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HOUSE BILL NO. 2068

Offered January 14, 2009

Prefiled January 13, 2009

A BILL to amend and reenact §§ 51.1-162, 51.1-165.1, 51.1-207, and 51.1-218 of the Code of Virginia, relating to the Virginia Retirement System; notarizing certain forms.

 Patron—Tata

 Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 51.1-162, 51.1-165.1, 51.1-207, and 51.1-218 of the Code of Virginia are amended and reenacted as follows:

§ 51.1-162. Death before retirement.

A. If a member dies before retirement, and if no benefits are payable under subsection B, the amount of his accumulated contributions shall be paid to the designated beneficiary or to a surviving relative according to the order of precedence set forth in this section. This amount shall be reduced by the amount of any retirement allowance previously received by the member under this chapter or the abolished system. Each member shall designate who is to receive a refund of accumulated contributions credited to his account in the event of the death of the member prior to retirement. The designation must be made on a form prepared in a manner prescribed by the Board, signed and acknowledged by the member before a person authorized to take acknowledgments, and filed in a manner prescribed by the Board. The designation may be changed by the member by the written designation of some other person, signed, acknowledged, and filed in a manner prescribed by the Board.

If no designation has been made, or the death of the designated person occurs prior to the death of the member and another designation has not been made, the proceeds shall be paid to the persons surviving at the death of the member in the following order of precedence:

First, to the spouse of the member;

Second, if no surviving spouse, to the children of the member and descendants of deceased children, per stirpes;

Third, if none of the above, to the parents of the member;

Fourth, if none of the above, to the duly appointed executor or administrator of the estate of the member;

Fifth, if none of the above, to other next of kin of the member entitled under the laws of the domicile of the member at the time of his death.

B. If a member dies in service and if no benefits are payable under subsection C of this section, a retirement allowance shall be paid to the person or persons designated as provided in subsection A of this section if the person is the member's (i) surviving spouse, (ii) minor child, or (iii) parent(s). If no designation has been made, or if the death of the designated person occurs prior to the death of the member and another designation has not been made, a retirement allowance shall be paid in the following order of precedence to the member's (a) surviving spouse, (b) minor children, or (c) parent(s). The retirement allowance shall be paid to the first person qualifying in the orders of precedence set out in this subsection. If more than one minor child survives the deceased member, the allowance shall be divided among them in a manner determined by the Board. If more than one parent survives the deceased member, the allowance shall be divided among them in a manner determined by the Board. The retirement allowance shall be continued during the lifetime of the person or in the case of a minor child until the child dies or attains the age of majority, whichever occurs first. The retirement allowance shall equal the deceased retirement allowance that would have been payable under the joint and survivor option so that the same amount would be continued to such person after the member's death. If the member dies prior to his fifty-fifth birthday, then, for purposes of this subsection, the member shall be presumed to be age fifty-five on his date of death. When determining the allowance that would have been payable to the member had the member retired on the date of his death, the provisions of subdivision A 4 of § 51.1-155 shall not apply. If the person elects in writing under seal and duly acknowledged, the amount of the member's accumulated contributions or lump sum payment shall be paid to him exclusively, in lieu of any other benefits under this section. This amount shall be reduced by the amount of any retirement allowance previously received by the member under this chapter.

C. If a member dies in service from a cause compensable under the Virginia Workers' Compensation Act (§ 65.2-100 et seq.), a retirement allowance shall be paid to the member's surviving spouse. If no compensation is finally awarded under the Virginia Workers' Compensation Act due to legal proceedings

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59 or otherwise resulting in settlement from the persons causing such death, the Virginia Workers'
60 Compensation Commission shall determine whether the member's death was from a cause compensable
61 under the Virginia Workers' Compensation Act. If the member leaves no surviving spouse or the
62 surviving spouse dies, any minor children of the deceased member shall be paid an allowance until the
63 children die or attain the age of majority, whichever occurs first. If more than one minor child survives
64 the deceased member, the allowance shall be divided in a manner determined by the Board. If the
65 deceased member leaves neither surviving spouse nor minor child, the allowance, divided in a manner
66 determined by the Board, shall be paid to the member's parents during their lives.

67 The retirement allowance payable hereunder to a qualifying survivor shall be the annual amount
68 which when added to the compensation payable under the Virginia Workers' Compensation Act for the
69 death of the member equals fifty percent of the member's average final compensation if the survivor
70 does not qualify for death benefits under the provisions of the Social Security Act in effect on the date
71 of the death of the member. If the survivor qualifies for death benefits under the provisions of the
72 Social Security Act in effect on the date of the death of the member, the allowance payable from the
73 retirement system when added to the compensation payable under the Virginia Workers' Compensation
74 Act shall equal thirty-three and one-third percent of the member's average final compensation.

