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HOUSE BILL NO. 2481

Offered January 12, 2005

Prefiled January 12, 2005

A *BILL to establish a pilot program to allow employees at the University of Virginia, Virginia Polytechnic Institute and State University, and the College of William and Mary in Virginia to participate in the Virginia Retirement System's defined contribution retirement plan.*

Patron—May

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. § 1. *That beginning July 1, 2005, and ending July 1, 2007, any person who begins employment on or after July 1, 2005 as a full-time, salaried employee of the University of Virginia, Virginia Polytechnic Institute and State University, or the College of William and Mary in Virginia, and who is not covered under § 51.1-126, shall be provided an option to participate in the defined contribution plan established pursuant to § 51.1-126.5. The Virginia Retirement System shall develop policies and procedures for the administration of this act.*

Any employee eligible for benefits under this Act shall make an election no later than 60 days from the time of the employee's entry upon the performance of his duties. If an election is not made within such 60-day period, such employee shall be deemed to have elected to participate in the Virginia Retirement System defined benefit retirement plan established by this chapter.

The institutions of higher education to which this Act applies shall provide a program of education and support for participating members that includes a comparison of benefits under 51.1-155 and under this Act. The comparison of benefits shall include an analysis of income replacement ratios and benefit amounts available under each plan. In developing the education and support programs, the institutions to which this Act applies shall consult with the Virginia Retirement System and actuaries and benefit specialists with expertise in developing education programs for employees eligible for such benefits. Prior to the effective date of this Act, the institutions of higher education to which this Act applies shall provide the House Appropriations and Senate Finance Committees the opportunity to review the proposed education and support program materials.

The institutions of higher education to which this Act applies shall survey employees eligible for benefits under this Act to determine the effectiveness of the education and support programs that are provided to assist employees in selecting the retirement benefit. Results of the survey shall be reported quarterly to the Chairmen of the House Appropriations and Senate Finance Committees. The first such report shall be provided by November 1, 2005.

The actuary of the Virginia Retirement System shall determine any additional costs to the Commonwealth's defined benefit plan as a result of this Act as of June 30, 2006, and such costs shall be paid to the Virginia Retirement System by the institutions of higher education to which this Act applies in accordance with procedures established by the Virginia Retirement System. The Virginia Retirement System shall report the determination of additional costs to the Chairmen of the House Appropriations and Senate Finance Committees prior to November 1, 2006.

The Virginia Retirement System shall determine any administrative costs resulting from this Act and such administrative costs shall be paid from existing appropriations to the Virginia Retirement System by the institutions of higher education to which this Act applies in accordance with procedures established by the Virginia Retirement System. The Virginia Retirement System shall report the results of this analysis to the Chairmen of the House Appropriations and Senate Finance Committees prior to November 1, 2006.

INTRODUCED

HB2481