

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 51.1-600 and 51.1-604 of the Code of Virginia, relating to authorizing*  
 3 *the inclusion of a Roth contribution program in a deferred compensation retirement plan for state*  
 4 *and local government employees.*

5 [S 188]

6 Approved

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

8 **1. That §§ 51.1-600 and 51.1-604 of the Code of Virginia are amended and reenacted as follows:**

9 **§ 51.1-600. Definitions.**

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

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

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

13 "Deferred compensation plan" means a plan by which an employee defers some portion of income  
 14 until some stated time in the future; provides that the federal and state income tax on such income will  
 15 be deferred until the actual receipt of such income; and is established pursuant to the provisions of  
 16 § 457(b) of the Internal Revenue Code of 1986, as amended, that may provide for elective and  
 17 non-elective deferrals of compensation by or on behalf of employees and may include a qualified Roth  
 18 contribution program as described in § 402A of the Internal Revenue Code of 1986, as amended.

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

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

26 **§ 51.1-604. Standards for deferred compensation plans.**

27 No deferred compensation plan shall become effective until the Board, county, municipality, authority  
 28 or other political subdivision of the Commonwealth is satisfied, by opinion of its respective counsel,  
 29 such federal agency or agencies as may be deemed necessary, or otherwise, that the ~~compensation~~  
 30 ~~deferred contributions~~ thereunder and/or the investment products purchased pursuant to the plan (i) will  
 31 not be included in the employee's taxable income under federal or state law until it is actually received  
 32 by the employee under the terms of the plan and (ii), *provided* that such ~~compensation contributions~~  
 33 nonetheless be deemed compensation at the time of deferral for the purposes of social security coverage,  
 34 for the purposes of the Virginia Retirement System, and for any other retirement, pension, or benefit  
 35 program established by law, *or (ii) are designated Roth contributions as defined in § 402A of the*  
 36 *Internal Revenue Code of 1986, as amended.*

37 **2. That the provisions of this act shall become effective on July 1, 2015.**

ENROLLED

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