

ITEM 469.	Item Details(\$)		Appropriations(\$)	
	First Year FY2011	Second Year FY2012	First Year FY2011	Second Year FY2012
<b>Central Appropriations (995)</b>				
469. Compensation and Benefit Adjustments (75700).....			(\$4,680,268)	\$12,411,455 (\$27,327,805)
Adjustments to Employee Compensation (75701).....	(\$5,927,794)	\$0		
Adjustments to Employee Benefits (75702).....	\$1,247,526	\$66,887,978 \$12,411,455 (\$94,215,783)		
Fund Sources: General.....	(\$4,680,268)	\$12,411,455 (\$27,327,805)		

Authority: Discretionary Inclusion.

A. Transfers to or from this Item may be made to decrease or supplement general fund appropriations to state agencies for:

1. Adjustments to base rates of pay;
2. Adjustments to rates of pay for budgeted overtime of salaried employees;
3. Salary changes for positions with salaries listed elsewhere in this act;
4. Salary changes for locally elected constitutional officers and their employees;
5. In-band salary adjustments for employees subject to the Virginia Personnel Act to recognize changes in duties or professional skill development, establish internal alignment (equitable salary relationships), or respond to labor market conditions (retention);
6. Employer costs of employee benefit programs when required by salary-based pay adjustments;
7. Salary changes for local employees supported by the Commonwealth, other than those funded through appropriations to the Department of Education; and
8. Adjustments to the cost of employee benefits to include but not limited to health insurance premiums and retirement and related contribution rates.

B. Transfers from this Item may be made when appropriations to the state agencies concerned are insufficient for the purposes stated in paragraph A of this Item, as determined by the Department of Planning and Budget, and subject to guidelines prescribed by the department. Further, the Department of Planning and Budget may transfer appropriations within this Item from the second year of the biennium to the first year, when necessary to accomplish the purposes stated in paragraph A of this Item.

C. Except as provided for elsewhere in this Item, agencies supported in whole or in part by nongeneral fund sources, shall pay the proportionate share of changes in salaries and benefits as required by this Item, subject to the rules and regulations prescribed by the appointing or governing authority of such agencies.

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Nongeneral fund revenues and balances required for this purpose are hereby appropriated.

D. The Governor is hereby authorized to transfer funds from agency appropriations to the accounts of participating state employees in such amounts as may be necessary to match the contributions of the qualified participating employees, consistent with the requirements of the Code of Virginia governing the deferred compensation cash match program. Such transfers shall be made consistent with the following:

1. The maximum cash match provided to eligible employees shall not be less than \$10.00 per pay period, or \$20.00 per month in the first year, and \$20.00 per pay period, or \$40.00 per month in the second year. The Governor may direct the agencies of the Commonwealth to utilize funds contained within their existing appropriations to meet these requirements.

2. The Governor may direct agencies supported in whole or in part with nongeneral funds to utilize existing agency appropriations to meet these requirements. Such nongeneral revenues and balances are hereby appropriated for this purpose, subject to the provisions of § 4-2.01 b of this act. The use of such nongeneral funds shall be consistent with any existing conditions and restrictions otherwise placed upon such nongeneral funds.

3. Employees who are otherwise eligible but whose 403 (b) provider does not participate in the cash match program by establishing a 401 (a) account are ineligible to receive a cash match.

4. The procurement of services related to the implementation of this program shall be governed by standards set forth in § 51.1-124.30 C, Code of Virginia, and shall not be subject to the provisions of Chapter 7 (§ 11-35 et seq.), Title 11, Code of Virginia.

5. Pursuant to § 3-1.01 of this act, amounts estimated at \$3,491,632 the first year shall be transferred from eligible nongeneral fund accounts to the general fund, representing nongeneral fund savings associated with a reduction in the level of state match, from \$20 per pay period to \$10 per pay period, in the first year.

