

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact §§ 51.1-165, 51.1-205, and 51.1-206, as they shall become effective, of the Code of Virginia, relating to the Law-Enforcement Officers' Retirement System and the State Police Officers' Retirement System; retirement options.

[H 1652]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 51.1-165, 51.1-205, and 51.1-206 of the Code of Virginia, as they shall become effective, are amended and reenacted as follows:

§ 51.1-165. Optional benefits.

A. Any member not taking 50/10 retirement as provided in §§ 51.1-153, ~~51.1-205~~, or § 51.1-216, in accordance with the retirement plan covering such member, may elect to have his retirement allowance payable under one of the options set forth in this subsection and receive the actuarial equivalent of the retirement allowance otherwise payable to him. The election of an optional benefit shall be subject to the approval of the Board.

1. Straight life option. - A member may elect to receive an increased retirement allowance in lieu of any death benefits.

2. Joint and last-survivor option. - A member may elect to receive a decreased retirement allowance during his lifetime in order that a fraction of such retirement allowance be continued to a contingent annuitant at the death of the member. The amount to be received by the contingent annuitant, in accordance with such election by the member, shall not exceed 100 percent of the amount to be received by the member during his lifetime nor shall it be less than 10 percent of such amount. In case of such an election, death benefits that might otherwise be provided shall not be payable upon the death of the member unless death of the member occurs prior to the effective date of retirement as set forth in subsection B of this section. This option may be elected if the contingent annuitant is the spouse of the member. If the contingent annuitant is not the spouse of the member, this option may be elected only if the actuarial present value of the payments expected to be made to the member is greater than one-half of the actuarial present value of the total payments expected to be made to the member and contingent annuitant.

3. Level income option. - If a member retires from service prior to 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), he may elect to receive an increased retirement allowance beginning on the member's effective date of retirement and continuing until the member reaches age 62 or any whole age up to his normal retirement age, as such term is defined under the Social Security Act (42 U.S.C. § 416 et seq., as now or hereafter amended) and a decreased retirement allowance thereafter, thereby providing a more nearly level retirement allowance when such decreased retirement allowance is added to his anticipated primary benefits under the federal Social Security Act. In determining the amount of such retirement allowance under this option before the electing retiree reaches 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), the Board may use an estimate of the member's anticipated social security benefit for computing the amount of such retirement allowance. Any member electing to receive such an allowance shall not be entitled to a joint and last survivor benefit. The amount of the increased retirement allowance shall be determined actuarially, but the election of this option shall not result in more than a 50 percent reduction in the member's benefit as provided in §§ 51.1-155, 51.1-206, 51.1-217, or § 51.1-306.

B. Any member taking 50/10 retirement as provided in §§ 51.1-153, ~~51.1-205~~, or § 51.1-216, in accordance with the retirement plan covering such member, may elect to have his retirement allowance payable under the option set forth in this subsection and receive the actuarial equivalent of the retirement allowance otherwise payable to him. The election of this optional benefit shall be subject to the approval of the Board.

50/10 retirement joint and last-survivor option. - A member may elect to receive a decreased retirement allowance during his lifetime and have the retirement allowance continued after his death to a contingent annuitant during the lifetime of such person. The retirement allowance pursuant to this option shall be determined as provided in subdivision A 5 of § 51.1-155, ~~subdivision A 3 of § 51.1-206~~, or subdivision A 3 of § 51.1-217, in accordance with the retirement plan covering such member, except (i) the present value of future retirement benefits shall be calculated based on the life expectancies of both the member and the contingent annuitant and (ii) the actuarially computed present value of the payments

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57 expected to be made under this option shall be actuarially equivalent to the actuarially computed present
 58 value of the payments expected to be made to the member as determined pursuant to subdivision A 5 of
 59 § 51.1-155, ~~subdivision A 3 of § 51.1-206~~, or subdivision A 3 of § 51.1-217, in accordance with the
 60 retirement plan covering such member.

61 C. The election of any one of the options stated in this section shall be null and void if the member
 62 dies prior to the Board receiving written notification of the member's effective date of retirement. The
 63 election of a joint and last-survivor option shall be null and void if the contingent annuitant dies before
 64 the member's retirement. For purposes of this subsection, retirement shall be deemed to commence on
 65 the effective date of a member's service retirement or disability. If the death of the member occurs prior
 66 to the effective date of retirement but after the Board has received written notification of the member's
 67 effective date of retirement, benefits shall be paid in accordance with the provisions of § 51.1-163 and
 68 the requirement that the member be in service shall not apply.

69 D. A member who has elected any of the options stated in this section may revoke such an election
 70 by written notification to the Board any time prior to the later of the effective date of retirement or the
 71 date of written notification to the Board of retirement of the member.

