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**HOUSE BILL NO. 2318**

Offered January 11, 2023

*A BILL to amend and reenact §§ 51.1-124.3 and 51.1-132 of the Code of Virginia, relating to Virginia Retirement System; certain law-enforcement and correctional officers; part-time.*

Patron—Shin

Referred to Committee on Appropriations

**Be it enacted by the General Assembly of Virginia:****1. That §§ 51.1-124.3 and 51.1-132 of the Code of Virginia are amended and reenacted as follows:****§ 51.1-124.3. Definitions.**

As used in this chapter, unless the context requires a different meaning:

"Abolished system" means the Virginia Retirement Act, §§ 51-30 through 51-111, repealed by Chapter 1 of the Acts of Assembly of 1952.

"Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the member's contribution account, all amounts the member may contribute to purchase creditable service, all member contributions contributed by the employer on behalf of the employee, on or after July 1, 1980, except those amounts contributed on behalf of members of the General Assembly who are otherwise retired under the provisions of this chapter, and all interest accruing to these funds. If a member is retired for disability from a cause which is compensable under the Virginia Workers' Compensation Act (§ 65.2-100 et seq.), dies in service prior to retirement, or requests a refund of contributions in accordance with § 51.1-161, "accumulated contributions" ~~shall include~~ *includes* all member contributions paid by the employer on behalf of the member on and after July 1, 1980, and all interest which would have accrued to these funds.

"Actuarial equivalent" means a benefit of equal value when computed upon the basis of actuarial tables adopted by the Board.

"Average final compensation" means the average annual creditable compensation of a member during his 60 highest consecutive months of creditable service or during the entire period of his creditable service if less than 60 months. However, for any member who (i) is not a person who becomes a member on or after July 1, 2010, and (ii) as of January 1, 2013, has at least 60 months of creditable service, "average final compensation" means the average annual creditable compensation of a member during his 36 highest consecutive months of creditable service. A participant in the hybrid retirement program described in § 51.1-169 shall be considered to be a person who becomes a member on or after July 1, 2010, for the purposes of this definition.

If a member ceased employment prior to July 1, 1974, "average final compensation" means the average annual creditable compensation during the five highest consecutive years of creditable service.

"Beneficiary" means any person entitled to receive benefits under this chapter.

"Board" means the Board of Trustees of the Virginia Retirement System.

"Creditable compensation" means the full compensation payable annually to an employee working full time in his covered position. For any state employee of a public institution of higher education or a teaching hospital affiliated with a public institution of higher education who is (i) compensated on a salaried basis and (ii) working full time in a covered position pursuant to a contract of employment for a period of at least nine months, creditable compensation means the full compensation payable over the term of any contract entered into between the employee and the employer, without regard to whether or not the term of the contract coincides with the normal scholastic year. However, if the contract is for more than one year, creditable compensation means that compensation paid for the current year of the contract.

Remuneration received by members of the General Assembly not otherwise retired under the provisions of this chapter pursuant to §§ 30-19.11 and 30-19.12 shall be deemed creditable compensation. In addition, for any member of the General Assembly, creditable compensation ~~shall include~~ *includes* the full amount of salaries payable to such member for working in covered positions, regardless of whether a contractual salary is reduced and not paid to such member because of service in the General Assembly.

"Creditable service" means prior service as set forth in § 51.1-142.2 plus membership service for which credit is allowable.

"Employee" means any teacher, state employee, officer, or employee of a locality participating in the Retirement System.

"Employer" means the Commonwealth in the case of a state employee, the local public school board

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59 in the case of a teacher, or the political subdivision participating in the Retirement System.

60 "Joint Rules Committee" means those members of the House of Delegates and the Senate designated  
61 by the Speaker of the House and the Chairman of the Senate Committee on Rules, respectively, to meet  
62 with each other and to act jointly on behalf of the Committee on Rules for each house.

63 "Local officer" means the treasurer, commissioner of the revenue, attorney for the Commonwealth,  
64 clerk of a circuit court, or sheriff of any county or city, or deputy or employee of any such officer.

65 "Medical Board" means the boards composed of physicians or other health care professionals as  
66 provided by this chapter.

67 "Member" means any person included in the membership of the Retirement System.

68 "Membership service" means service as an employee rendered while a contributing member of the  
69 Retirement System except as provided in this chapter.

70 "Normal retirement date" means a member's sixty-fifth birthday. However, for any (i) person who  
71 becomes a member on or after July 1, 2010, or (ii) member who does not have at least 60 months of  
72 creditable service as of January 1, 2013, under this chapter his normal retirement date shall be the date  
73 that the member attains his "retirement age" as defined under the Social Security Act (42 U.S.C. § 416  
74 et seq., as now or hereafter amended).