75 Any beneficiary entitled to the entire amount of a retirement allowance under the provisions of this
76 subsection as a result of the death of a member shall be entitled to waive his rights to the allowance by
77 written notification to the Board within ninety days after the death of the member in order to make
78 available a retirement allowance under the provisions of subsection B of this section.

79 § 51.1-165.1. Acknowledgment by spouse of member.

80 Any application for retirement benefits under this chapter or Chapter 2 (§ 51.1-200 et seq.) or
81 Chapter 3 (§ 51.1-300 et seq.) of this title shall include a statement; ~~acknowledged pursuant to~~
82 ~~§ 55-118.4 or § 55-118.6~~, made by the spouse, if any, of the applicant, acknowledging (i) that the
83 spouse has read the provisions of payment options and (ii) the selection of the basic benefit or any other
84 benefit selected. Payments to a retired member who fails to have executed properly a statement of
85 acknowledgment, and the provisions for obtaining such statement, shall be governed by procedures
86 adopted by the Board.

87 § 51.1-207. Death before retirement.

88 A. If a member dies before retirement, and if no benefits are payable under subsection B, the amount
89 of his accumulated contributions shall be paid to the designated beneficiary or to a surviving relative
90 according to the same order of precedence as set forth in subsection A of § 51.1-162. This amount shall
91 be reduced by the amount of any retirement allowance previously received by the member under this
92 chapter or the abolished system. Each member shall designate who is to receive a refund of accumulated
93 contributions credited to his account in the event of the death of the member prior to retirement. The
94 designation must be made on a form prepared by the Board, signed and ~~acknowledged by the member~~
95 ~~before a person authorized to take acknowledgments~~, and filed in a manner prescribed by the Board.
96 The designation may be changed by the member by the written designation of some other person,
97 signed, acknowledged, and filed in a manner prescribed by the Board.

98 If no designation has been made, or the death of the designated person occurs prior to the death of
99 the member and another designation has not been made, the proceeds shall be paid to the persons
100 surviving at the death of the member in the same order of precedence as set forth in subsection A of
101 § 51.1-162.

102 B. If a member dies in service and if no benefits are payable under subsection C, a retirement
103 allowance shall be paid to the person designated as provided in subsection A of this section if the
104 person is the member's (i) surviving spouse, (ii) minor child, or (iii) parent(s). If no designation has
105 been made, or if the death of the designated person occurs prior to the death of the member and another
106 designation has not been made, a retirement allowance shall be paid in the same order of precedence as
107 set forth in subsection B of § 51.1-162. The retirement allowance shall be continued during the lifetime
108 of the person or in the case of a minor child until the child dies or attains the age of majority,
109 whichever occurs first. The retirement allowance shall equal the decreased retirement allowance that
110 would have been payable under the joint and survivor option so that the same amount would be
111 continued to such person after the member's death. If the member dies prior to his fiftieth birthday, then,
112 for purposes of this subsection, the member shall be presumed to be age fifty on his date of death.
113 When determining the allowance that would have been payable to the member had the member retired
114 on the date of his death, the provisions of subsection B of § 51.1-206 shall not apply. If the person
115 elects in writing ~~under seal and duly acknowledged~~, the amount of the member's accumulated
116 contributions shall be paid to the person exclusively, in lieu of any other benefits under this section.
117 This amount shall be reduced by the amount of any retirement allowance previously received by the
118 member.

119 C. If a member dies in service from a cause compensable under the Virginia Workers' Compensation
120 Act (§ 65.2-100 et seq.), a retirement allowance shall be paid to the member's surviving spouse. If no

compensation is finally awarded under the Virginia Workers' Compensation Act due to legal proceedings or otherwise resulting in settlement from the persons causing such death, the Virginia Workers' Compensation Commission shall determine whether the member's death was from a cause compensable under the Virginia Workers' Compensation Act. If the member leaves no surviving spouse or the surviving spouse dies, any minor children of the deceased member shall be paid an allowance until the children die or attain the age of majority, whichever occurs first. If more than one minor child survives the deceased member, the allowance shall be divided in a manner determined by the Board. If the deceased member leaves neither surviving spouse nor minor child, the allowance, divided in a manner determined by the Board, shall be paid to the member's parents during their lives.

