

LD4309124

HOUSE BILL NO. 1899

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations
on February 2, 1995)

(Patron Prior to Substitute—Delegate Heilig)

A *BILL to amend and reenact §§ 51.1-124.22, 51.1-142, 51.1-146, 51.1-156, 51.1-163, 51.1-165, 51.1-168, 51.1-505, and 51.1-803 of the Code of Virginia, relating to benefits administration in the Virginia Retirement System.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 51.1-124.22, 51.1-142, 51.1-146, 51.1-156, 51.1-163, 51.1-165, 51.1-168, 51.1-505, and 51.1-803 of the Code of Virginia are amended and reenacted as follows:

§ 51.1-124.22. Board to administer Retirement System; powers and duties.

A. The Retirement System shall be administered by the Board of Trustees, whose powers and duties include but are not limited to:

1. Appointing a director, who shall not be a member of the Board, to serve as the chief administrative officer of the retirement system at the pleasure of the Board.

2. Maintaining records of all of its proceedings and making such records available for inspection by the public.

3. Employing an actuary as its technical advisor and employing other persons and incurring expenditures as it deems necessary for the efficient administration of the Retirement System.

4. Causing an actuarial investigation to be made of all the experience under the Retirement System at least once in each four-year period. The Board shall also cause actuarial gain/loss analyses to be made in conjunction with each actuarial valuation of the System. Pursuant to such investigations and analyses, the Board shall periodically revise the actuarial assumptions used in the computation of employer contribution rates.

5. Causing a biennial actuarial valuation to be made of the assets and liabilities of the Retirement System with respect to each employer. Pursuant to the results of such valuations, the Board shall prepare a statement as to the employer contribution rates applicable to each employer.

6. Publishing the results of each actuarial valuation of the assets and liabilities.

7. Publishing annual financial statements of the Retirement System or annual reports in accordance with §§ 51.1-1000 through 51.1-1003.

8. Promulgating regulations and procedures and making determinations necessary to carry out the provisions of this title.

9. Purchasing insurance to insure against losses suffered by the Retirement System if any member of the Board or of any advisory committee breaches the standard of care in § 51.1-124.30.

10. *Adopting rules and policies that bring the Retirement System into compliance with any applicable law or regulation of this Commonwealth or the United States.*

B. The Board shall be vested with the powers and duties of the Board of Trustees of the abolished system to the extent necessary for the payment of vested rights and the return of accumulated contributions.

§ 51.1-142. Prior service or membership credit for certain members.

A. Any member in service may purchase credit for service lost as a result of the following:

1. Rejection of membership in the retirement system.

2. Cessation of membership under this chapter because of the withdrawal of his accumulated contributions.

3. Exclusion from membership because of being a member of the General Assembly or other state officer elected by the people.

4. Termination of service as an officer or employee of a political subdivision in a position which subsequently became covered by the retirement system and for which prior service credit was granted.

In order to receive credit for the service, the member must pay an amount equal to the contributions that he would have made during the entire period to be credited, assuming that the member contribution rate specified in this chapter as of the date of payment had been in effect during the entire period and that the higher of the member's creditable compensation or average final compensation as of the date of payment had been received during the entire period.

When a member requests credit for a portion of the period, the most recent portion shall be credited. Payment may be made in a lump sum or by an additional payroll deduction. Only one additional deduction shall be permitted at any time. Should the additional deduction be terminated prior to purchasing the entire period which might otherwise be credited, the member shall be credited with the number of additional months of service for which payments are made. If the additional deduction is

60 continued beyond the point at which the entire period has been purchased, the member shall be credited
61 with no more than the entire period which might otherwise have been credited and the excess amount
62 deducted shall be refunded to the member.

63 B. Any member granted a leave of absence for any of the following reasons may purchase limited
64 service on the basis set forth in subsection A of this section:

65 1. Up to four years of service for any leave of absence for educational purposes or for temporary
66 employment with the General Assembly.