75 "Person who becomes a member on or after July 1, 2010," means a person who is not a member of  
76 a retirement plan administered by the Virginia Retirement System the first time he is hired on or after  
77 July 1, 2010, in a covered position. Subsequent separation from such position and subsequent  
78 employment in a covered position shall not alter the status of a person who becomes a member on or  
79 after July 1, 2010.

80 "Political subdivision" means any county, city, or town, any political entity, subdivision, branch, or  
81 unit of the Commonwealth, or any commission, public authority, or body corporate created by or under  
82 an act of the General Assembly specifying the powers, privileges, or authority capable of exercise by the  
83 commission, public authority, or body corporate.

84 "Prior service" means service rendered prior to becoming a member of the Retirement System.

85 "Purchase of service contract" means a contract entered into by the member and the Retirement  
86 System for the purchase of service credit by the member as provided in § 51.1-142.2.

87 "Retirement allowance" means the retirement payments to which a member is entitled.

88 "Retirement plan administered by the Virginia Retirement System" means a retirement plan  
89 established under this title administered by the Virginia Retirement System, or by an agency that has  
90 been delegated administrative responsibility by the Virginia Retirement System, but such term shall  
91 exclude any plan established under Chapter 6 (§ 51.1-600 et seq.) or Chapter 6.1 (§ 58.1-607 et seq.).

92 "Retirement System" means the Virginia Retirement System.

93 "Service" means service as an employee.

94 "Social security disability benefit" means, with respect to any member, the social security disability  
95 benefits to which the member is entitled pursuant to the provisions of the federal Social Security Act as  
96 in effect at his date of retirement.

97 "State employee" means any person who is regularly employed full time on a salaried basis, whose  
98 tenure is not restricted as to temporary or provisional appointment, in the service of, and whose  
99 compensation is payable, no more often than biweekly, in whole or in part, by the Commonwealth or  
100 any department, institution, or agency thereof. "State employee" ~~shall include~~ *includes* any faculty  
101 member, but not including adjunct faculty, of a public institution of higher education (a) who is  
102 compensated on a salary basis, (b) whose tenure is not restricted as to temporary or provisional  
103 appointment, and (c) who regularly works at least 20 hours but less than 40 hours per week (or works  
104 the equivalent of one-half of a full time equivalent position) engaged in the performance of teaching,  
105 administrative, or research duties at such institution; such faculty member shall be deemed an eligible  
106 employee for purposes of the retirement provisions under §§ 51.1-126, 51.1-126.1, and 51.1-126.3.  
107 "State employee" ~~shall also include~~ *includes* the Governor, Lieutenant Governor, Attorney General, and  
108 members of the General Assembly but ~~shall does~~ not include (i) any local officer, (ii) any employee of a  
109 political subdivision of the Commonwealth, (iii) individuals employed by the Department for the Blind  
110 and Vision Impaired pursuant to § 51.5-72, (iv) any member of the State Police Officers' Retirement  
111 System, (v) any member of the Judicial Retirement System, or (vi) any member of the Virginia Law  
112 Officers' Retirement System. *"State employee" includes any person (a) who is compensated on a*  
113 *salaried or hourly basis, (b) who is employed as a law-enforcement officer as defined in § 9.1-101 or a*  
114 *correctional officer as defined in § 53.1-1, and (c) who regularly works at least 20 hours per week.*

115 "Teacher" means any person who is regularly employed full time on a salaried basis as a professional  
116 or clerical employee of a county, city, or other local public school board.

117 **§ 51.1-132. Eligible employees.**

118 Officers and employees of the political subdivision who are regularly employed full time on a  
119 salaried basis and whose tenure is not restricted as to temporary or provisional appointment may become  
120 members of the retirement system. Clerks of the circuit court and deputies shall be included in the

coverage group. Officers and employees of an organization other than a public school board that functions solely within the boundaries of a county, city, or town shall be deemed to be officers and employees of the county, city, or town, and not of the organization, unless the cost of the organization's operation is borne by (i) the users of services, (ii) more than one county, city, or town, or (iii) any entity other than a county, city, or town. *For purposes of this section, an employee of a political subdivision who (a) is compensated on a salaried or hourly basis, (b) works at least 20 hours per week, and (c) is employed as a law-enforcement officer, as defined in § 9.1-101, shall be considered a full-time employee for the purposes of participation in the Retirement System's group life insurance and retirement programs.*

A member of a local system who, through election to a position as a constitutional officer, is no longer eligible for membership in the local system, and who, prior to such election, has accumulated within that system more than half the total service credits necessary to become eligible for full normal retirement benefits, may choose, with the concurrence of the local governing body, (i) not to participate in the retirement system established pursuant to this chapter and (ii) to become a member of the local system. In such case, the member shall be deemed, for retirement purposes only, to have ceased employment, and shall be permitted to withdraw his contribution as provided in § 51.1-161.