E. The Secretary of Administration, in conjunction with the Secretary of Finance, may establish a program that allows for the sharing of cost savings from improved productivity and performance with agencies and employees. Such gain sharing programs require a management philosophy of open communication encouraging employee participation; a system which seeks, evaluates and implements employee input on increasing productivity; and a formula for measuring productivity gains and sharing these gains between employees and the agency. The Department of Human Resource Management, in conjunction with the Department of Planning and Budget, shall develop specific gain sharing program guidelines for use by agencies. The Department of Human Resource Management shall provide to the Governor, the

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Chairmen of the House Appropriations and Senate Finance Committees an annual report no later than October 1 of each year detailing identified savings and their usage.

F.1. Out of the appropriation for this Item, amounts estimated at \$11,376,638 the first year and \$11,817,009 the second year from the general fund shall be transferred to state agencies and institutions of higher education to support the general fund portion of costs associated with changes in the employer's share of premiums paid for the Commonwealth's health benefit plans.

2. Notwithstanding any contrary provision of law, the health benefit plans for state employees resulting from the additional funding in this Item shall allow for a portion of employee medical premiums to be charged to employees.

3. The Department of Human Resources Management shall explore options within the health insurance plan for state employees to promote value-based health choices aimed at creating greater employee satisfaction with lower overall health care costs. It is the General Assembly's intent that any savings associated with this employee health care initiative be retained and used towards funding state employee salary or fringe benefit cost increases.

4. Notwithstanding any provision of law, effective July 1, 2009, coverage for lap band and gastric bypass surgery under the state employee health insurance program shall be conditional on the successful participation in a progressive weight management program to be developed by the Department of Human Resource Management.

5. Notwithstanding any provision of law, the funding included in this Item pursuant to this Paragraph for state employee health insurance assumes the cessation of coverage for non-sedating antihistamines and erectile dysfunction drugs.

G. Out of the general fund appropriation for this Item is included \$3,077,123 the first year and \$3,692,986 the second year to support the general fund portion of the costs associated with changes in premiums paid by state agencies on behalf of their employees for workers compensation coverage. The Director, Department of Planning and Budget, is authorized to transfer these funds to the impacted state agencies based upon new workers compensation premiums as provided by the Department of Human Resource Management. Also, the Director, Department of Planning and Budget, is authorized to transfer funds between agencies based on these new premiums.

H.1. On July 1, 2010, the State Comptroller shall establish a fund on the books of the Commonwealth to be known as the Virginia Retirement System Suspense Payment Fund. For the purposes of the provisions of § 2.2-813, Code of Virginia, this fund shall be considered part of the general fund and shall contain all

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payments made to it by agencies of the Commonwealth and any appropriations or other deposits directed to be made to it by the General Assembly. Within this fund, the State Comptroller shall establish separate fund details for each of the programs (retirement, group life insurance, retiree health care credit, and the Virginia Sickness and Disability Program) for which payment is required to be made to the Virginia Retirement System (VRS). All funds remaining in this fund at the close of any fiscal year shall become part of the general fund balance.

2. Effective July 1, 2010, any agency that participates in a program sponsored by VRS shall make its contribution payment for each program to the Department of Accounts for deposit into the Virginia Retirement System Suspense Payment Fund. Such payments may be made either by payment through the state's payroll system or by direct payment from the agency. Payments made to the Department of Accounts shall be based upon the funded rates which are set out below:

<b>Retirement</b>	<b>FY 2011</b>	<b>FY 2012</b>
Regular VRS	6.58%	6.58%
SPORS	21.16%	21.16%
VaLORS	13.09%	13.09%
JRS	42.58%	42.58%
<b>Other Post Employment Benefits</b>		
Group Life	1.02%	1.02%
Retiree Health Care Credit	0.99%	0.99%
Virginia Sickness and Disability Program	0.66%	0.66%

3. Out of the general fund appropriation for this item is included \$6,839,113 the first year and \$7,136,455 the second year from the general fund to support the general fund portion of the net costs resulting from changes in employer contributions for state employee retirement as provided in the above table.