67 2. Up to four years of service subsequent to January 1, 1964, for any leave of absence due to illness
68 or disability or service which was temporarily terminated due to illness or disability.

69 C. Any member in service who was denied membership because of having attained age sixty when
70 first employed or reemployed may purchase all or any portion of service lost as a result of denial upon
71 payment in a lump sum of the amount the member would have contributed had he been allowed to
72 participate in the system. ~~In order for the additional service to be considered in the computation of any~~
73 ~~retirement allowance payable in the event of retirement for disability, the member shall submit a medical~~
74 ~~report satisfactory to the Medical Board at the time payment is made showing that the member is of~~
75 ~~sound mind and body.~~

76 D. Service may be credited at no cost under the following circumstances:

77 1. Any member who was a member of the abolished system and who was in service on March 1,
78 1952, shall receive credit for service rendered as a state employee or teacher prior to July 1, 1942,
79 provided the member has not received a refund of accumulated contributions since becoming a member
80 of the abolished system.

81 2. Any member in service who is credited with five or more years of membership service who
82 rendered full-time salaried service as a state employee or teacher prior to July 1, 1942, may receive
83 credit for same.

84 3. Any member who is a teacher may receive credit for service rendered as a nonprofessional
85 employee of a school board provided the school board has extended coverage to its nonprofessional
86 employees and granted credit for service rendered prior to the effective date of coverage.

87 4. Any vested member who is a teacher shall receive up to two years of service credit for any
88 involuntary leave of absence, without pay, required by local school division policies related to pregnancy
89 or childbirth provided (i) the member was on such leave from a covered position prior to July 1, 1974,
90 (ii) the member has not withdrawn all accumulated contributions, and (iii) the member reenters service
91 in a covered position within one year after the last date of such leave. In such instances, the employer,
92 or its successors, which had such policies in place and applied same to the teacher seeking additional
93 service credit shall be liable for the cost of providing such service credit.

94 5. Any member may receive credit for service rendered in the armed forces of the United States
95 provided (i) the member was on leave of absence from a covered position, (ii) the discharge from the
96 armed forces was not dishonorable, (iii) the member has not withdrawn his accumulated contributions,
97 and (iv) the member reenters service in a covered position within one year after discharge from the
98 armed forces. No period of service rendered, through reenlistment, beyond the cessation of hostilities
99 shall be creditable service.

100 E. Any member of the abolished system may transfer accumulated contributions in that system to the
101 retirement system within one year after becoming a member of the retirement system.

102 *F. Any vested member in service who (i) prior to January 1, 1982, was employed by the*
103 *Commissioner of Revenue in any city of this Commonwealth with a population greater than 200,000, as*
104 *reported in the 1990 census of the population of the United States, and (ii) on January 1, 1982, became*
105 *an employee of the Director of Finance in any city of this Commonwealth with a population greater*
106 *than 200,000, as reported in the 1990 census of the population of the United States, which participated*
107 *in the Virginia Retirement System; and (iii) has not withdrawn his accumulated contributions, may*
108 *transfer his years of creditable service from the city's retirement plan to the Virginia Retirement System.*
109 *The Virginia Retirement System shall compute the present value of the retirement benefit of service so*
110 *transferred and the city's retirement plan shall pay in a manner prescribed by the Retirement System.*

111 § 51.1-146. Failure to report or pay contributions.

112 Every employer shall file all reports and pay all contributions required by this chapter or Board
113 regulation. Failure to file reports or pay contributions by the end of the month in which due ~~shall~~ *may*
114 result in a penalty of five percent of the amount due plus interest at the rate of one percent per month
115 until payment is made. The Board may waive all or a part of the penalty and interest if good cause is
116 shown. Delinquent contributions, penalties, and interest may be recovered by action in a court of
117 competent jurisdiction. At the discretion of the Board contributions, penalties and interest may be
118 deducted from the retirement allowance account of the employer or may be deducted by the State
119 Treasurer, upon warrant of the Comptroller, from any non earmarked moneys distributable to the
120 employer by any department or agency of the Commonwealth.

