

VIRGINIA ACTS OF ASSEMBLY -- 1997 SESSION

CHAPTER 174

An Act to amend and reenact §§ 51.1-602 and 51.1-603 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 51.1-603.1, relating to the Virginia Retirement System; deferred compensation plans.

[H 1683]

Approved March 8, 1997

Be it enacted by the General Assembly of Virginia:

1. That §§ 51.1-602 and 51.1-603 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 51.1-603.1 as follows:

§ 51.1-602. Deferred compensation plan for employees of the Commonwealth; administered by the Board.

A. The Board shall establish and administer a deferred compensation plan for employees of the Commonwealth and its agencies. The Virginia Retirement System Director shall be the chief administrative officer of the plan. The Board may contract with private corporations or institutions subject to the standards set forth in § 51.1-124.30 to provide investment products as well as any other goods and services related to the administration of the deferred compensation plan. The Virginia Retirement System is hereby authorized to perform related services including, but not limited to, providing consolidated billing, individual and collective record keeping and accountings, and asset purchase, control, and safekeeping. In accordance with such plan, and upon contract or agreement with an eligible employee, deferrals of compensation may be accomplished by payroll deductions made by the appropriate officer of the Commonwealth, with such funds being thereafter held and administered in accordance with the plan.

B. If it deems it advisable, the Board may create a trust or other special fund for the segregation of the funds or assets resulting from compensation deferred at the request of employees of the Commonwealth or its agencies and for the implementation of such program.

C. The Department of Accounts shall be responsible for the accounting; *and reconciliations; and record keeping* associated with state employees' ~~enrollment, payments~~ *contributions* to the plan through payroll deductions, and timely transfer of withheld funds to the ~~trustee~~ *private corporation or institution* designated by the Board *pursuant to subsection A.*

D. ~~The investment products previously selected for the deferred compensation plan by the Deferred Compensation Board shall remain in force until the corporation providing investment services or the Commonwealth terminates the agreement. The Board of Trustees of the Virginia Retirement System shall be the successor in interest to all rights of the Deferred Compensation Board under any existing investment agreement.~~

E. ~~Any employee of the Commonwealth who was a member of the deferred compensation plan on or before July 1, 1987, may elect to participate in the investment products provided for in subsection A of this section or continue to contribute to the previously selected investment products until such products are terminated by the contractor or the Commonwealth. No further contribution may be made to the previously selected investment products if the eligible employee elects to participate in the funds provided for in subsection A of this section. Any employee of the Commonwealth who becomes a member of the deferred compensation plan subsequent to July 1, 1987, shall participate in the funds provided for in subsection A of this section.~~

F. ~~The Commonwealth, the Board of Trustees of the Virginia Retirement System, the employees of the System, and the Investment Advisory Committee of the System shall not incur any liability for any losses suffered by a deferred compensation plan established or administered under the authority of this chapter.~~

§ 51.1-603. Local deferred compensation plans.

A. Any county, municipality, authority, or other political subdivision of the Commonwealth may by ordinance or resolution adopt and establish for itself and its employees a deferred compensation plan. Any such deferred compensation plan may include constitutional officers and their employees. The ordinance or resolution adopting or establishing such plan shall create or designate an appropriate board or officer to administer the plan, and shall confer upon such board or officer the authority to do all things by way of supervision, administration, and implementation of the plan, including the power to contract with private corporations or institutions for services in connection therewith. The deferral of compensation may be accomplished by payroll deductions by the appropriate officer of the county, municipality, authority, or other political subdivision.

B. *If it deems it advisable, any county, municipality, authority, or other political subdivision of the Commonwealth, which by ordinance or resolution adopts and establishes for itself and its employees a*

deferred compensation plan, may create a trust or other special fund for the segregation of the funds or assets resulting from compensation deferred at the request of its employees for the implementation of such plan.

§ 51.1-603.1. Participation by employees of political subdivisions in deferred compensation plan of Virginia Retirement System.

The Virginia Retirement System may enter into an agreement with any political subdivision of the Commonwealth to permit participation by the political subdivision's employees in the deferred compensation plan established and administered by the Board pursuant to § 51.1-602.