

HOUSE BILL NO. 1630

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations

on \_\_\_\_\_)

(Patron Prior to Substitute--Delegate Coyner)

A BILL to amend and reenact § 51.1-155 of the Code of Virginia and to amend and reenact the fifth enactment of Chapter 689 and the fifth enactment of Chapter 700 of the Acts of Assembly of 2001, as amended by the second enactment of Chapter 211 of the Acts of Assembly of 2003, Chapter 609 of the Acts of Assembly of 2005, the first enactment of Chapter 590 of the Acts of Assembly of 2009, the first enactment of Chapter 326 of the Acts of Assembly of 2015, and the first enactment of Chapter 765 of the Acts of Assembly of 2019, and the third enactment of Chapter 563 of the Acts of Assembly of 2004, as amended by Chapter 607 and Chapter 608 of the Acts of Assembly of 2005, the second enactment of Chapter 590 of the Acts of Assembly of 2009, the second enactment of Chapter 326 of the Acts of Assembly of 2015, and the second enactment of Chapter 765 of the Acts of Assembly of 2019, and to amend Chapter 968 and Chapter 969 of the Acts of Assembly of 2020 by adding a second enactment, relating to Virginia Retirement System; return to work.

**Be it enacted by the General Assembly of Virginia:**

**1. That § 51.1-155 of the Code of Virginia is amended and reenacted as follows:**

**§ 51.1-155. Service retirement allowance.**

A. Retirement allowance. — A member shall receive an annual retirement allowance, payable for life, as follows:

1. Normal retirement. — The allowance shall equal 1.70 percent of his average final compensation multiplied by the amount of his creditable service. Notwithstanding the foregoing, for a member who (i) is a person who becomes a member on or after July 1, 2010, or (ii) does not have at least 60 months of creditable service as of January 1, 2013, the allowance shall equal the sum of (a) 1.65 percent of his

27 average final compensation multiplied by the amount of his creditable service performed or purchased on  
28 or after January 1, 2013, and (b) 1.70 percent of his average final compensation multiplied by the amount  
29 of all other creditable service.

30 2. Early retirement; applicable to teachers, state employees, and certain others. — The allowance  
31 shall be determined in the same manner as for normal retirement with creditable service and average final  
32 compensation being determined as of the date of actual retirement. If the member has less than 30 years  
33 of service at retirement, the amount of the retirement allowance shall be reduced on an actuarial equivalent  
34 basis for the period by which the actual retirement date precedes the earlier of (i) his normal retirement  
35 date or (ii) the first date on which he would have completed a total of 30 years of creditable service. The  
36 provisions of this subdivision shall apply to teachers and state employees. These provisions shall also  
37 apply to employees of any political subdivision that participates in the retirement system if the political  
38 subdivision makes the election provided in subdivision 3.

39 3. Early retirement; applicable to employees of certain political subdivisions, any person who  
40 becomes a member on or after July 1, 2010, and any member who does not have at least 60 months of  
41 creditable service as of January 1, 2013. — The allowance shall be determined in the same manner as for  
42 normal retirement with creditable service and average final compensation being determined as of the date  
43 of actual retirement. If the creditable service of the member equals 30 or more years but the sum of his  
44 age at retirement plus his creditable service at retirement is less than 90, the amount of the retirement  
45 allowance shall be reduced on an actuarial equivalent basis for the period by which the actual retirement  
46 date precedes the earlier of (i) his normal retirement date or (ii) the first date on which the sum of his then  
47 attained age plus his then creditable service would have been equal to 90 or more had he remained in  
48 service until such date. If the member has less than 30 years of creditable service, the retirement allowance  
49 shall be reduced for the period by which the actual retirement date precedes the earlier of (i) his normal  
50 retirement date or (ii) the first date on which he would have completed a total of at least 30 years of  
51 creditable service and his then creditable service plus his then attained age would have been equal to 90  
52 or more.

