

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [H 2122]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding a section numbered 51.1-142.3 as follows:**8 *§ 51.1-142.3. Purchase of additional prior service credit by certain school division superintendents.*

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

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

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

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

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

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

34 *3. For members not in service on June 30, 2003, upon the member earning five years of creditable*
35 *service as a school division superintendent in the Retirement System for service performed after June 30,*
36 *2003.*

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

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

ENROLLED

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