121 § 51.1-156. Disability retirement.

A. Any member in service or within ninety days after termination of service who has not withdrawn his accumulated contributions as provided for in § 51.1-128 may retire for disability not compensable under the Virginia Workers' Compensation Act (§ 65.2-100 et seq.) upon written notification to the Board setting forth the date the retirement is to become effective.

B. Any member in service or within ninety days after termination of service may retire for disability from a cause compensable under the Virginia Workers' Compensation Act upon written notification to the Board setting forth the date the retirement is to become effective.

C. If no compensation is finally awarded under the Virginia Workers' Compensation Act, due to legal proceedings or otherwise resulting in settlement from the persons causing the disability, the Virginia Workers' Compensation Commission shall determine whether the member's disability is from a cause compensable under the Virginia Workers' Compensation Act.

D. The effective date of retirement shall be after the member's last day of service but shall not be more than ninety days prior to the filing of the notice of retirement. The Board may waive the ninety-day requirement upon a showing of good cause.

E. After a medical examination of the member or after reviewing pertinent medical records, the Medical Board shall certify that (i) the member is and has been continuously since the effective date of retirement if prior to filing of the notification, mentally or physically incapacitated for the further performance of duty, (ii) the incapacity is likely to be permanent, and (iii) the member should be retired. A member shall not be retired for disability for any condition which existed at the time of becoming a member unless medical evidence, convincing to the Board, supports the fact that the pre-existing condition has worsened substantially.

F. In the event the member is physically or mentally unable to submit written notification of his intention to retire, the member's appointing authority may submit notification on his behalf.

G. Any member who has been on leave of absence without pay for a period exceeding twenty-four months shall not be entitled to retire under the provisions of this section.

H. For good cause shown, the Board may waive the ninety-day notification periods set forth in subsections A and B. For purposes of this section, good cause shall exist and the Board shall waive such ninety-day notification periods if (i) the member would otherwise qualify for disability retirement but for failing to comply with the requirements of subsection A or B and (ii) the Medical Board, acting solely in its own discretion after reviewing objective medical evidence of the disability and its cause, certifies that: (a) the disability and its cause existed on the date the member's employment was terminated, (b) the member had no knowledge of the existence of the disability and its cause at any time within ninety days after the date the member's employment was terminated, and (c) the member could not, with reasonable inquiry, have ascertained the existence of the disability and its cause within ninety days after the date the member's employment was terminated.

§ 51.1-163. Death after retirement.

If a member dies after the effective date of retirement, any excess of his accumulated contributions as of the effective date of his retirement, over the total retirement allowances received by him, shall be paid in the same manner as provided in subsection A of § 51.1-162 unless the retirement allowance is then being paid in accordance with any of the optional benefits *provided for in (i) § 51.1-165 A1, A 2 or A 4 or (ii) § 51.1-165 A 3, if commencing prior to January 1, 1994.* Accumulated contributions as of the effective date of retirement shall include 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.

§ 51.1-165. Optional benefits.

A. Any member may elect to have his retirement allowance payable under one of the options set forth in this section and receive the actuarial equivalent of the retirement allowance otherwise payable to him. The election of an optional benefit shall be subject to the approval of the Board.

1. Straight life option. - A member may elect to receive an increased retirement allowance in lieu of any death benefits.

2. Joint and last-survivor option. - A member may elect to receive a decreased retirement allowance during his lifetime and have the retirement allowance, or one-half thereof, continued after his death to a contingent annuitant during the lifetime of such person. If the member's retirement is for disability, the election of the retirement allowance to be continued after the member's death shall be limited to one-half of the decreased retirement allowance received by the member during his lifetime. In case of such an election, death benefits that might otherwise be provided shall not be payable upon the death of the member unless death of the member occurs prior to the effective date of retirement as set forth in subsection B of this section. This option may not be elected by a member if the ~~social security leveling~~ option of subdivision 3 of this subsection has previously been elected, nor may it be elected if the contingent annuitant is not the spouse of the member and the actuarially computed present value of the payments expected to be made to the member is less than one-half of the actuarially computed combined present value of the total payments expected to be made to the member and the contingent

183 annuitant.

