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HOUSE BILL NO. 273

Offered January 14, 2004

Prefiled January 8, 2004

A BILL to amend and reenact § 51.1-206, as it is currently effective and as it shall become effective, of the Code of Virginia, and to amend the Code of Virginia by adding in Chapter 2 of Title 51.1 a section numbered 51.1-210.1, relating to the State Police Officers' Retirement System.

Patron—Putney

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That § 51.1-206, as it is currently effective and as it shall become effective, of the Code of Virginia, is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 2 of Title 51.1 a section numbered 51.1-210.1 as follows:

§ 51.1-206. (Effective until July 1, 2005) Service retirement allowance.

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

1. Normal retirement. - ~~The~~ *a. Notwithstanding the provisions of §§ 51.1-155, 51.1-155.1 and 51.1-155.2, for any employee commencing employment or reemployment on or after July 1, 2004, and for any employee who makes the election provided in § 51.1-210.1, the allowance shall equal (i) two percent of his average final compensation multiplied by the amount of creditable service earned (a) as a member in the retirement system established by this chapter, (b) as a member in the retirement system established by Chapter 2.1 (§ 51.1-211 et seq.) of this title, or (c) while earning the benefits permitted by § 51.1-138; and (ii) 1.70 percent of his average final compensation multiplied by all other creditable service, if any; and*

b. For any other employee the allowance shall equal 1.70 percent of his average final compensation multiplied by the amount of creditable service.

For retirements between October 1, 1994, and December 31, 1998, any state police officer who is a member or beneficiary of a retirement system administered by the Board shall receive an additional retirement allowance equal to three percent of the service or disability retirement allowance payable under this section. Average final compensation attributable to service as Governor, Lieutenant Governor, Attorney General, or member of the General Assembly shall not be included in computing this additional retirement allowance.

2. Early retirement. - The allowance shall be determined in the same manner as for normal retirement with creditable service and average final compensation being determined as of the date of actual retirement. If the member has less than 25 years of service at retirement, the amount of the retirement allowance shall be reduced on an actuarial equivalent basis for the period by which the actual retirement date precedes the earlier of (i) his normal retirement date or (ii) the first date on or after his fiftieth birthday on which he would have completed a total of 25 years of creditable service.

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

B. ~~In~~ *Any person who is an employee on June 30, 2004, and on July 1, 2004, who does not make the election provided in § 51.1-210.1, shall receive in addition to the allowance payable under subsection A, a member shall receive annually* from the date of his retirement until his retirement age, as such term is defined under the Social Security Act (42 U.S.C. § 416 et seq., as now or hereafter amended), an annual allowance equal to \$9,264. Beginning July 1, 2001, and biennially thereafter, such allowance shall be reviewed and adjusted by the Board to an amount recommended by the actuary of the Virginia Retirement System based upon increases in social security benefits in the interim.

This subsection shall not apply to the following: (i) any member who qualifies for retirement under subsection C of § 51.1-205 and is credited with less than 20 years' service rendered in a hazardous position or (ii) any member employed initially on or after July 1, 1974, who is credited with less than 20 years' service rendered in a hazardous position.

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

D. If a member in service at age 60 or older with five or more years of creditable service elects,

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59 pursuant to subsection A of § 51.1-205, to receive a service retirement allowance pursuant to this
60 chapter while employed as a state police officer or as an employee, as defined in § 51.1-124.3, of the
61 Department of State Police, then his service performed and compensation received while receiving such
62 retirement allowance shall not increase, decrease, or affect in any way his retirement benefits before,
63 during, or after the payment of such retirement allowance.

64 E. (For effective date - See Editor's note) Any member between the ages of 55 and 59, inclusive,
65 who is rehired by the Department of State Police as a state police officer or as an employee, as defined
66 in § 51.1-124.3, of the Department of State Police, and who has been receiving a service retirement
67 allowance under this chapter for a period of least 30 days prior to such reemployment may, upon such
68 reemployment, elect to continue to receive such service retirement allowance for a period of up to one
69 year. Such period may be extended for up to one additional year with the prior approval of the
70 Secretary of Public Safety. If the person elects to continue to receive such retirement allowance during
71 such period of reemployment, then his service performed and compensation received during such period
72 of reemployment shall not increase, decrease, or affect in any way his retirement benefits before, during,
73 or after such period of reemployment.

