

LD7226605

HOUSE BILL NO. 615

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on March 7, 1994)

(Patron Prior to Substitute—Delegate Phillips)

A BILL to amend and reenact § 51.1-142 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 51.1-155.1, relating to service or membership credit or benefits for certain teachers and state employees in the Virginia Retirement System.

Be it enacted by the General Assembly of Virginia:

1. That § 51.1-142 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 51.1-155.1 as follows:

§ 51.1-142. Prior service or membership credit for certain members.

A. Any member in service may purchase credit for service lost as a result of the following:

1. Rejection of membership in the retirement system.

2. Cessation of membership under this chapter because of the withdrawal of his accumulated contributions.

3. Exclusion from membership because of being a member of the General Assembly or other state officer elected by the people.

4. Termination of service as an officer or employee of a political subdivision in a position which subsequently became covered by the retirement system and for which prior service credit was granted.

In order to receive credit for the service, the member must pay an amount equal to the contributions that he would have made during the entire period to be credited, assuming that the member contribution rate specified in this chapter as of the date of payment had been in effect during the entire period and that the higher of the member's creditable compensation or average final compensation as of the date of payment had been received during the entire period.

When a member requests credit for a portion of the period, the most recent portion shall be credited. Payment may be made in a lump sum or by an additional payroll deduction. Only one additional deduction shall be permitted at any time. Should the additional deduction be terminated prior to purchasing the entire period which might otherwise be credited, the member shall be credited with the number of additional months of service for which payments are made. If the additional deduction is continued beyond the point at which the entire period has been purchased, the member shall be credited with no more than the entire period which might otherwise have been credited and the excess amount deducted shall be refunded to the member.

B. Any member granted a leave of absence for any of the following reasons may purchase limited service on the basis set forth in subsection A of this section:

1. Up to four years of service for any leave of absence for educational purposes or for temporary employment with the General Assembly.

2. Up to four years of service subsequent to January 1, 1964, for any leave of absence due to illness or disability or service which was temporarily terminated due to illness or disability.

C. Any member in service who was denied membership because of having attained age sixty when first employed or reemployed may purchase all or any portion of service lost as a result of denial upon payment in a lump sum of the amount the member would have contributed had he been allowed to participate in the system. In order for the additional service to be considered in the computation of any retirement allowance payable in the event of retirement for disability, the member shall submit a medical report satisfactory to the Medical Board at the time payment is made showing that the member is of sound mind and body.

D. Service may be credited at no cost under the following circumstances:

1. Any member who was a member of the abolished system and who was in service on March 1, 1952, shall receive credit for service rendered as a state employee or teacher prior to July 1, 1942, provided the member has not received a refund of accumulated contributions since becoming a member of the abolished system.

2. Any member in service who is credited with five or more years of membership service who rendered full-time salaried service as a state employee or teacher prior to July 1, 1942, may receive credit for same.

3. Any member who is a teacher may receive credit for service rendered as a nonprofessional employee of a school board provided the school board has extended coverage to its nonprofessional employees and granted credit for service rendered prior to the effective date of coverage.

4. Any vested member who is a teacher shall receive up to two years of service credit for any involuntary leave of absence, without pay, required by local school division policies related to

60 pregnancy or childbirth provided (i) the member was on such leave from a covered position prior to
61 July 1, 1974, (ii) the member has not withdrawn all accumulated contributions, and (iii) the member
62 reenters service in a covered position within one year after the last date of such leave. In such
63 instances, the employer, or its successors, which had such policies in place and applied same to the
64 teacher seeking additional service credit shall be liable for the cost of providing such service credit.

65 4. 5. Any member may receive credit for service rendered in the armed forces of the United States
66 provided (i) the member was on leave of absence from a covered position, (ii) the discharge from the
67 armed forces was not dishonorable, (iii) the member has not withdrawn his accumulated contributions,
68 and (iv) the member reenters service in a covered position within one year after discharge from the
69 armed forces. No period of service rendered, through reenlistment, beyond the cessation of hostilities
70 shall be creditable service.

71 E. Any member of the abolished system may transfer accumulated contributions in that system to the
72 retirement system within one year after becoming a member of the retirement system.

73 § 51.1-155.1 Exceptions from general early retirement provisions for certain state employees.

74 A. Effective January 1, 1994, members of the retirement system, whose positions are described by
75 either § 2.1-116 A 3 or § 2.1-116 A 16 as in effect on January 1, 1994, or agency heads appointed by a
76 state board, state commission, or state council, who are involuntarily separated from state service and
77 who have twenty or more years of creditable service at the date of separation, may retire without the
78 reduction in retirement allowance required by § 51.1-155 A 2, upon attaining age fifty-five.

79 B. For the purposes of this section, "involuntary separation" means any dismissal, requested
80 resignation, or failure to obtain reappointment, except in case of a conviction for a felony or crime
81 involving moral turpitude or dishonesty.

82 C. The retirement allowance payable to any vested member retiring under the provisions of this
83 section with less than twenty years of creditable service at the date of involuntary separation as defined
84 in subsection B shall be reduced on an actuarial equivalent basis for the period by which the actual
85 date of such separation precedes the earlier of: (i) his normal retirement date or (ii) the first date on
86 which he would have completed a total of twenty years of creditable service.