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**SENATE BILL NO. 536**

Offered January 22, 1996

*A BILL to amend and reenact §§ 51.1-124.3 and 63.1-73 of the Code of Virginia, relating to the Virginia Retirement System; employees of the Department for the Visually Handicapped.*

Patrons—Marsh, Lucas and Miller, Y.B.; Delegates: Cunningham, Jones, J.C., McEachin and Spruill

Referred to the Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That §§ 51.1-124.3 and 63.1-73 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"Abolished system" means the Virginia Retirement Act, §§ 51-30 through 51-111, repealed by Chapter 1 of the Acts of Assembly of 1952.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, 1990, 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 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 thirty-six highest consecutive months of creditable service or during the entire period of his creditable service if less than thirty-six months. 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. In cases where compensation includes maintenance or other perquisites, the Board shall fix the value of that part of the compensation not paid in money. Remuneration received by members of the General Assembly not otherwise retired under the provisions of this chapter pursuant to §§ 14.1-17.1, 14.1-18 and 14.1-18.2 shall be deemed creditable compensation. In addition, for any member of the General Assembly, creditable compensation shall include 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 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 in the case of a teacher, or the political subdivision participating in the Retirement System.

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

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

"Medical Board" means the board of physicians as provided by this chapter.

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

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

"Normal retirement date" means a member's sixty-fifth birthday.

"Political subdivision" means any county, city, or town, any political entity, subdivision, branch, or unit of the Commonwealth, or any commission, public authority, or body corporate created by or under

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60 an act of the General Assembly specifying the powers, privileges, or authority capable of exercise by the  
61 commission, public authority, or body corporate.

62 "Primary social security benefit" means, with respect to any member, the primary insurance amount  
63 to which the member is entitled, for old age or disability, as the case may be, pursuant to the provisions  
64 of the federal Social Security Act as in effect at his date of retirement, under the provisions of this  
65 chapter except as otherwise specifically provided.

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

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

68 "Retirement System" means the Virginia Retirement System.

69 "Service" means service as an employee.

70 "State employee" means any person who is regularly employed full time on a salaried basis, whose  
71 tenure is not restricted as to temporary or provisional appointment, in the service of, and whose  
72 compensation is payable, no more often than biweekly, in whole or in part, by the Commonwealth or  
73 any department, institution, or agency thereof. "State employee" ~~includes~~ *shall include* the Governor,  
74 Lieutenant Governor, Attorney General, and members of the General Assembly but ~~does~~ *shall* not  
75 include (i) any local officer, (ii) any employee of a political subdivision of the Commonwealth, (iii)  
76 *individuals employed by the Department for the Visually Handicapped pursuant to § 63.1-73;* (iv) any  
77 member of the State Police Officers' Retirement System, or ~~(iv)~~ (v) any member of the Judicial  
78 Retirement System.

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

81 § 63.1-73. Establishment of schools and workshops; expenditures; advisory boards.

82 A. The Department may (i) establish, equip and maintain schools for industrial training and  
83 workshops for the employment of suitable blind persons, (ii) pay ~~the~~ *its* employees suitable wages and  
84 *contribute five percent of the creditable compensation of those employees who elect to participate in a*  
85 *defined contribution retirement plan established under the United States Internal Revenue Code,* and (iii)  
86 devise means for the sale and distribution of the products thereof. However, any expenditures made  
87 under §§ 63.1-70 to 63.1-75 shall not exceed the annual appropriation or the amount received by way of  
88 bequest or donation during any one year, and no part of the funds appropriated by the Commonwealth  
89 for the purposes of §§ 63.1-70 to 63.1-75 shall be used for solely charitable purposes, the object and  
90 purpose of such sections being to encourage capable blind persons in the pursuit of useful labor and to  
91 provide for the prevention and cure of blindness.

92 B. The Board shall establish an advisory board for each of the workshops established pursuant to this  
93 section. Each board shall consist of nine persons, at least two of whom shall be blind persons or parents  
94 of blind persons, at least two of whom shall represent human service agencies, and the remainder of  
95 whom shall represent local business and manufacturing entities and other employers. The Board shall  
96 initially appoint the members of each advisory board, three of whom shall serve a term of three years,  
97 three of whom shall serve a term of two years, and three of whom shall serve a term of one year. As  
98 each member's term expires, the advisory board shall itself make subsequent appointments for terms of  
99 three years. No member shall serve for more than two consecutive three-year terms. The powers and  
100 duties of each advisory board shall include but not be limited to advising managers of the workshops on  
101 business trends, product development, contract opportunities, and other business matters and reviewing  
102 and commenting on fiscal and budgetary matters concerning the operations of the workshops.