74 F. *No person shall be eligible to receive any of the allowances provided in this section if he receives*
75 *retirement benefits under Chapter 2.1 (§ 51.1-211 et seq.) of this title or under § 51.1-138. No person*
76 *shall receive any allowance pursuant to subdivision A 1 (i) if he has received an allowance pursuant to*
77 *subsection B of § 51.1-206 or subsection B of § 51.1-217, unless, after receiving the allowance pursuant*
78 *to subsection B of § 51.1-206 or subsection B of § 51.1-217, he becomes employed or reemployed as an*
79 *employee defined in § 51.1-201, and thereafter earns five or more years of creditable service (a) as a*
80 *member in the retirement system established by this chapter, (b) as a member in the retirement system*
81 *established by Chapter 2.1 of this title, or (c) while earning the benefits permitted by § 51.1-138.*

82 § 51.1-206. (Effective July 1, 2005) Service retirement allowance.

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85 *51.1-155.2, for any employee commencing employment or reemployment on or after July 1, 2004, and*
86 *for any employee who makes the election provided in § 51.1-210.1, the allowance shall equal (i) two*
87 *percent of his average final compensation multiplied by the amount of creditable service earned (a) as a*
88 *member in the retirement system established by this chapter, (b) as a member in the retirement system*
89 *established by Chapter 2.1 (§ 51.1-211 et seq.) of this title, or (c) while earning the benefits permitted*
90 *by § 51.1-138; and (ii) 1.70 percent of his average final compensation multiplied by all other creditable*
91 *service, if any; and*

92 *b. For any other employee the allowance shall equal 1.70 percent of his average final compensation*
93 *multiplied by the amount of creditable service.*

94 For retirements between October 1, 1994, and December 31, 1998, any state police officer who is a
95 member or beneficiary of a retirement system administered by the Board shall receive an additional
96 retirement allowance equal to three percent of the service or disability retirement allowance payable
97 under this section. Average final compensation attributable to service as Governor, Lieutenant Governor,
98 Attorney General, or member of the General Assembly shall not be included in computing this
99 additional retirement allowance.

100 2. Early retirement. - The allowance shall be determined in the same manner as for normal retirement
101 with creditable service and average final compensation being determined as of the date of actual
102 retirement. If the member has less than ~~twenty-five~~ 25 years of service at retirement, the amount of the
103 retirement allowance shall be reduced on an actuarial equivalent basis for the period by which the actual
104 retirement date precedes the earlier of (i) his normal retirement date or (ii) the first date on or after his
105 fiftieth birthday on which he would have completed a total of ~~twenty-five~~ 25 years of creditable service.

106 3. 50/10 retirement. - The allowance shall be payable in a monthly stream of payments equal to the
107 greater of (i) the amount the member would receive if he had taken early retirement or (ii) the
108 actuarially calculated present value of the member's accumulated contributions, including accrued
109 interest.

110 B. ~~In~~ *Any person who is an employee on June 30, 2004, and on July 1, 2004, who does not make*
111 *the election provided in § 51.1-210.1, shall receive in addition to the allowance payable under subsection*
112 *A, a member shall receive annually from the date of his retirement until his retirement age, as such term*
113 *is defined under the Social Security Act (42 U.S.C. § 416 et seq., as now or hereafter amended), an*
114 *annual allowance equal to \$9,264. Beginning July 1, 2001, and biennially thereafter, such allowance*
115 *shall be reviewed and adjusted by the Board to an amount recommended by the actuary of the Virginia*
116 *Retirement System based upon increases in social security benefits in the interim.*

117 This subsection shall not apply to the following: (i) any member who qualifies for retirement under
118 subsection C of § 51.1-205 and is credited with less than twenty years' service rendered in a hazardous
119 position or (ii) any member employed initially on or after July 1, 1974, who is credited with less than
120 ~~twenty~~ 20 years' service rendered in a hazardous position.

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

124 D. *No person shall be eligible to receive any of the allowances provided in this section if he receives*
125 *retirement benefits under Chapter 2.1 (§ 51.1-211 et seq.) of this title or under § 51.1-138. No person*
126 *shall receive any allowance pursuant to subdivision A 1 (i) if he has received an allowance pursuant to*
127 *subsection B of § 51.1-206 or subsection B of § 51.1-217, unless, after receiving the allowance pursuant*
128 *to subsection B of § 51.1-206 or subsection B of § 51.1-217, he becomes employed or reemployed as an*
129 *employee defined in § 51.1-201, and thereafter earns five or more years of creditable service (a) as a*
130 *member in the retirement system established by this chapter, (b) as a member in the retirement system*
131 *established by Chapter 2.1 of this title, or (c) while earning the benefits permitted by § 51.1-138.*

132 § 51.1-210.1. *Election of benefits.*

133 *All persons who are employees on June 30, 2004, and on July 1, 2004, shall have until October 31,*
134 *2004, to make an irrevocable election to be covered by the benefits provided in subdivision A 1 a of*
135 *§ 51.1-206.*