184 3. Leveling option. - If a member retires from service on or after January 1, 1994, he may elect to
185 receive a temporary increased retirement allowance beginning on the member's effective date of
186 retirement and continuing until the member reaches age fifty-nine and one-half or any whole age up
187 through age seventy and one-half, as designated by the member at the time of his retirement. Upon
188 attaining the age designated, the temporary allowance shall cease and the retirement allowance shall be
189 reduced on an actuarially equivalent basis. The temporary retirement allowance specified by the member
190 shall not result in more than a fifty percent reduction in the member's benefit as provided in § 51.1-155.
191 Any member electing to receive such an allowance shall not be entitled to a joint and last survivor
192 benefit.

193 4. Other options. - Some other benefits may be paid either to the member or to contingent annuitants
194 he elects. However, the actuarially computed expected duration of the payment of any such benefits
195 shall not exceed the actuarially computed life expectancy of the member and his spouse, and the
196 actuarially computed present value of the payments expected to be made to the member shall be greater
197 than one-half of the actuarially computed combined present value of the total payments expected to be
198 made to the member and any contingent annuitant, *but in no event shall the payment to the contingent*
199 *annuitant exceed the amount of the member's benefit payable under the special option selected.*

200 B. The election of any one of the options stated in this section shall be null and void if the member
201 dies prior to the Board receiving written notification of the member's effective date of retirement. The
202 election of a joint and last-survivor option shall be null and void if the contingent annuitant dies before
203 the member's retirement. For purposes of this subsection, retirement shall be deemed to commence on
204 the effective date of a member's service retirement or disability. If the death of the member occurs prior
205 to the effective date of retirement but after the Board has received written notification of the member's
206 effective date of retirement, benefits shall be paid in accordance with the provisions of § 51.1-163 and
207 the requirement that the member be in service shall not apply.

208 C. A member who has elected any of the options stated in this section may revoke such an election
209 by written notification to the Board any time prior to the later of the effective date of retirement or the
210 date of written notification to the Board of retirement of the member.

211 D. A retired member who has elected a joint and last-survivor option may, by written notification to
212 the Board, revoke such election and elect to receive from time of notification either the retirement
213 allowance to which he would have been entitled had no option been elected initially or an allowance
214 actuarially equivalent thereto under a joint and last-survivor option with a different contingent annuitant,
215 if (i) the original contingent annuitant has died, (ii) a final decree of divorce of the retired member from
216 the original contingent annuitant has been entered, or (iii) the written consent of the original contingent
217 annuitant, together with evidence satisfactory to the Board of the good health of the original contingent
218 annuitant, is submitted with the notification. If the provisions of this subsection are invoked by a retired
219 member on the basis of the member's having been divorced from his contingent annuitant and the
220 marriage had been of a duration of twenty years or more, the provisions of this subsection shall not be
221 applicable until the death or remarriage of the former spouse unless such spouse consents in writing to
222 the revocation of the option prior to death or remarriage.

223 If such an election is made as a result of the death or divorce of the contingent annuitant, the benefit
224 payable to the retired member may be adjusted retroactively for a period of not more than sixty days
225 from the date the Board first receives notification of the desire of the retired member to make such a
226 change.

227 E. Subject to the provisions of subsection D of this section, any member who retires on or after July
228 1, 1986, and returns to covered employment shall not be entitled to select a different optional benefit
229 upon making application for retirement a second time.

230 § 51.1-168. Maximum benefits; mandatory payment of allowance.