4. Pursuant to § 3-1.01 of this act, amounts estimated at \$258,636 the first year and \$269,882 the second year shall be transferred from eligible nongeneral fund

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accounts to the general fund, representing nongeneral fund savings associated with reductions in employer contributions for the Virginia Law Officers Retirement System as provided in the above table.

5. The Director, Department of Planning and Budget, shall withhold and transfer to this item, amounts estimated at \$983,313 the first year and \$1,026,049 the second year from the general fund appropriations of state agencies and institutions of higher education, representing the net savings resulting from changes in contribution rates for state employee Other Post Employment Benefits as provided in the above table.

6. Pursuant to § 3-1.01 of this act, amounts estimated at \$4,855,893 the first year and \$5,066,977 the second year shall be transferred from eligible nongeneral fund accounts to the general fund, representing nongeneral fund savings associated with savings resulting from changes in contribution rates for state employee Other Post Employment Benefits as provided in the above table.

I. The payments prescribed in paragraph H.2. above shall be made according to a schedule approved by the State Comptroller for each agency.

1. From these funds, the State Comptroller shall make payment to VRS for all programs in accordance with the rates approved by the General Assembly and set out below:

<b>Retirement</b>	<b>FY 2011</b>	<b>FY 2012</b>
Regular VRS	2.13%	<del>2.08%</del> 6.08%
SPORS	7.76%	<del>7.73%</del> 11.73%
VaLORS	5.12%	<del>5.07%</del> 9.07%

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JRS	28.81%	<del>28.65%</del>
		32.65%

#### Other Post Employment Benefits

Group Life	0.28%	0.28%
Retiree Health Care Credit	0.10%	0.10%
Virginia Sickness and Disability Program	0.00%	0.00%

Such payment shall be made after the tenth day following the close of each quarter of the fiscal year.

2. The State Comptroller shall transfer any excess balances paid into the fund that are not needed to make the payments set out in paragraph 1 above and that are attributable to federal trust funds, transportation funds from the Virginia Department of Transportation, bond funded capital projects, and the appropriate federal portion of Internal Service funds to the agencies and fund sources from which they were derived.

3. Notwithstanding any contrary provision of law, on or before June 30 of each fiscal year, the State Comptroller shall deposit to the general fund all excess balances in the fund, less any amounts needed to make payments pursuant to paragraphs 3 and 4 above. Such deposits are estimated at \$245,727,423 the first year and ~~\$258,333,980~~ \$135,467,080 the second year. These amounts represent the savings associated with reduced employer contribution rates for retirement, group life insurance, retiree health care credit, and the Virginia Sickness and Disability Program for these fiscal years.

4. Notwithstanding any contrary provision of law, the State Comptroller shall have broad authority to establish the policies and procedures needed to execute the provisions of this section in order to maintain its intended objective and to comply with any accounting standards or requirements of federal law.

5. The Virginia Retirement System Board of Trustees shall account for the employer retirement contribution payments deferred for the 2010-2012 biennium based on limiting employer retirement contributions to the Virginia Retirement System to the actuarial normal cost. In setting the employer retirement contribution rates for the 2012-2014 biennium, and subsequent biennia, the Board shall calculate a separate,

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supplemental employer contribution rate that will amortize such deferred payments over a period of ten years using the Board's assumed long-term rate of return. The Governor shall include funds to support payment of such Board-approved, supplemental employer contribution rates in the budget submitted to the General Assembly.

J.1 Retirement contribution rates paid for public school teachers, excluding the five percent employee portion, shall be 3.93 percent in the first year and ~~5.16~~ 7.16 percent in the second year.

2. Contribution rates paid for public school teachers for the retiree health care credit shall be 0.60 percent in the first and the second year.