The retirement allowance, payable hereunder to a qualifying survivor, shall be the annual amount which when added to the compensation payable under the Virginia Workers' Compensation Act for the death of the member, shall equal fifty percent of the member's average final compensation if the survivor does not qualify for death benefits under the provisions of the Social Security Act in effect on the date of the death of the member. If the survivor qualifies for death benefits under the provisions of the Social Security Act in effect on the date of the death of the member, the allowance payable from the retirement system when added to the compensation payable under the Virginia Workers' Compensation Act shall equal thirty-three and one-third percent of the member's average final compensation.

Any beneficiary entitled to the entire amount of a retirement allowance under the provisions of this subsection as a result of the death of a member shall be entitled to waive his rights to the allowance by written notification to the Board within ninety days after the death of the member in order to make available a retirement allowance under the provisions of subsection B of this section.

§ 51.1-218. Death before retirement.

A. If a member dies before retirement, and if no benefits are payable under subsection B, the amount of his accumulated contributions shall be paid to the designated beneficiary or to a surviving relative according to the same order of precedence as set forth in subsection A of § 51.1-162. This amount shall be reduced by the amount of any retirement allowance previously received by the member under this chapter or the abolished system. Each member shall designate who is to receive a refund of accumulated contributions credited to his account in the event of the death of the member prior to retirement. The designation must be made on a form prepared by the Board, signed and acknowledged by the member before a person authorized to take acknowledgments, and filed with the Board. The designation may be changed by the member by the written designation of some other person, signed, acknowledged, and filed with the Board.

If no designation has been made, or the death of the designated person occurs prior to the death of the member and another designation has not been made, the proceeds shall be paid to the persons surviving at the death of the member in the same order of precedence as set forth in subsection A of § 51.1-162.

B. If a member dies in service and if no benefits are payable under subsection C, a retirement allowance shall be paid to the person designated as provided in subsection A of this section if the person is the member's (i) surviving spouse, (ii) minor child, or (iii) parent(s). If no designation has been made, or if the death of the designated person occurs prior to the death of the member and another designation has not been made, a retirement allowance shall be paid in the same order of precedence as set forth in subsection B of § 51.1-162. The retirement allowance shall be continued during the lifetime of the person or in the case of a minor child until the child dies or attains the age of majority, whichever occurs first. The retirement allowance shall equal the decreased retirement allowance that would have been payable under the joint and survivor option so that the same amount would be continued to such person after the member's death. If the member dies prior to his fiftieth birthday, then, for purposes of this subsection, the member shall be presumed to be age fifty on his date of death. When determining the allowance that would have been payable to the member had the member retired on the date of his death, the provisions of subsection B of § 51.1-217 shall not apply. If the person elects in writing under seal and duly acknowledged, the amount of the member's accumulated contributions shall be paid to the person exclusively, in lieu of any other benefits under this section. This amount shall be reduced by the amount of any retirement allowance previously received by the member.

C. If a member dies in service from a cause compensable under the Virginia Workers' Compensation Act (§ 65.2-100 et seq.), a retirement allowance shall be paid to the member's surviving spouse. If no compensation is finally awarded under the Virginia Workers' Compensation Act due to legal proceedings or otherwise resulting in settlement from the persons causing such death, the Virginia Workers' Compensation Commission shall determine whether the member's death was from a cause compensable under the Virginia Workers' Compensation Act. If the member leaves no surviving spouse or the surviving spouse dies, any minor children of the deceased member shall be paid an allowance until the children die or attain the age of majority, whichever occurs first. If more than one minor child survives

182 the deceased member, the allowance shall be divided in a manner determined by the Board. If the
183 deceased member leaves neither surviving spouse nor minor child, the allowance shall be paid to the
184 member's parents, divided in a manner determined by the Board, during the lives of the parents.

185 The retirement allowance, payable hereunder to a qualifying survivor, shall be the annual amount
186 which, when added to the compensation payable under the Virginia Workers' Compensation Act for the
187 death of the member, shall equal fifty percent of the member's average final compensation if the
188 survivor does not qualify for death benefits under the provisions of the Social Security Act in effect on
189 the date of the death of the member. If the survivor qualifies for death benefits under the provisions of
190 the Social Security Act in effect on the date of the death of the member, the allowance payable from the
191 Retirement System when added to the compensation payable under the Virginia Workers' Compensation
192 Act shall equal thirty-three and one-third percent of the member's average final compensation.

193 Any beneficiary entitled to the entire amount of a retirement allowance under the provisions of this
194 subsection as a result of the death of a member shall be entitled to waive his rights to the allowance by
195 written notification to the Board within ninety days after the death of the member in order to make
196 available a retirement allowance under the provisions of subsection B of this section.