231 A. Notwithstanding any other provision of law, earned compensation for any calendar year after 1988
232 ~~in which employee or employer contributions are made and for which annual compensation is used for~~
233 ~~computing any benefit shall not exceed the higher of \$200,000 or the amount determined by the~~
234 ~~Commissioner of the Internal Revenue Service as the limitation for calendar years after 1989; provided~~
235 ~~the imposition of the limitation shall not reduce a member's benefit below the amount determined as of~~
236 ~~December 31, 1988 employee who becomes a member of the Retirement System (i) prior to the ninetieth~~
237 ~~day after the opening date of the 1996 Session of the General Assembly, on whose behalf employee or~~
238 ~~employer contributions are made into the Retirement System, and for whom annual compensation is~~
239 ~~used for computing any benefit, shall not exceed \$235,840, the amount determined by the Commissioner~~
240 ~~of the Internal Revenue Service pursuant to I.R.C. § 401(a)(17) as the limitation on earned~~
241 ~~compensation; or (ii) on or after the ninetieth day of the opening date of the 1996 Session of the~~
242 ~~General Assembly, on whose behalf employee or employer contributions are made into the Retirement~~
243 ~~System, and for whom annual compensation is used for computing any benefit, shall not exceed~~
244 ~~\$150,000, or any amount determined by the Commissioner of the Internal Revenue Service pursuant to~~

I.R.C. § 401(a)(17) as the limitation on earned compensation in effect in subsequent calendar years.

B. Notwithstanding any other provision of law, the annual benefit payable on behalf of a member shall, if necessary, be reduced to the extent required by § 415 (b) and (e) of the Internal Revenue Code, as adjusted by the Secretary of the Treasury pursuant to § 415 (d) of the Internal Revenue Code.

C. On and after January 1, 1989, the retirement allowance of a member who has terminated employment shall begin no later than the later of (i) April 1 of the calendar year following the calendar year that the member attains seventy and one-half years of age or (ii) April 1 of the calendar year following the calendar year in which the member terminates employment.

§ 51.1-505. Amounts of life and accident insurance for each employee; reduction and termination of insurance.

A. Each employee to whom this chapter applies shall, subject to the terms and conditions thereof, be eligible to be insured for an amount of group life insurance plus an amount of group accidental death and dismemberment insurance, each amount equal to twice the amount of his annual salary. If an employee's annual salary is not an even multiple of \$1,000, his annual salary for purposes of this section shall be considered to be the next higher \$1,000. For purposes of this section, the annual salary of a member of the General Assembly shall be his creditable compensation for his last full calendar year of service or his salary under § 14.1-17.1, whichever is greater, *and shall include the full amount of any salaries payable to such member for working in covered positions, regardless of whether such salaries were paid, reduced, or not paid because of such member's service in the General Assembly.* The annual salary for an employee retired for service or disability on an immediate retirement allowance may be adjusted by the Board in accordance with the provisions of Chapter 1 (§ 51.1-124.1 et seq.) of this title.

With respect to any employee who is reemployed and insured under this chapter, the otherwise applicable amount of group life insurance shall be reduced by the amount of insurance provided by any policy issued under the conversion privilege pursuant to this chapter.

Subject to the conditions and limitations of the group insurance policy, the accidental death and dismemberment insurance shall provide payments as follows:

Loss	Amount Payable
For loss of life	Full amount determined in accordance with the provisions of this section
Loss of one hand or of one foot or loss of sight of one eye	One-half of the amount determined in accordance with the provisions of this section
Loss of two or more such members	Full amount determined in accordance with the provisions of this section.

For any one accident, the aggregate amount of accidental death and dismemberment insurance that may be paid shall not exceed the maximum amount of accidental death and dismemberment insurance determined in accordance with this section.