K.1 Pursuant to the enactment of House Bill 1189, 2010 Session of the General Assembly, the Director, Department of Planning and Budget, shall withhold and transfer to this item, amounts estimated at \$4,283,243 the first year and \$11,491,947 the second year, from the general fund appropriations of state agencies and institutions of higher education, representing savings from the provision requiring employees hired on or after July 1, 2010, with no prior service, to pay the five percent employee contribution for their retirement benefit.

2. Pursuant to § 3-1.01 of this act, amounts estimated at \$2,890,092 the first year and \$8,370,859 the second year shall be transferred from eligible nongeneral fund accounts to the general fund, representing nongeneral fund savings associated with the requirement for new employees to pay the 5 percent employee contribution.

L.1 Pursuant to the enactment of House Bill 1189 of the 2010 General Assembly Session, the Director of Department of Planning and Budget shall withhold and transfer to this item, amounts estimated at \$379,321 the first year and \$716,999 the second year, from the general fund appropriations of state agencies and institutions of higher education, representing savings from the provision decreasing the state's contribution into the optional retirement plans for employees hired on or after July 1, 2010, with no prior service.

2. Pursuant to § 3-1.01 of this act, amounts estimated at \$414,365 the first year and \$793,825 the second year shall be transferred from eligible nongeneral fund accounts to the general fund, representing nongeneral fund savings associated with the decrease in the contribution rates into the optional retirement plans for employees hired on or after July 1, 2010, with no prior service.

M.1 Notwithstanding any provision to the contrary, any references to a period of 14 days or a period of 28 days in §§ 51.1-1111, -1112, -1122, and -1123 of the Virginia Sickness and Disability Program (VSDP) are hereby changed to a period of 45 days. Moreover, the period of 45 days shall be consecutive days that the participating employee is (i) actively at work and (ii) fully released to return to work full time, full duty.

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The Virginia Retirement System shall develop policies and procedures to administer the effects of the 45-day period in connection with participants who are deemed to have a major chronic condition.

2. Notwithstanding any provision to the contrary, any eligible employee commencing employment or re-employment on or after July 1, 2009, shall not be entitled to receive Virginia Sickness and Disability Program benefits under Article 3, Chapter 11, Title 51.1, Code of Virginia, (Nonwork Related Disability Benefits) until the employee completes one continuous year of active employment or re-employment.

3. Notwithstanding any provision to the contrary, for all eligible employees commencing employment or re-employment on or after July 1, 2009, short-term disability coverage under the Virginia Sickness and Disability Program shall provide income replacement for no more than 60 percent of a participating employee's creditable compensation for the first 60 months of continuous state service after employment or re-employment.

N. Notwithstanding the provisions of § 2.2-3205(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System the costs of enhanced retirement benefits provided for in § 2.2-3204(A), Code of Virginia. Instead, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to the Virginia Retirement System beginning with the June 30, 2011, actuarial valuation.

O. Notwithstanding any other provisions of law, the State Comptroller shall delay the transfer of all employer-paid retirement contributions under all defined benefit plans administered by VRS for the final five paydays of fiscal years 2011 and 2012 to fiscal years 2012 and 2013 respectively. The applicable transfers shall occur no later than July 10, 2011, and July 10, 2012, respectively.

2. The Director, Department of Planning and Budget, shall withhold and transfer to this item amounts estimated at \$14,399,470 the first year from the general fund appropriations of state agencies and institutions of higher education, representing savings from the delay in payments provided for in this paragraph.

*P.1. The election of a Virginia Retirement System employer to pay, for any employee who was a Virginia Retirement System member on or before June 30, 2010, an equivalent amount in lieu of all member contributions under the provisions of § 51.1-144F is irrevocable.— The provisions of this paragraph are declaratory of existing public policy and law Each county, city, town, local public school board, or other local employer who has elected to pay an equivalent amount in lieu of the member contributions required of an employee who is not a person who becomes a member on or after July 1, 2010, may require such employee to pay member contributions on a salary*



