

Virginia Retirement System 2005 Fiscal Impact Statement

1. Bill Number HB1929

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Tata

3. Committee Appropriations

4. Title Federal social security.

5. Summary/Purpose:

Federal social security. Requires that a local governing body's resolution requesting that its eligible employees become members of the Virginia Retirement System shall not be approved by the Board of Trustees of the Virginia Retirement System unless the locality has first entered into a plan of agreement to extend benefits under the Social Security Act to its employees. The bill also names the director of the Virginia Retirement System as the state social security administrator, and allows him to adopt rules and policies necessary for the administration of the Social Security Act, instead of the Board of Trustees. The state social security administrator may, with the approval of the Board, submit and agree to modifications to the agreement with the federal government concerning coverage, benefits, and administration of the Social Security Act. The state social security administrator will be tasked with carrying out all functions required of him by the Social Security Act, including but not limited to negotiating the inclusion of additional coverage groups, resolve coverage and taxation issues, and negotiate with the federal government to resolve social security contribution payment and reporting questions for wages paid before 1987. The bill also contains several definitional and technical changes.

In 1952, when public employees in Virginia first became eligible for social security coverage, the Board was named to administer the federal-state social security agreement. Political subdivisions are allowed to provide social security benefits to their employees under modifications to that agreement. The director of the VRS has been the de facto administrator. This bill clarifies that actions do not have to be taken to the Board, but rather may be taken by the director. The bill also clarifies the VRS' role in administration of the agreement and removes obsolete language.

6. No Fiscal Impact

7. Budget amendment necessary: No

8. Fiscal implications: This bill is clarifying in nature and has not fiscal implications.

9. Specific agency or political subdivisions affected: VRS and political subdivisions extending social security coverage to their employees.

10. Technical amendment necessary: No

11. Other comments: This bill was requested by the VRS Board of Trustees.

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