B. The amount of life insurance on an employee who retires for service on an immediate retirement allowance or who elects to postpone the receipt of his retirement allowance to some date other than his last day of service shall be the amount set forth in subsection A, reduced by an amount equal to two percent thereof for each full calendar month following the date the employee is separated from service. The amount of life insurance on an employee who retires for disability on an immediate retirement allowance shall be the amount set forth in subsection A on the date the employee last rendered service reduced by an amount equal to two percent thereof for each full calendar month following the date the employee attains age sixty-five. If the employee by statute or Board regulation has been construed to be in service to the beginning of the next school year, the reduction shall not apply until the beginning of the next school year. The reduction shall not decrease the amount of life insurance on an employee to less than twenty-five percent of the amount of life insurance to which the reduction is applied. For purposes of this subsection, an employee shall be deemed to have retired only if the employee has five or more years of continuous service as an employee prior to the date of retirement. This requirement shall not be applicable if the employee is retired for disability.

Any employee who was denied membership in the retirement system because of having attained age sixty at the time of being employed or reemployed and who has five or more years of continuous

305 service immediately prior to separation from service shall retain the life insurance coverage as though he
306 had retired on an immediate retirement allowance.

307 C. The amount of life insurance for an employee who is retired for disability on an immediate
308 retirement allowance, who also has attained age fifty-five, and who elects to receive a retirement
309 allowance as set forth in subsection C of § 51.1-160, shall be reduced as set forth in subsection B of
310 this section. The reduction shall begin at the end of the first full calendar month following the date the
311 employee elects a service retirement allowance.

312 D. All accidental death and dismemberment insurance on an employee shall cease upon the earliest
313 of (i) his separation from service, (ii) his failure to pay, in the manner prescribed by the Board, the
314 contribution required for the first twenty-four months of leave without pay, (iii) if the employee has not
315 returned to pay status, the expiration of twenty-four months of leave without pay, or (iv) his retirement.

316 E. Except in case of retirement as provided in subsections B and C of this section, all life insurance
317 on an employee shall cease upon the earliest of (i) his separation from service, or (ii) his failure to pay,
318 in the manner prescribed by the Board, the contribution required for the first twenty-four months of
319 leave without pay, or, (iii) if the employee has not returned to pay status, the expiration of twenty-four
320 months of leave without pay. Except in the case of retirement, life insurance shall be subject to a
321 temporary extension of thirty-one days. During this thirty-one-day extension, the employee may convert
322 his life insurance into an individual policy of life insurance (without disability or other supplementary
323 benefits) in any one of the forms, except term insurance, then customarily issued by the insuring
324 company. The amount of life insurance which may be converted shall not exceed the amount of his life
325 insurance under the group insurance policy at the time coverage is terminated. The insurance shall be
326 converted to an individual policy (i) without evidence of insurability, (ii) at the premium applicable to
327 the class of risk to which he belongs, and (iii) to the form and amount of the individual policy at his
328 then attained age, provided application for the individual policy and payment of the first premium
329 thereon is made to the issuing company within the thirty-one days. The right to convert to an individual
330 policy as provided in § 38.2-3333 shall not apply upon termination of this group policy or elimination of
331 a class of insured employees.

332 The amount of life insurance on each insured employee who retires shall be determined under the
333 provisions of this chapter as it exists on the employee's date of retirement.

334 F. Each employee of a state institution of higher education or of a local school board who remains in
335 service until the completion of the school year and who makes contributions required to provide
336 insurance coverage until service normally will be resumed the beginning of the next school year shall be
337 deemed to be in service as an employee through the period to which the payments apply. If the
338 employee is retired for service or disability during this period, contributions made by the employee shall
339 be accepted and retained as proper.

340 § 51.1-803. Investments of retirement systems.

341 If the governing body of any county, city, or town establishes a retirement system pursuant to the
342 provisions of this article, any funds that may be allocated, segregated, or otherwise designated for the
343 retirement system, which are on hand at any time and are not necessary for immediate payment of
344 pensions or benefits, shall be invested in the following:

345 1. Obligations of the Commonwealth. - Stocks, bonds, notes, and other evidences of indebtedness of
346 the Commonwealth of Virginia, and those unconditionally guaranteed as to the payment of principal and
347 interest by the Commonwealth of Virginia.