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*reduction basis in accordance with § 414(h) of the Internal Revenue Code in the amount of five percent of the employee's creditable compensation, effective July 1, 2011, provided that the employer shall at the same time increase the base salary of such employee by at least three percent.*

*2. The election available to a county, city, town, local public school board or other local employer, under Subdivision 2 of § 51.1-144F, to pay an equivalent amount in lieu of the member contributions required of its employees shall not apply to any employee, who is a person who became a member on or after July 1, 2010, hired by a county, city, town, local public school board, or other local employer on or after July 1, 2011.*

Q. The purpose of this paragraph is to provide a transitional severance benefit, under the conditions specified, to eligible city, county, school division or other political subdivision employees who are involuntarily separated from employment with their employer.

1.a. "Involuntary separation" includes, but is not limited to, terminations and layoffs from employment with the employer, or being placed on leave without pay-layoff or equivalent status, due to budget reductions, employer reorganizations, workforce downsizings, or other causes not related to the job performance or misconduct of the employee, but shall not include voluntary resignations. As used in this paragraph, a "terminated employee" shall mean an employee who is involuntarily separated from employment with his employer.

b. The governing authority of a city, county, school division or other political subdivision electing to cover its employees under the provisions of this paragraph shall adopt a resolution, as prescribed by the Board of Trustees of the Virginia Retirement System, to that effect. An election by a school division shall be evidenced by a resolution approved by the Board of such school division and its local governing authority.

2.a. Any (i) "eligible employee" as defined in § 51.1-132, (ii) "teacher" as defined in § 51.1-124.3, and (iii) any "local officer" as defined in § 51.1-124.3 except for the treasurer, commissioner of the revenue, attorney for the Commonwealth, clerk of a circuit court, or sheriff of any county or city, and (a) for whom reemployment with his employer is not possible because there is no available position for which the employee is qualified or the position offered to the employee requires relocation or a reduction in salary and (b) whose involuntary separation was due to causes other than job performance or misconduct, shall be eligible, under the conditions specified, for the transitional severance benefit conferred by this paragraph. The date of involuntary separation shall mean the date an employee was terminated from employment or placed on leave without pay-layoff or equivalent status.

b. Eligibility shall commence on the date of involuntary

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separation.

3.a. On his date of involuntary separation, an eligible employee with (i) two years' service or less to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary; (ii) three years through and including nine years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to four weeks of salary plus one additional week of salary for every year of service over two years; (iii) ten years through and including fourteen years of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to twelve weeks of salary plus two additional weeks of salary for every year of service over nine years; or (iv) fifteen years or more of consecutive service to the employer shall be entitled to receive a transitional severance benefit equivalent to two weeks of salary for every year of service, not to exceed thirty-six weeks of salary.

b. Transitional severance benefits shall be computed by the terminating employer's payroll department. Partial years of service shall be rounded up to the next highest year of service.

c. Transitional severance benefits shall be paid by the employer in the same manner as normal salary. In accordance with § 60.2-229, transitional severance benefits shall be allocated to the date of involuntary separation. The right of any employee who receives a transitional severance benefit to also receive unemployment compensation pursuant to § 60.2-100 et seq. shall not be denied, abridged, or modified in any way due to receipt of the transitional severance benefit; however, any employee who is entitled to unemployment compensation shall have his transitional severance benefit reduced by the amount of such unemployment compensation. Any offset to a terminated employee's transitional severance benefit due to reductions for unemployment compensation shall be paid in one lump sum at the time the last transitional severance benefit payment is made.

d. For twelve months after the employee's date of involuntary separation, the employee shall continue to be covered under the (i) health insurance plan administered by the employer for its employees, if he participated in such plan prior to his date of involuntary separation, and (ii) group life insurance plan administered by the Virginia Retirement System pursuant to Chapter 5 (§ 51.1-500 et seq.) of Title 51.1, or such other group life insurance plan as may be administered by the employer. During such twelve months, the terminating employer shall continue to pay its share of the terminated employee's premiums. Upon expiration of such twelve month period, the terminated employee shall be eligible to purchase continuing health insurance coverage under COBRA.

e. Transitional severance benefit payments shall cease if a terminated employee is reemployed or hired in an individual capacity as an independent contractor or consultant by the employer during the time he is

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receiving such payments.

f. All transitional severance benefits payable pursuant to this section shall be subject to applicable federal laws and regulations.