72 E. A retired member who has elected a joint and last-survivor option may, in a manner prescribed by
 73 the Board, revoke such election and elect to receive from time of notification either the retirement
 74 allowance to which he would have been entitled had no option been elected initially or an allowance
 75 actuarially equivalent thereto under a joint and last-survivor option with a different contingent annuitant,
 76 if (i) the original contingent annuitant has died, (ii) a final decree of divorce of the retired member from
 77 the original contingent annuitant has been entered, or (iii) the written consent of the original contingent
 78 annuitant, together with evidence satisfactory to the Board of the good health of the original contingent
 79 annuitant, is submitted with the notification. If the provisions of this subsection are invoked by a retired
 80 member on the basis of the member's having been divorced from his contingent annuitant and the
 81 marriage had been of a duration of 20 years or more, the provisions of this subsection shall not be
 82 applicable until the death or remarriage of the former spouse unless such spouse consents in writing to
 83 the revocation of the option prior to death or remarriage.

84 If such an election is made as a result of the death or divorce of the contingent annuitant, the benefit
 85 payable to the retired member may be adjusted retroactively for a period of not more than 60 days from
 86 the date the Board first receives notification of the desire of the retired member to make such a change.

87 F. Subject to the provisions of subsection E of this section, any member who retires on or after July
 88 1, 1986, and returns to covered employment shall not be entitled to select a different optional benefit
 89 upon making application for retirement a second or subsequent time.

90 § 51.1-205. (Effective July 1, 2005) Service retirement generally.

91 A. Normal retirement. - Any member in service at his normal retirement date with five or more years
 92 of creditable service (i) as a member in the retirement system established by this chapter, (ii) as a
 93 member in the retirement system established by Chapter 2.1 (§ 51.1-211 et seq.) of this title, or (iii)
 94 while earning the benefits permitted by § 51.1-138 may retire upon written notification to the Board,
 95 setting forth the date the retirement is to become effective. Any member, except one appointed by the
 96 Governor or elected by the people, who attains 70 years of age shall be retired forthwith. Any employer,
 97 subsequent to the employee's normal retirement date, may provide for compulsory service retirement
 98 upon a determination that age is a bona fide occupational qualification reasonably necessary to the
 99 normal operation of the particular business or that the employee is incapable of performing his duties in
 100 a safe and efficient manner. Any such determination shall be made by the employer.

101 Effective December 31, 2003, any member in service on June 30, 2002, and July 1, 2002, who is
 102 credited with five or more years of creditable service rendered under Chapter 1 (§ 51.1-100 et seq.), this
 103 chapter, or Chapter 2.1 (§ 51.1-211 et seq.) of this title shall not be subject to the vesting requirements
 104 of this section, and §§ 51.1-138 and 51.1-216.

105 B. Early retirement. - Any member in service who has attained his fiftieth birthday with five or more
 106 years of creditable service (i) as a member in the retirement system established by this chapter, (ii) as a
 107 member in the retirement system established by Chapter 2.1 (§ 51.1-211 et seq.) of this title, or (iii)
 108 while earning the benefits permitted by § 51.1-138 may retire upon written notification to the Board
 109 setting forth the date the retirement is to become effective.

110 Effective December 31, 2003, any member in service on June 30, 2002, and July 1, 2002, who is
 111 credited with five or more years of creditable service rendered under Chapter 1 (§ 51.1-100 et seq.), this
 112 chapter, or Chapter 2.1 (§ 51.1-211 et seq.) of this title shall not be subject to the vesting requirements
 113 of this section, and §§ 51.1-138 and 51.1-216.

114 C. Deferred retirement for members terminating service. - Any member who terminates service after
 115 five or more years of creditable service (i) as a member in the retirement system established by this
 116 chapter, (ii) as a member in the retirement system established by Chapter 2.1 (§ 51.1-211 et seq.) of this
 117 title, or (iii) while earning the benefits permitted by § 51.1-138, may retire under the provisions of

subsection A, B, or D of this section if he has not withdrawn his accumulated contributions prior to the effective date of his retirement or if he has five or more years of creditable service (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, regardless of termination date, for which his employer has paid the contributions and such contributions cannot be withdrawn. For the purposes of this subsection, any requirements as to the member being in service shall not apply. No member shall be entitled to the benefits of this subsection if his employer certifies that his service was terminated because of dishonesty, malfeasance, or misfeasance in office. The certification may be appealed to the Board.

Effective December 31, 2003, any member in service on June 30, 2002, and July 1, 2002, who is credited with five or more years of creditable service rendered under Chapter 1 (§ 51.1-100 et seq.), this chapter, or Chapter 2.1 (§ 51.1-211 et seq.) of this title shall not be subject to the vesting requirements of this section, and §§ 51.1-138 and 51.1-216.

~~D. 50/10 retirement. - Any member in service on or after January 1, 1994, who has attained his fiftieth birthday with 10 or more years of creditable service may retire prior to his normal retirement date upon written notification to the Board setting forth the date the retirement is to become effective.~~

E. Effective date of retirement. - The effective date of retirement shall be after the last day of service of the member, but shall not be more than 90 days prior to the filing of the notice of retirement.

~~F. E. Notification on behalf of member. - If the member is physically or mentally unable to submit written notification of his intention to retire, the member's appointing authority may submit notification on his behalf.~~

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

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

1. Normal retirement. - 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 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 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. However, any service rendered as an employee, as such term is defined in § 51.1-212, shall be deemed as service in a hazardous position for purposes of the additional retirement allowance herein.

C. 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.