348 2. Obligations of the United States, etc. - Stocks, bonds, treasury notes and other evidences of
349 indebtedness of the United States, including the guaranteed portion of any loan guaranteed by the Small
350 Business Administration, an agency of the United States government, and those unconditionally
351 guaranteed as to the payment of principal and interest by the United States; and bonds of the District of
352 Columbia, and bonds and notes of the Federal National Mortgage Association and the Federal Home
353 Loan Banks, and bonds, debentures or other similar obligations of federal land banks, federal
354 intermediate credit banks, or banks of cooperatives, issued pursuant to acts of Congress, and obligations
355 issued by the United States Postal Service when the principal and interest thereon are guaranteed by the
356 government of the United States. The evidences of indebtedness enumerated by this paragraph may be
357 held directly or in the form of securities of any open-end or closed-end management type investment
358 company or investment trust registered under the Investment Company Act of 1940, provided that the
359 portfolio of such investment company or investment trust is limited to such evidences of indebtedness.

360 3. Obligations of other states. - Stocks, bonds, notes and other evidences of indebtedness of any state
361 of the United States upon which there is no default and upon which there has been no default for more
362 than ninety days; provided that within the twenty fiscal years next preceding the making of such
363 investment, such state has not been in default for more than ninety days in the payment of any part of
364 principal or interest of any debt authorized by the legislature of such state to be contracted.

365 4. Obligations of Virginia counties, cities, etc. - Stocks, bonds, notes and other evidences of
366 indebtedness of any county, city, town, district, authority or other public body in the Commonwealth of

Virginia upon which there is no default; provided, that if the principal and interest be payable from revenues or tolls and the project has not been completed, or if completed, has not established an operating record of net earnings available for payment of principal and interest equal to estimated requirements for that purpose according to the terms of the issue, the standards of judgment and care required in § 26-45.1, without reference to this section, shall apply.

In any case in which an authority, having an established record of net earnings available for payment of principal and interest equal to estimated requirements for that purpose according to the terms of the issue, issues additional evidences of indebtedness for the purposes of acquiring or constructing additional facilities of the same general character that it is then operating, such additional evidences of indebtedness shall be governed fully by the provisions of this section without limitation.

5. Obligations of cities, counties, etc., of other states. - Legally authorized stocks, bonds, notes and other evidences of indebtedness of any city, county, town or district situated in any one of the states of the United States upon which there is no default and upon which there has been no default for more than ninety days; provided that (i) within the twenty fiscal years next preceding the making of such investment, such city, county, town or district has not been in default for more than ninety days in the payment of any part of principal or interest of any stock, bond, note or other evidence of indebtedness issued by it; (ii) such city, county, town or district shall have been in continuous existence for at least twenty years; (iii) such city, county, town or district has a population, as shown by the federal census next preceding the making of such investment, of not less than 25,000 inhabitants; (iv) the stocks, bonds, notes or other evidences of indebtedness in which such investment is made are the direct legal obligations of the city, county, town or district issuing the same; (v) the city, county, town or district has power to levy taxes on the taxable real property therein for the payment of such obligations without limitation of rate or amount; and (vi) the net indebtedness of such city, county, town or district (including the issue in which such investment is made), after deducting the amount of its bonds issued for self-sustaining public utilities, does not exceed ten percent of the value of the taxable property in such city, county, town or district, to be ascertained by the valuation of such property therein for the assessment of taxes next preceding the making of such investment.

6. Obligations of International Bank, Asian Development Bank and African Development Bank. - Bonds and other obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development, by the Asian Development Bank or by the African Development Bank.

7. Other investments made in conformity with the standards and requirements set forth in § 51.1-124.30 § 51.1-124.32.