4.a. In lieu of the transitional severance benefit provided in subparagraph 3 of this paragraph, any otherwise eligible employee who, on the date of involuntary separation, is also (i) a vested member of the Virginia Retirement System, including a member eligible for the benefits described in subsection B of § 51.1-138, and (ii) at least fifty years of age, may elect to have the employer purchase on his behalf years to be credited to either his age or creditable service or a combination of age and creditable service, except that any years of credit purchased on behalf of a member of the Virginia Retirement System, including a member eligible for the benefits described in subsection B of § 51.1-138, who is eligible for unreduced retirement shall be added to his creditable service and not his age. The cost of each year of age or creditable service purchased by the employer shall be equal to fifteen percent of the employee's present annual compensation. The number of years of age or creditable service to be purchased by the employer shall be equal to the quotient obtained by dividing (i) the cash value of the benefits to which the employee would be entitled under subparagraphs 3.a. and 3.d. of this paragraph by (ii) the cost of each year of age or creditable service. Partial years shall be rounded up to the next highest year. Deferred retirement under the provisions of subsection C of §§ 51.1-153 and 51.1-205, and disability retirement under the provisions of § 51.1-156 et seq., shall not be available under this paragraph.

b. In lieu of the (i) transitional severance benefit provided in subparagraph 3 of this paragraph and (ii) the retirement program provided in this subsection, any employee who is otherwise eligible may take immediate retirement pursuant to §§ 51.1-155.1 or 51.1-155.2.

c. The retirement allowance for any employee electing to retire under this paragraph who, by adding years to his age, is between ages fifty-five and sixty-five, shall be reduced on the actuarial basis provided in subdivision A. 2. of § 51.1-155.

d. The retirement program provided in this subparagraph shall be otherwise governed by policies and procedures developed by the Virginia Retirement System.

e. Costs associated with the provisions of this subparagraph shall be factored into the employer contribution rates paid to the Virginia Retirement System beginning with the June 30, 2011 actuarial evaluation.

R. Out of the general fund appropriation for this Item, ~~\$3,000,000~~ \$3,400,000 in the second year shall be transferred to state agencies and institutions of higher education to support the general fund portion of costs associated with benefits provided pursuant to the Line

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of Duty Act.

S.1. All classified employees of the Executive branch and other full-time employees of the Commonwealth, except elected officials, who were employed on June 30, 2010 and remain employed until at least December 1, 2010, shall receive a one-time bonus payment equal to three percent of base pay on December 1, 2010, contingent upon additional general fund resources equaling or exceeding \$82,200,000 from the combination of actual general fund revenue collections for FY 2010 exceeding the official FY 2010 revenue estimate contained in the first enactment of HB 29 of the 2010 session of the General Assembly, and by any discretionary unspent general fund appropriations recommended by the Governor for reversion at the end of FY 2010. If the combination of additional general fund revenue collections and year-end general fund balances recommended for reversion by the Governor for FY 2010 exceed the official revenue estimate by less than \$82,200,000, the one-time bonus payment shall be prorated to a percent of base pay for the general fund payroll that equates to the amount of excess resources collected.

2. For purposes of paying the general fund share of the December 1, 2010, one-time bonus, the State Comptroller shall reserve \$82,200,000 on the balance sheet for the general fund attributable to FY 2010 general fund revenue collections in excess of the official revenue estimate and discretionary general fund balances recommended for reversion by the Governor.

3. The Director of the Department of Planning and Budget shall administratively increase nongeneral fund appropriations as required to implement the one-time bonus payment.

