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HOUSE BILL NO. 300**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Appropriations
on February 12, 1998)

(Patron Prior to Substitute—Delegate Croshaw)

A BILL to amend the Code of Virginia by adding a section numbered 51.1-126.5, relating to a defined contribution plan for certain state employees.

Be it enacted by the General Assembly of Virginia:**1. That the Code of Virginia is amended by adding a section numbered 51.1-126.5 as follows:**

§ 51.1-126.5. Certain employees of public school divisions.

A. Any county or city with a population of greater than 200,000 may establish and administer a retirement plan for the benefit of eligible members serving in a position designated in § 22.1-60 and is hereby authorized to make contributions for the benefit of its eligible employees who elect to participate in such a plan rather than in the retirement plan established by this chapter. Any present or future eligible employee of such county or city shall make an irrevocable election to participate in either the retirement system established by this chapter or the plan provided by the county or city employing him, in accordance with the guidelines for making such election as established by the Virginia Retirement System. The election provided for herein shall be exercised not later than ninety days after the effective date of this legislation for those employees employed on that date and not later than ninety days from the date performance of duties begins for employees hired after such effective date.

B. No employee of any county or city who is an active member of the retirement plan established under this section shall also be an active member in the Virginia Retirement System or beneficiary thereof other than as a contingent annuitant. Such eligible employee may, however, be covered under any insurance plan established by the Board under this title for which he would have been otherwise eligible.

C. The contribution by the county or city to such employee's retirement plan shall be determined by the county or city.

D. The county or city establishing a retirement plan as provided for in this section shall develop policies and procedures for the administration of such plan in accordance with existing and future federal and state policies, regulations, and statutes governing the administration of such plans.