

2004 SESSION

INTRODUCED

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HOUSE BILL NO. 661

Offered January 14, 2004

Prefiled January 13, 2004

A *BILL to amend the Code of Virginia by adding a section numbered 51.1-126.5:1, relating to Virginia Retirement System; defined contribution plan.*

Patron—Bell

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 51.1-126.5:1 as follows:

§ 51.1-126.5:1. Defined contribution plan for eligible members.

A. As used in this section, unless the context requires otherwise:

"Eligible member" means a member who holds an eligible position.

"Eligible position" means any position covered by any retirement plan administered by the Virginia Retirement System pursuant to this title.

"Participating member" means an eligible member who elects to participate in the plan.

"Plan" means the defined contribution plan established pursuant to this section.

B. The Board shall establish a plan covering any eligible member who elects to participate in the plan. The plan shall be in lieu of the service retirement allowance provided by any other plan provided under this title. Participating members shall be deemed to be members of the retirement system to the extent consistent with the provisions of this section.

C. Any person who becomes an eligible member on or after July 1, 2004, shall elect within 90 days of accepting an eligible position to participate in either (i) the retirement system for which he otherwise would be eligible under this title or (ii) the plan. Such election shall be made in accordance with guidelines established by the Virginia Retirement System.

D. After termination of employment, a participating member may withdraw the accrued contributions and earnings from his defined contribution account, subject to applicable state and federal law and regulation.

E. The contribution by the Commonwealth to a participating member's defined contribution account shall be determined by the Board of Trustees of the Virginia Retirement System in consultation with its actuary. Contributions to the defined contribution account and all earnings thereon shall be credited to an account to be maintained for each participating member. Contributions by the Commonwealth to a participating member's defined contribution account shall be in lieu of contributions to the retirement system required pursuant to § 51.1-145.

F. The Virginia Retirement System shall (i) develop policies and procedures for the administration of the plan and (ii) provide a program of education and support for participating members.

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