

VIRGINIA ACTS OF ASSEMBLY -- 2003 SESSION

CHAPTER 947

An Act to amend the Code of Virginia by adding a section numbered 51.1-142.3, relating to Virginia Retirement System; purchase of prior service credit.

[H 2122]

Approved March 24, 2003

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 51.1-142.3 as follows:

§ 51.1-142.3. Purchase of additional prior service credit by certain school division superintendents.

A. In addition to the four years of prior service credit that may be purchased under clause (ii) of subdivision B 1 of § 51.1-142.2, a school division superintendent appointed by a school board pursuant to § 22.1-60, with at least five years of creditable service in the Retirement System, may purchase up to a maximum of 10 additional years of prior service credit for creditable service of another state or of a political subdivision, or public school system of this or another state, as certified by such state, political subdivision, or public school system. Except as otherwise required by Chapter 1223 of Title 10 of the United States Code, the service credit made available under this section may not be purchased if, before being purchased or at the time of such purchase pursuant to this section, the service to be purchased is service that is included in the calculation of any retirement allowance received or to be received by the member from this or any other retirement system.

The school board that has appointed such school division superintendent may purchase such prior service credit on behalf of the school division superintendent.

B. The cost at the time of purchase for each additional year of service credit (or portion thereof) pursuant to this section, shall be 10 percent of the school division superintendent's creditable compensation or 10 percent of the school division superintendent's average final compensation, whichever is greater, provided that the service credit to be purchased is paid for in one lump-sum payment within one year after the school division superintendent first became eligible to purchase such service credit or by July 1, 2004, whichever is later.

A school division superintendent shall first become eligible to purchase prior service credit under this section as follows:

1. For members in service on June 30, 2003, and July 1, 2003, upon attaining five years of creditable service as a school division superintendent in the Retirement System;

2. For members in service on June 30, 2003, and July 1, 2003, who become a school division superintendent on or after July 1, 2003, upon attaining five years of creditable service as a school division superintendent in the Retirement System; and

3. For members not in service on June 30, 2003, upon the member earning five years of creditable service as a school division superintendent in the Retirement System for service performed after June 30, 2003.

C. In any case in which prior service credit pursuant to this section has been purchased by or on behalf of a school division superintendent, if the school division superintendent, subsequent to the date of such purchase, does not remain in such position with the local school board for at least the number of years purchased: (i) the Retirement System shall reduce the creditable service credited to the school division superintendent by an amount equivalent to the number of years of prior service purchased less the number of years served by the person as a school division superintendent with the local school board subsequent to the date of such purchase. Such reduction in creditable service shall be deemed to be forfeited by the school division superintendent for purposes of this chapter and the contributions representing that forfeited service shall be refunded to the school division superintendent; and (ii) the school division superintendent shall be liable to the local school board for the amount paid by the local school board for purchasing the forfeited prior service credit.

D. If a school division superintendent does not purchase the prior service credit described in subsection A within the timeframe provided in subsection B, such prior service credit may be purchased at the actuarial equivalent cost, provided that in no case shall any person purchase more than 10 years of such prior service credit under this section.