

## 2005 SESSION

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### HOUSE BILL NO. 2748

Offered January 12, 2005

*A BILL for the relief of Marianne Z. Knight.*

Patrons—O'Bannon and Janis

Referred to Committee on Appropriations

Whereas, in 1961, Marianne Z. Knight (Ms. Knight) began work as a teacher in the Henrico County Public School System (County); and

Whereas, with the exception of six years in which she was employed as teacher in the states of Louisiana, Washington, and New Jersey and the country of Germany, Ms. Knight was employed as a teacher with the Henrico County Public School System for a total of 31 years; and

Whereas, in 1998, Ms. Knight discovered that the County provided the opportunity to purchase, for retirement purposes, creditable service performed in other educational systems; and

Whereas, Ms. Knight decided to pursue the purchase of four years of creditable service, the maximum amount allowed; and

Whereas, Ms Knight provided the County with acceptable documentation of four years of creditable service in school systems located in Louisiana, Washington, and New Jersey; and

Whereas, in June 1999, Ms. Knight contacted the County's payroll office by telephone and informed a payroll clerk that she wanted to purchase four years of creditable service and requested the required forms; and

Whereas, during the telephone conversation, the payroll clerk indicated that the County was considering participation in a program that would allow pre-tax payroll deductions for the purchase of creditable service, but that nothing had been decided as of that time; and

Whereas, subsequently, Ms. Knight received by mail a Payment Option Agreement and a Salary Reduction Election for Pick-up of Purchase of Prior Service form; and

Whereas, Ms. Knight indicated on the form that she was purchasing 48 months of service using the payroll deduction option with the deductions to start July 1999; and

Whereas, the Payment Option Agreement included the statement "If at the point of termination due to resignation, retirement or change in employment status, you have not completed this purchase and wish to do so, the remaining months must be purchased in a lump sum before the date of your termination"; and

Whereas, based on this statement, Ms. Knight, believed that if she did not complete the purchase of the service years she would be allowed to purchase any remaining portion of the years in a lump sum; and

Whereas, Ms. Knight completed the agreement and form and returned them to the payroll office on or about June 16, 1999; and

Whereas, in August 1999, the Virginia Retirement System (VRS) acknowledged receipt of the Payment Option Agreement but never acknowledged receipt of the Salary Reduction Election for Pick-up of Purchase of Prior Service form; and

Whereas, in January 2001 Ms. Knight submitted paperwork to the County to retire effective July 1, 2001; and

Whereas, at that time, Ms. Knight had purchased approximately 2 of the 4 years of service; and

Whereas, in May 2001, Ms. Knight contacted VRS to determine the amount of the lump sum that she would have to pay to purchase the two remaining two years of service; and

Whereas, in June 2001, VRS informed Ms. Knight that she could not purchase the remaining two years because in 1999 she elected to purchase the service years using pre-tax payroll deduction; and

Whereas, by that time, the County had already hired her replacement, which precluded her from withdrawing her retirement and returning to work; and

Whereas, Ms. Knight would have continued working through the purchase of the remaining two years had she known that she would not be able to use the lump sum option; and

Whereas, Ms. Knight did not accept the determination of the VRS; and

Whereas, pursuant to the Administrative Process Act (§ 2.2-4000 et seq.), a hearing was held on January 25, 2002, before a hearing officer; and

Whereas, on March 15, 2002, the hearing officer issued a decision that upheld VRS' decision not to allow the lump sum purchase; and

Whereas, Ms. Knight appealed the decision in the Henrico County Circuit Court; and

Whereas, on February 10, 2003, a hearing was held; and

INTRODUCED

HB2748

59       Whereas, on April 15, 2003, the Court issued a decision denying Ms. Knight's appeal and affirming  
60 the VRS' decision; and

61       Whereas, Ms. Knight believed at the time she filled out and returned Payment Option Agreement that  
62 she would be allowed to purchase any remaining amounts of the creditable service she was eligible to  
63 purchase in a lump sum if she had not completed the purchase through the payroll deductions that  
64 occurred while she was still employed; and

65       Whereas, Marianne Z. Knight has no other means to obtain relief except by action of this body; now,  
66 therefore,

67       **Be it enacted by the General Assembly of Virginia:**

68       1. *§ 1. That, effective July 1, 2005, Marianne Z. Knight shall be given 90 days to repurchase two years*  
69 *of retirement service at the then-current rate for such repurchases as set forth by the Virginia*  
70 *Retirement System guidelines, upon an execution by her of a release of all claims she may have against*  
71 *the Commonwealth or any agency, instrumentality, officer, employee, or political subdivision thereof, in*  
72 *connection with the aforesaid occurrence.*