53           The provisions of this subdivision shall apply to the employees of any political subdivision that  
54 participates in the retirement system and any other employees as provided by law. The participating  
55 political subdivision may, however, elect to provide its employees with the early retirement allowance set  
56 forth in subdivision 2. No such election shall be made for a person who becomes a member on or after  
57 July 1, 2010, or a member who does not have at least 60 months of creditable service as of January 1,  
58 2013. Any election pursuant to this subdivision shall be set forth in a legally adopted resolution.

59           Notwithstanding the foregoing, a political subdivision by legally adopted resolution may declare  
60 to the Board that, for purposes of this subdivision, subdivisions B 1 and B 3 and subsection D of § 51.1-  
61 153, any person who meets the definition of "emergency medical services personnel" in § 32.1-111.1 or  
62 is employed as a firefighter or law-enforcement officer as those terms are defined in § 15.2-1512.2 (i)  
63 shall not be considered a person who becomes a member on or after July 1, 2010, and (ii) shall be deemed  
64 to have at least 60 months of creditable service as of January 1, 2013. Such resolution shall be irrevocable.

65           4. Additional allowance. — In addition to the allowance payable under subdivisions 1, 2, and 3, a  
66 member shall receive an additional allowance which shall be the actuarial equivalent, for his attained age  
67 at the time of retirement, of the excess of his accumulated contributions transferred from the abolished  
68 system to the retirement system, including interest credited at the rate of two percent compounded annually  
69 since the transfer to the date of retirement, over the annual amounts equal to four percent of his annual  
70 creditable compensation at the date of abolishment for a period equal to his period of membership in the  
71 abolished system.

72           5. 50/10 retirement. — The allowance shall be payable in a monthly stream of payments equal to  
73 the greater of (i) the actuarial equivalent of the benefit the member would have received had he terminated  
74 service and deferred retirement to age 55 or (ii) the actuarially calculated present value of the member's  
75 accumulated contributions, including accrued interest.

76           B. Beneficiary serving in position covered by this title.

77           1. Except as provided in subdivisions 2, 3, and 4, if a beneficiary of a service retirement allowance  
78 under this chapter or the provisions of Chapters 2 (§ 51.1-200 et seq.), 2.1 (§ 51.1-211 et seq.), or 3 (§  
79 51.1-300 et seq.) is at any time in service as an employee in a position covered for retirement purposes

80 under the provisions of this or any chapter other than Chapter 6 (§ 51.1-600 et seq.), 6.1 (§ 51.1-607 et  
81 seq.), or 7 (§ 51.1-700 et seq.), his retirement allowance shall cease while so employed. Any member who  
82 retires and later returns to covered employment shall not be entitled to select a different retirement option  
83 for a subsequent retirement.

84 2. Active members of the General Assembly who are eligible to receive a retirement allowance  
85 under this title, excluding their service as a member of the General Assembly, shall be eligible to receive  
86 a retirement allowance based on their creditable service and average final compensation for service other  
87 than as a member of the General Assembly. Such members of the General Assembly shall continue to be  
88 reported as any other members of the retirement system. Upon ceasing to serve in the General Assembly,  
89 members of the General Assembly receiving a retirement allowance based on their creditable service and  
90 average final compensation for service other than as a member of the General Assembly shall have their  
91 retirement allowance recomputed prospectively to include their service as a member of the General  
92 Assembly. Active members of the General Assembly shall be prohibited from receiving a service  
93 retirement allowance under this title based solely on their service as a member of the General Assembly.

94 3. (Expires July 1, 2025) Any person receiving a service retirement allowance under this chapter,  
95 who is hired by a local public school board (i) as an instructional or administrative employee required to  
96 be licensed by the Board of Education, (ii) in a specialized student support position as that term is  
97 described in subsection O of § 22.1-253.13:2, or (iii) as a school bus driver, may elect to continue to  
98 receive the retirement allowance during such employment, under the following conditions:

99 (a) ~~The person has been receiving such retirement allowance for at least 12 calendar months~~  
100 ~~preceding his employment~~ has a break in service of at least six calendar months between retirement and  
101 returning to work full time for a local public school board;

102 (b) The person is not receiving a retirement benefit pursuant to an early retirement incentive  
103 program from any local public school division within the Commonwealth; and

104 (c) At the time the person is employed, the position to which he is assigned is among those  
105 identified by the Superintendent of Public Instruction pursuant to subdivision 4 of § 22.1-23, by the

106 relevant division superintendent, pursuant to § 22.1-70.3, or by the relevant local public school board,  
107 pursuant to subdivision 9 of § 22.1-79.

