

VIRGINIA ACTS OF ASSEMBLY -- 2004 SESSION

CHAPTER 207

An Act to amend and reenact § 51.1-139 of the Code of Virginia, relating to the Virginia Retirement System; employer in default.

[S 541]

Approved March 29, 2004

Be it enacted by the General Assembly of Virginia:

1. That § 51.1-139 of the Code of Virginia is amended and reenacted as follows:

§ 51.1-139. Procedure when employer in default.

An employer's agreement to contribute on behalf of its employees who become members shall be irrevocable. If an employer for any reason becomes financially unable to make the contributions payable on behalf of the members, the employer shall be deemed to be in default *and the employees' membership in the Retirement System shall be terminated.* As of the date of the default, (i) *each member or beneficiary whose coverage under the Retirement System is affected by such default shall become fully vested,* (ii) the actuary of the Retirement System shall determine by actuarial valuation the amount of the reserves held on behalf of each then member and each then beneficiary, and (iii) *the Retirement System shall credit to each member and each beneficiary the amount of reserve so held. The reserve so credited together with the amount of the accumulated contributions of each member, shall be disbursed in a manner prescribed by the Board consistent with the applicable tax qualification rules of the Internal Revenue Code,* whereupon the rights and privileges of the members and beneficiaries shall terminate.