Retirement  
114 System or the State Police Officers' Retirement System who retire from the Virginia Law Officers'  
115 Retirement System under the conditions of this act shall be transferred from the assets of the  
116 Virginia Retirement System or the State Police Officers' Retirement System, whichever such  
117 person is a member of immediately before retiring from the Virginia Law Officers' Retirement  
118 System, to the Virginia Law Officers' Retirement System.