

16100753D

**HOUSE BILL NO. 236**

Offered January 13, 2016

Prefiled December 29, 2015

*A BILL to amend and reenact § 51.1-155 of the Code of Virginia and to amend the Code of Virginia by adding in Article 2 of Chapter 15 of Title 22.1 a section numbered 22.1-305.1:1, relating to the establishment of the Teacher Emeritus Fund and Program.*

Patron—Lingamfelter

Referred to Committee on Education

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

**1. That § 51.1-155 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Article 2 of Chapter 15 of Title 22.1 a section numbered 22.1-305.1:1 as follows:**

**§ 51.1-155. Service retirement allowance.**

A. Retirement allowance. — A member shall receive an annual retirement allowance, payable for life, as follows:

1. Normal retirement. — The allowance shall equal 1.70 percent of his average final compensation multiplied by the amount of his creditable service. Notwithstanding the foregoing, for a member who (i) is a person who becomes a member on or after July 1, 2010, or (ii) does not have at least 60 months of creditable service as of January 1, 2013, the allowance shall equal the sum of (a) 1.65 percent of his average final compensation multiplied by the amount of his creditable service performed or purchased on or after January 1, 2013, and (b) 1.70 percent of his average final compensation multiplied by the amount of all other creditable service.

2. Early retirement; applicable to teachers, state employees, and certain others. — The allowance shall be determined in the same manner as for normal retirement with creditable service and average final compensation being determined as of the date of actual retirement. If the member has less than 30 years of service at retirement, the amount of the retirement allowance shall be reduced on an actuarial equivalent basis for the period by which the actual retirement date precedes the earlier of (i) his normal retirement date or (ii) the first date on which he would have completed a total of 30 years of creditable service. The provisions of this subdivision shall apply to teachers and state employees. These provisions shall also apply to employees of any political subdivision that participates in the retirement system if the political subdivision makes the election provided in subdivision 3.

3. Early retirement; applicable to employees of certain political subdivisions, any person who becomes a member on or after July 1, 2010, and any member who does not have at least 60 months of creditable service as of January 1, 2013. — The allowance shall be determined in the same manner as for normal retirement with creditable service and average final compensation being determined as of the date of actual retirement. If the creditable service of the member equals 30 or more years but the sum of his age at retirement plus his creditable service at retirement is less than 90, the amount of the retirement allowance shall be reduced on an actuarial equivalent basis for the period by which the actual retirement date precedes the earlier of (i) his normal retirement date or (ii) the first date on which the sum of his then attained age plus his then creditable service would have been equal to 90 or more had he remained in service until such date. If the member has less than 30 years of creditable service, the retirement allowance shall be reduced for the period by which the actual retirement date precedes the earlier of (i) his normal retirement date or (ii) the first date on which he would have completed a total of at least 30 years of creditable service and his then creditable service plus his then attained age would have been equal to 90 or more.

The provisions of this subdivision shall apply to the employees of any political subdivision that participates in the retirement system and any other employees as provided by law. The participating political subdivision may, however, elect to provide its employees with the early retirement allowance set forth in subdivision 2. No such election shall be made for a person who becomes a member on or after July 1, 2010, or a member who does not have at least 60 months of creditable service as of January 1, 2013. Any election pursuant to this subdivision shall be set forth in a legally adopted resolution.

Notwithstanding the foregoing, a political subdivision by legally adopted resolution may declare to the Board that, for purposes of this subdivision, subdivisions B 1 and B 3 and subsection D of § 51.1-153, any person who meets the definition of "emergency medical services personnel" in § 32.1-111.1 or is employed as a firefighter or law-enforcement officer as those terms are defined in

INTRODUCED

HB236

59 § 15.2-1512.2 (i) shall not be considered a person who becomes a member on or after July 1, 2010, and  
60 (ii) shall be deemed to have at least 60 months of creditable service as of January 1, 2013. Such  
61 resolution shall be irrevocable.

62 4. Additional allowance. — In addition to the allowance payable under subdivisions 1, 2, and 3, a  
63 member shall receive an additional allowance which shall be the actuarial equivalent, for his attained  
64 age at the time of retirement, of the excess of his accumulated contributions transferred from the  
65 abolished system to the retirement system, including interest credited at the rate of two percent  
66 compounded annually since the transfer to the date of retirement, over the annual amounts equal to four  
67 percent of his annual creditable compensation at the date of abolishment for a period equal to his period  
68 of membership in the abolished system.

69 5. 50/10 retirement. — The allowance shall be payable in a monthly stream of payments equal to the  
70 greater of (i) the actuarial equivalent of the benefit the member would have received had he terminated  
71 service and deferred retirement to age 55 or (ii) the actuarially calculated present value of the member's  
72 accumulated contributions, including accrued interest.

