

VIRGINIA ACTS OF ASSEMBLY -- 2007 SESSION

CHAPTER 253

An Act to amend and reenact §§ 51.1-600 and 51.1-601 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 51.1-601.1, relating to deferred compensation plan for state employees.

[H 1830]

Approved March 12, 2007

Be it enacted by the General Assembly of Virginia:

1. That §§ 51.1-600 and 51.1-601 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 51.1-601.1 as follows:

§ 51.1-600. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Act" means the Government Employees Deferred Compensation Plan Act.

"Board" means the Board of Trustees of the Virginia Retirement System.

"Deferred compensation plan" means a plan ~~which allows an employee to elect to defer~~ *by which an employee defers* some portion of income until some stated time in the future; provides that the federal and state income tax on such income will be deferred until the actual receipt of such income; and is established pursuant to the provisions of § 457 of the Internal Revenue Code of 1986, as amended.

"Employee" means, in the case of the plan described in § 51.1-602, all persons employed by a participating employer, including appointed or elected officials. In the case of a plan adopted by a county, municipality, authority or other political subdivision pursuant to § 51.1-603, an employee shall be defined by such county, municipality, authority or other political subdivision.

"Participating employer" means the Commonwealth or any political subdivision that has elected pursuant to § 51.1-603.1 to participate in the deferred compensation plan established by the Board pursuant to this chapter.

§ 51.1-601. Contract for deferred compensation.

In accordance with a plan of deferred compensation, the Commonwealth, or any state agency, county, municipality, authority, or other political subdivision ~~may, by contract, agree~~ *may contract* with any employee to defer all or any portion of that employee's otherwise payable compensation and, pursuant to the terms of the plan and in such proportions as may be designated or directed under the plan, place such deferred compensation in investment products selected by the Commonwealth and its agencies, county, municipality, authority, or other political subdivision. All investment products shall be offered in compliance with applicable federal and state laws and regulations by persons who are duly authorized by applicable state and federal authorities.

§ 51.1-601.1. Participation in plan by certain employees.

All employees of the Commonwealth and its agencies commencing employment or who are reemployed on or after January 1, 2008, in a position covered by the Virginia Retirement System, and who have not elected to participate in a plan established pursuant to § 403(b) of the Internal Revenue Code of 1986, as amended, shall participate in the plan described in § 51.1-602, unless such employee elects, in a manner prescribed by the Board, not to participate in such plan. The amount of the deferral for any such employee participating in the plan shall equal, on a semimonthly basis, \$20 of otherwise payable compensation, unless the employee elects to defer a different amount.