

## Virginia Retirement System 2015 Fiscal Impact Statement

**1. Bill Number:** SB942

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Stuart

**3. Committee:** Finance

**4. Title:** Virginia Retirement System; purchase of service credit for prior service.

**5. Summary:** Allows a member of the Virginia Retirement System granted an unpaid leave of absence for the death of a child to purchase up to one year of service credit per occurrence of leave. Current law allows the purchase of service credit for an unpaid leave of absence related to the birth or adoption of a child.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** None.

**8. Fiscal Implications:** VRS does not have data on the frequency or length of unpaid leaves of absence due to the death of a member's child, nor is such data currently compiled for the employees of the more than 800 employers served by VRS. However, it is anticipated that the purchase of prior service related to leaves of absence due to the death of a child would not result in a material fiscal impact to the fund.

**9. Specific Agency or Political Subdivisions Affected:** VRS and all participating VRS employers and members.

**10. Technical Amendment Necessary:** Yes. It may be helpful to specify that this provision would allow the purchase of prior service in the event of the death of a "dependent child" as defined in § 51.1-500, as follows:

On line 64, insert "or" after birth and delete the comma. After "adoption" delete the comma and add "of a child,"

On line 65, insert "the" at the beginning of the line. After "a" insert "dependent" and after "child" insert ", as defined in § 51.1-500,"

**11. Other Comments:** Section 51.1-142.2 of the *Code of Virginia* outlines the rules regarding the purchase of prior service (PPS) program for the Virginia Retirement System (VRS). The statute currently allows the purchase of service credit for an unpaid leave of absence related

to the birth or adoption of a child for up to one year of service credit per occurrence of leave but does not allow the purchase of service for unpaid leave related to a child's death. This bill would allow the purchase of service for a leave of absence granted by an employer due to the death of a child.

HB 1890 also proposes changes to § 51.1-142.2, including the addition of a category of leave that may be purchased for certain types of leave under the Family and Medical Leave Act of 1993 (29 U.S.C. § 2601, et seq.). HB 1890 would allow a member to purchase up to 12 weeks of unpaid leave under the FMLA taken for the purpose of caring for an immediate family member with a serious health condition, all as defined in the FMLA. The period of unpaid leave to be purchased would have to have been certified by the employer as eligible under the FMLA. Should this bill as well as HB 1890 pass, a member could be eligible to purchase in total up to 15 months of service in the event of unpaid leave related to a child's death (12 weeks under HB 1890 and up to a year under this legislation).

**Date:** 1-16-15

**Document:** SB942.DOC