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1 **SENATE BILL NO. 484**
2 Offered January 22, 1996
3 *A BILL to amend and reenact § 51.1-165 of the Code of Virginia, relating to the Virginia Retirement*
4 *System; election of optional benefits.*
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6 Patrons—Lambert and Howell; Delegates: Clement, DeBoer and Hall
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8 Referred to the Committee on Finance
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10 **Be it enacted by the General Assembly of Virginia:**
11 **1. That § 51.1-165 of the Code of Virginia is amended and reenacted as follows:**
12 § 51.1-165. Optional benefits.
13 A. Any member not taking 50/10 retirement as provided in § 51.1-153 or § 51.1-205 may elect to
14 have his retirement allowance payable under one of the options set forth in this subsection and receive
15 the actuarial equivalent of the retirement allowance otherwise payable to him. *Such option shall be*
16 *selected by the member at the time of making application for retirement, which application shall include*
17 *a statement, acknowledged pursuant to § 55-118.4 or § 55-118.6, by the member's spouse, if any,*
18 *consenting to the option selected.* The election of an optional benefit shall be subject to the approval of
19 the Board.
20 1. Straight life option. - A member may elect to receive an increased retirement allowance in lieu of
21 any death benefits.
22 2. Joint and last-survivor option. - A member may elect to receive a decreased retirement allowance
23 during his lifetime and have the retirement allowance, or one-half thereof, continued after his death to a
24 contingent annuitant during the lifetime of such person. If the member's retirement is for disability, the
25 election of the retirement allowance to be continued after the member's death shall be limited to one-half
26 of the decreased retirement allowance received by the member during his lifetime. In case of such an
27 election, death benefits that might otherwise be provided shall not be payable upon the death of the
28 member unless death of the member occurs prior to the effective date of retirement as set forth in
29 subsection B of this section. This option may not be elected by a member if the leveling option of
30 subdivision 3 of this subsection has previously been elected, nor may it be elected if the contingent
31 annuitant is not the spouse of the member and the actuarially computed present value of the payments
32 expected to be made to the member is less than one-half of the actuarially computed combined present
33 value of the total payments expected to be made to the member and the contingent annuitant.
34 3. Leveling option. - If a member retires from service on or after January 1, 1994, he may elect to
35 receive a temporary increased retirement allowance beginning on the member's effective date of
36 retirement and continuing until the member reaches age fifty-nine and one-half or any whole age up
37 through age seventy and one-half, as designated by the member at the time of his retirement. Upon
38 attaining the age designated, the temporary allowance shall cease and the retirement allowance shall be
39 reduced on an actuarially equivalent basis. The temporary retirement allowance specified by the member
40 shall not result in more than a fifty percent reduction in the member's benefit as provided in § 51.1-155.
41 Any member electing to receive such an allowance shall not be entitled to a joint and last survivor
42 benefit.
43 4. Other options. - Some other benefits may be paid either to the member or to contingent annuitants
44 he elects. However, the actuarially computed expected duration of the payment of any such benefits
45 shall not exceed the actuarially computed life expectancy of the member and his spouse, and the
46 actuarially computed present value of the payments expected to be made to the member shall be greater
47 than one-half of the actuarially computed combined present value of the total payments expected to be
48 made to the member and any contingent annuitant, but in no event shall the payment to the contingent
49 annuitant exceed the amount of the member's benefit payable under the special option selected.
50 B. Any member taking 50/10 retirement as provided in § 51.1-153 or § 51.1-205 may elect to have
51 his retirement allowance payable under the option set forth in this subsection and receive the actuarial
52 equivalent of the retirement allowance otherwise payable to him. The election of this optional benefit
53 shall be subject to the approval of the Board.
54 50/10 retirement joint and last-survivor option. - A member may elect to receive a decreased
55 retirement allowance during his lifetime and have the retirement allowance continued after his death to a
56 contingent annuitant during the lifetime of such person. The retirement allowance pursuant to this option
57 shall be determined as provided in subdivision A 5 of § 51.1-155, except (i) the present value of future
58 retirement benefits shall be calculated based on the life expectancies of both the member and the
59 contingent annuitant and (ii) the actuarially computed present value of the payments expected to be

60 made under this option shall be actuarially equivalent to the actuarially computed present value of the
61 payments expected to be made to the member as determined pursuant to subdivision A 5 of § 51.1-155.
62   C. The election of any one of the options stated in this section shall be null and void if the member
63 dies prior to the Board receiving written notification of the member's effective date of retirement. The
64 election of a joint and last-survivor option shall be null and void if the contingent annuitant dies before
65 the member's retirement. For purposes of this subsection, retirement shall be deemed to commence on
66 the effective date of a member's service retirement or disability. If the death of the member occurs prior
67 to the effective date of retirement but after the Board has received written notification of the member's
68 effective date of retirement, benefits shall be paid in accordance with the provisions of § 51.1-163 and
69 the requirement that the member be in service shall not apply.
70   D. A member who has elected any of the options stated in this section may revoke such an election
71 by written notification to the Board any time prior to the later of the effective date of retirement or the
72 date of written notification to the Board of retirement of the member.
73   E. A retired member who has elected a joint and last-survivor option may, by written notification to
74 the Board, revoke such election and elect to receive from time of notification either the retirement
75 allowance to which he would have been entitled had no option been elected initially or an allowance
76 actuarially equivalent thereto under a joint and last-survivor option with a different contingent annuitant,
77 if (i) the original contingent annuitant has died, (ii) a final decree of divorce of the retired member from
78 the original contingent annuitant has been entered, or (iii) the written consent of the original contingent
79 annuitant, together with evidence satisfactory to the Board of the good health of the original contingent
80 annuitant, is submitted with the notification. If the provisions of this subsection are invoked by a retired
81 member on the basis of the member's having been divorced from his contingent annuitant and the
82 marriage had been of a duration of twenty years or more, the provisions of this subsection shall not be
83 applicable until the death or remarriage of the former spouse unless such spouse consents in writing to
84 the revocation of the option prior to death or remarriage.
85   If such an election is made as a result of the death or divorce of the contingent annuitant, the benefit
86 payable to the retired member may be adjusted retroactively for a period of not more than sixty days
87 from the date the Board first receives notification of the desire of the retired member to make such a
88 change.
89   F. Subject to the provisions of subsection E of this section, any member who retires on or after July
90 1, 1986, and returns to covered employment shall not be entitled to select a different optional benefit
91 upon making application for retirement a second time.