108 If the person elects to continue to receive the retirement allowance during the period of such  
109 employment, then his service performed and compensation received during such period of time will not  
110 increase, decrease, or affect in any way his retirement benefits before, during, or after such employment,  
111 nor shall such person be eligible to receive any retirement benefits available to him pursuant to Chapter  
112 6.1 (§ 51.1-607 et seq.). In addition, the employer shall include the person's compensation in membership  
113 payroll subject to employer contributions under § 51.1-145.

114 4. Any person receiving a service retirement allowance under this title for service as a sworn law-  
115 enforcement officer and who is employed in a local public school division as a school security officer, as  
116 defined in § 9.1-101, may elect to continue to receive the retirement allowance during such employment  
117 under the following conditions: (i) the person has a break in service of at least ~~12~~ six calendar months  
118 between retirement for service as a sworn law-enforcement officer and employment as a school security  
119 officer; (ii) the person is not receiving a retirement benefit pursuant to an early retirement incentive  
120 program from any local public school division within the Commonwealth; (iii) the person is not receiving  
121 a retirement benefit pursuant to an early retirement incentive program from any employer, as defined in §  
122 51.1-124.3; and (iv) the person did not participate in any incentive program established under the second  
123 or third enactment of Chapters 152 and 811 of the Acts of Assembly of 1995. If the person elects to  
124 continue to receive the retirement allowance during the period of such employment, then his service  
125 performed and compensation received during such period of time will not increase, decrease, or affect in  
126 any way his retirement benefits before, during, or after such employment, nor shall such person be eligible  
127 to receive any retirement benefits available to him pursuant to Chapter 6.1 (§ 51.1-607 et seq.). In addition,  
128 the employer shall include the person's compensation in membership payroll subject to employer  
129 contributions under § 51.1-145.

130 At least once in each four-year period, in conjunction with the actuarial investigation made under  
131 subdivision A 4 of § 51.1-124.22, there shall be an actuarial investigation made of the experience under

132 subdivisions B 3 and 4 of this section, and the retirement system shall submit a report to the General  
133 Assembly advising it of the results of such investigation.

134 **2. That the fifth enactment of Chapter 689 and the fifth enactment of Chapter 700 of the Acts of**  
135 **Assembly of 2001, as amended by the second enactment of Chapter 211 of the Acts of Assembly of**  
136 **2003, Chapter 609 of the Acts of Assembly of 2005, the first enactment of Chapter 590 of the Acts**  
137 **of Assembly of 2009, the first enactment of Chapter 326 of the Acts of Assembly of 2015, and the**  
138 **first enactment of Chapter 765 of the Acts of Assembly of 2019, are amended and reenacted as**  
139 **follows:**

140 **5. That the provisions of this act shall expire on July 1, ~~2025~~ 2028.**

141 **3. That the third enactment of Chapter 563 of the Acts of Assembly of 2004, as amended by Chapter**  
142 **607 and Chapter 608 of the Acts of Assembly of 2005, the second enactment of Chapter 590 of the**  
143 **Acts of Assembly of 2009, the second enactment of Chapter 326 of the Acts of Assembly of 2015,**  
144 **and the second enactment of Chapter 765 of the Acts of Assembly of 2019, is amended and reenacted**  
145 **as follows:**

146 **3. That the provisions of this act shall expire on July 1, ~~2025~~ 2028.**

147 **4. That Chapter 968 and Chapter 969 of the Acts of Assembly of 2020 are amended by adding a**  
148 **second enactment as follows:**

149 **2. That the provisions of this act shall expire on July 1, 2028.**

150 **5. That the provisions of the first enactment of this act shall expire on July 1, 2028.**

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