*T.1. Every "state employee" who is not a "person who becomes a member on or after July 1, 2010," as those terms are defined in § 51.1-124.3, shall be required to pay member contributions on a salary reduction basis in accordance with § 414(h) of the Internal Revenue Code in the amount of five percent of creditable compensation, effective July 1, 2011, if the employee is (i) a member covered by the defined benefit plan of the Virginia Retirement System established under Chapter 1 of Title 51.1 (§ 51.1-100 et seq.), (ii) a member of the State Police Officers' Retirement System under Chapter 2 of Title 51.1 (§ 51.1-200 et seq.), (iii) a member of the Virginia Law Officers' Retirement System under Chapter 2.1 of Title 51.1 (§ 51.1-211 et seq), or (iv) a member of the Judicial Retirement System under Chapter 3 of Title 51.1 (§ 51.1-300 et seq.).*

*2. The base salary of employees described in subparagraph T.1. hereof shall be increased by three percent on July 1, 2011.*

*3. The retirement contribution by the Commonwealth on behalf of an employee who is not a person who becomes a member on or after July 1, 2010, participating in an optional retirement plan maintained by the Virginia Retirement System Board of Trustees or*

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*in an optional retirement plan established by his institution of higher education under §51.1-126 shall, pursuant to procedures established by the Virginia Retirement System Board of Trustees, be at least 8.5 percent but not more than 8.9 percent of creditable compensation, effective July 1, 2011. The portion of the employer contribution in excess of 8.5 percent of creditable compensation shall not be funded from the general fund of the state treasury, but shall be paid from other funds.*

*4. The Director, Department of Planning and Budget, shall withhold and transfer to this Item, amounts estimated at \$32,991,493 the second year from the general fund appropriations of state agencies and institutions of higher education, representing the net savings resulting from changes in employee defined benefit retirement contributions and compensation as provided for in subparagraph T.1. of this paragraph.*

*5. Pursuant to § 3-1.01 of this act, the State Comptroller shall transfer amounts estimated at \$18,201,242 the second year from eligible nongeneral fund accounts to the general fund, representing nongeneral fund savings associated with the net savings resulting from changes in employee retirement contributions and compensation as provided for in subparagraph T.1. of this paragraph.*

*6. The Director, Department of Planning and Budget, shall withhold and transfer to this Item, amounts estimated at \$7,147,767 the second year from the general fund appropriations of state agencies and institutions of higher education, representing the savings resulting from a reduction in employer contributions for optional retirement plans as provided for in subparagraph T.3. of this paragraph.*

*U.1. All classified employees of the Executive branch and other full-time employees of the Commonwealth, except elected officials, who were employed on January 1, 2011 and remain employed until at least December 1, 2011, shall receive a one-time bonus payment equal to two percent of base pay on December 1, 2011, contingent upon year-end general fund balances recommended for reversion by the Governor for FY 2011 meeting or exceeding twice the general fund cost of a two percent bonus for the impacted state employees. If year-end general fund balances recommended for reversion by the Governor do not meet or exceed twice the general fund cost of a two percent bonus, the one time bonus payment shall be prorated to a percent of base pay for the general fund payroll that equates to one-half of the actual general fund balance recommended for reversion by the Governor.*

*2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the bonus payment authorized in this paragraph only if they have attained an equivalent rating of at least "Meets Expectations" on their latest performance evaluation.*

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*Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall receive the bonus payment authorized in this paragraph only if they are performing at levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph as determined by the appropriate appointing or governing authority.*

*3. For the purposes of paying the general fund share of the December 1, 2011, one-time bonus, the State Comptroller shall reserve an amount on the balance sheet for the general fund attributable to one half of discretionary general fund balances recommended for reversion by the Governor up to the equivalent of the general fund cost of a two percent bonus for the state employees authorized in this paragraph.*

*4. The Director, Department of Planning and Budget shall administratively appropriate the general fund and nongeneral fund appropriations as required to implement the one-time bonus payment.*