73 B. Beneficiary serving in position covered by this title.

74 1. Except as provided in subdivisions 2 and 3, if a beneficiary of a service retirement allowance  
75 under this chapter or the provisions of Chapters 2 (§ 51.1-200 et seq.), 2.1 (§ 51.1-211 et seq.), or 3  
76 (§ 51.1-300 et seq.) is at any time in service as an employee in a position covered for retirement  
77 purposes under the provisions of this or any chapter other than Chapter 6 (§ 51.1-600 et seq.), 6.1  
78 (§ 51.1-607 et seq.), or 7 (§ 51.1-700 et seq.), his retirement allowance shall cease while so employed.  
79 Any member who retires and later returns to covered employment shall not be entitled to select a  
80 different retirement option for a subsequent retirement.

81 2. Active members of the General Assembly who are eligible to receive a retirement allowance under  
82 this title, excluding their service as a member of the General Assembly, shall be eligible to receive a  
83 retirement allowance based on their creditable service and average final compensation for service other  
84 than as a member of the General Assembly. Such members of the General Assembly shall continue to  
85 be reported as any other members of the retirement system. Upon ceasing to serve in the General  
86 Assembly, members of the General Assembly receiving a retirement allowance based on their creditable  
87 service and average final compensation for service other than as a member of the General Assembly  
88 shall have their retirement allowance recomputed prospectively to include their service as a member of  
89 the General Assembly. Active members of the General Assembly shall be prohibited from receiving a  
90 service retirement allowance under this title based solely on their service as a member of the General  
91 Assembly.

92 3. (Expires July 1, 2020) Any person receiving a service retirement allowance under this chapter,  
93 who is hired as a local school board instructional or administrative employee required to be licensed by  
94 the Board of Education, may elect to continue to receive the retirement allowance during such  
95 employment, under the following conditions:

96 (a) The person has been receiving such retirement allowance for a certain period of time preceding  
97 his employment as provided by law;

98 (b) The person is not receiving a retirement benefit pursuant to an early retirement incentive program  
99 from any local school division within the Commonwealth; and

100 (c) At the time the person is employed, the position to which he is assigned is among those  
101 identified by the Superintendent of Public Instruction pursuant to subdivision 4 of § 22.1-23, by the  
102 relevant division superintendent, pursuant to § 22.1-70.3, or by the relevant local school board, pursuant  
103 to subdivision 9 of § 22.1-79.

104 If the person elects to continue to receive the retirement allowance during the period of such  
105 employment, then his service performed and compensation received during such period of time will not  
106 increase, decrease, or affect in any way his retirement benefits before, during, or after such employment.

107 4. Any person receiving a service retirement allowance under this chapter who is hired as a teacher  
108 emeritus pursuant to the Teacher Emeritus Program established in § 22.1-305.1:1 may elect to continue  
109 to receive the retirement allowance during such employment, under the following conditions:

110 a. The person has been receiving such retirement allowance for a certain period of time preceding  
111 his employment as provided by law; and

112 b. The person is not receiving a retirement benefit pursuant to an early retirement incentive program  
113 from any local school division within the Commonwealth.

114 If the person elects to continue to receive the retirement allowance during the period of such  
115 employment, then his service performed and compensation received during such period of time will not  
116 increase, decrease, or affect in any way his retirement benefits before, during, or after such employment.

117 **§ 22.1-305.1:1. Teacher Emeritus Fund and Program established.**

118 A. There is hereby created in the state treasury a special nonreverting fund to be known as the  
119 Teacher Emeritus Fund, referred to in this section as "the Fund." The Fund shall be established on the  
120 books of the Comptroller. Any gifts, donations, grants, bequests, or other funds received on its behalf

shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of providing grants to local school divisions under the Teacher Emeritus Program. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Superintendent of Public Instruction.

B. The Teacher Emeritus Program (the Program) is established for the purpose of awarding grants on a competitive basis to local school divisions to hire teachers emeriti who have completed at least 20 years of service as teachers in the public elementary and secondary schools of the Commonwealth to mentor public elementary and secondary school teachers with less than two years of classroom experience on the day-to-day challenges of classroom instruction. Such teachers emeriti may utilize teacher induction practices to mentor such public elementary and secondary school teachers.

C. The Department of Education shall administer the Program and shall establish and implement a grant application and award process.

D. Successful applicants shall receive an award equal to one-quarter of the teacher emeritus's annual salary, subject to the following conditions:

1. The local school division shall pay the remaining three-quarters of such teacher emeritus's annual salary;

2. No school division shall hire more than one teacher emeritus per 100 full-time equivalent teaching positions; and

3. Such awards may be renewed annually for a maximum of three additional years.

E. No teacher emeritus hired by a local school division pursuant to the Program shall be required to be licensed by the Board of Education or deemed to be instructional or support services personnel for purposes of § 22.1-253.13:2.