

VIRGINIA ACTS OF ASSEMBLY -- 1994 SESSION

CHAPTER 3

An Act to amend the Code of Virginia by adding in Title 30 a chapter numbered 10, consisting of sections numbered 30-78 through 30-84, and to repeal § 2.1-155.1 of the Code of Virginia, relating to the creation of a mechanism by which the General Assembly may oversee and evaluate the management and performance of the Virginia Retirement System on a continuing basis.

[H 193]

Approved February 24, 1994

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 30 a chapter numbered 10, consisting of sections numbered 30-78 through 30-84, as follows:

CHAPTER 10.

VIRGINIA RETIREMENT SYSTEM OVERSIGHT ACT.

§ 30-78. Title of chapter.

This chapter may be referred to as the "Virginia Retirement System Oversight Act."

§ 30-79. Purpose.

A. Section 11 of Article X of the Constitution of Virginia (1971) requires that the General Assembly maintain a state employees retirement system to be administered in the best interest of the beneficiaries thereof. In order to fulfill this duty, continuing legislative oversight of the Virginia Retirement System ("Retirement System" or "System") is essential.

B. The General Assembly hereby designates the Joint Legislative Audit and Review Commission ("Commission") to oversee and evaluate the Virginia Retirement System on a continuing basis and to make such special studies and reports, as may be requested by the General Assembly, the House Appropriations Committee, or the Senate Finance Committee.

§ 30-80. Duties and powers.

A. The areas of review and evaluation to be conducted by the Commission shall include, but are not limited to, the following: (i) structure and governance of the Retirement System; (ii) structure of the investment portfolio; (iii) investment practices, policies, and performance, including the effect of investment performance on employer contributions; (iv) actuarial policy and the actuarial soundness of the Retirement System's trust funds; and (v) administration and management of the Retirement System.

B. For the purpose of carrying out its duties under this chapter and notwithstanding any contrary provision of law, the Commission shall have the following powers, including but not limited to:

1. Access to the information, records, and facilities of the Retirement System and any corporations or subsidiaries thereof or other entities owned, directly or indirectly, or otherwise created by or on behalf of the System.

2. Access to the public and executive session meetings and records of the board of trustees of the System, as well as those of the System's investment advisory committee and real estate advisory committee. Access shall include the right to attend such meetings.

3. Access to the System's employees, consultants, actuaries, investment managers, advisors, attorneys, accountants, or other contractors in the employ or hire of the Virginia Retirement System. Such persons shall cooperate with the Commission and upon its request shall provide specific information or opinions in the form requested.

4. The chairman of the Commission may appoint a permanent subcommittee to provide guidance and direction for oversight activities, subject to the full Commission's supervision and such guidelines as the Commission itself may provide.

C. Confidential or proprietary records of the Virginia Retirement System or its subsidiary corporations provided to the Commission shall be exempted from the Virginia Freedom of Information Act (§ 2.1-342 et seq.).

§ 30-81. Required reports.

A. The Virginia Retirement System shall submit to the General Assembly, through its Commission, both semi-annual and annual reports on the investment programs of the Retirement System. The report shall be presented in a format approved by the Commission and shall include information concerning (i) planned or actual material changes in asset allocation, (ii) investment performance of all asset classes and subclasses, and (iii) investment policies and programs.

B. The System shall also submit a biennial report on the actuarial soundness of its trust funds, which shall include (i) funding policy and objectives, (ii) current and projected funding levels, (iii) current and projected contribution rates, and (iv) actuarial assumptions.

C. The System shall furnish such reports or information as may be requested by standing committees of the General Assembly having jurisdiction over the subject matter which is the basis of such committee's inquiry.

D. The Commission shall publish the following reports concerning the Retirement System: (i) a biennial status report which shall include, at a minimum and where appropriate, findings and recommendations and the status of actions, if any, taken in response to prior recommendations and (ii) with the assistance of an actuary, an actuarial report once every four years.

E. The Commission's staff shall prepare and maintain an informational guide to the Virginia Retirement System for the members of the General Assembly.

F. The Auditor of Public Accounts shall complete an annual financial audit of the Virginia Retirement System, the State Police Officers' Retirement System, and the Judicial Retirement System. The Auditor shall report the findings of his audit to the Governor, the General Assembly, the Joint Legislative Audit and Review Commission, and the Board of Trustees of the Virginia Retirement System. Such audit shall be submitted on or before the first day of the General Assembly session.

§ 30-82. Use of consultants.

The Commission may employ on a consulting basis such investment, actuarial, and other professional or technical experts as may be reasonably necessary for the Commission to fulfill its responsibilities under this chapter. Such consultants shall provide, upon request, assistance to the House Appropriations Committee and the Senate Finance Committee on matters related to the Retirement System.

§ 30-83. Cooperation of other agencies.

All agencies of the Commonwealth shall cooperate as requested by the Commission in the performance of its duties under this chapter.

§ 30-84. Funding for Commission's oversight activities.

The Commission's reasonable and necessary expenses related to its duties under this chapter shall be paid by the Retirement System and shall be borne by each trust fund in the System in the same ratio as the assets of each trust fund, as of the preceding June 30, bear to the total trust funds of the System on that date. On or before September 30 of each year, the Commission shall submit to the Board of Trustees of the Virginia Retirement System an itemized estimate for the next fiscal year of the amounts necessary to pay the Commission's expenses related to its duties under this chapter. A copy of the Commission's estimated expenses shall at that time be provided to the House Appropriations Committee and the Senate Finance Committee.

2. That § 2.1-155.1 of the Code of Virginia is repealed.