

080578328

SENATE BILL NO. 619

Offered January 9, 2008

Prefiled January 9, 2008

A *BILL to amend the Code of Virginia by adding a section numbered 51.1-155.01, relating to the average final compensation retirement multiplier under the Virginia Retirement System.*

Patron—Stolle

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 51.1-155.01 as follows:

§ 51.1-155.01. Additional member contributions to increase retirement multiplier.

Any member of the Virginia Retirement System in service in a covered position shall have a portion of his creditable service multiplied by 1.85 percent of his average final compensation, if such member makes the payments required under this section. The 1.85 percent retirement multiplier shall be in lieu of the 1.7 percent retirement multiplier as provided in § 51.1-155 for that portion of creditable service for which the member makes such payments.

The portion of the creditable service that shall be subject to a 1.85 percent retirement multiplier shall be that portion of such service for which such member has paid the actuarial equivalent cost of increasing the average final compensation retirement multiplier from 1.7 percent to 1.85 percent.

Payment by such member may be made in a lump sum at the time of purchase or by an additional payroll deduction, both made from the member's salary. Only one additional payroll deduction shall be permitted at any time.

Such payments shall be made from such member's salary earned after the member has signed an irrevocable payroll authorization form prescribed by the Board. After the authorization has been completed, the employer shall deduct the proper amount from such member's salary and shall remit the same to the Virginia Retirement System. All such amounts deducted and remitted to the Virginia Retirement System shall be treated as additional employee contributions. In no case shall the employer remit the deducted amounts directly to such member.

Member payments under this section shall not be considered wages for purposes of Chapter 7 (§ 51.1-700 et seq.), nor shall they be considered to be salary or creditable compensation for purposes of this chapter.

INTRODUCED

SB619