

Virginia Retirement System

2012 Session Legislation

VRS-Requested Legislation

Bill Number	General Topic	Summary	Status
HB 350 Cox	Offset of Military Disability Benefits	Modifies the disability benefits provided to state employees by (i) no longer reducing such benefit by the amount of military disability benefits received and (ii) reflecting changes made in 2009 by the General Assembly limiting new employees to disability payments in an amount of 60% of their creditable compensation for the first 60 months of employment. The bill also makes some technical changes.	Passed the House
HB 791 Tata	Technical Amendments	Makes technical changes to programs administered by the Virginia Retirement System. Some of the technical changes include the following: clarifies that a member may purchase VRS service that was not reported while the member was receiving a Workers' Compensation benefit; amends sections of the <i>Code</i> to conform to the federal Heroes Earnings Assistance and Relief Tax (HEART) Act, which requires that a member's death while on active military duty be treated as a death in service; amends several sections to change "age 65" to "normal retirement" to conform to earlier legislative changes.	Passed the House
HB 792 Tata	Auto Enroll for Local Plans	This provides that any locality that provides a deferred compensation plan or participates with the VRS may auto enroll employees who are new or reemployed.	Passed the House

Legislation Affecting VRS – Hazardous Duty

Bill Number	General Topic	Summary	Status
HB 428 – Bulova and SB 171 - Peterson	Hazardous Duty Enhanced Benefits	Provides a LEOs-Lite program for certain hazardous duty members. (City of Fairfax)	HB 428 Referred to the HAC Subcommittee on Compensation and Retirement and SB 171 referred to Senate Finance

HB 636 - Iaquinto	VaLORS – Adds Commonwealth Attorneys	Adds attorneys for the Commonwealth and their assistants as members of the Virginia Law Officers' Retirement System.	Referred to HAC Subcommittee on Compensation and Retirement
SB 357 Deeds	VaLORS – Adds Conservation Officers	Adds conservation officers of the Department of Conservation and Recreation as members of the Virginia Law Officers' Retirement System.	Referred to Senate Finance

Legislation Affecting VRS – Defined Contribution Plans, Member Contributions

Bill Number	General Topic	Summary	Status
HB 257 – Stolle and SB 506 -	Voluntary DC Plan	Permits any locality or school board to establish a defined contribution retirement plan, in lieu of any other retirement plan, for employees hired after such plan is established.	HB 257 referred to HAC Subcommittee on Compensation and Retirement; SB 506 Referred to Senate Finance
HB 1129 – Howell, W.	Changes to DB Plan	<p>Modifies several provisions of the defined benefit retirement plan. Beginning January 1, 2013:</p> <ul style="list-style-type: none"> • Calculation for average final compensation will use the average of 60 months rather than the current 36 months; current employees may use the 36 months rather than the 60 month average if their benefit would be higher. • Except for those members who are within 5 years of unreduced retirement, the Cost of Living Allowance (COLA) will be restricted to those members who reach the age for unreduced retirement benefits; the bill also reduces the COLA to the first two percent of inflation plus one-half of the next two percent, for a maximum total of three percent. • Increases the employee contribution rate from 5% to 6% for all new state employees and members covered under SPORS and VaLORS as of July 1, 2012; existing employees will be phased in increments of ½% per year. • Cost of prior service credit that currently can be purchased for 5% 	Referred to HAC Subcommittee on Compensation and Retirement

		<p>will increase to 6%.</p> <ul style="list-style-type: none"> • Lowers multiplier from 1.7% to 1.6% for those members hired on or after January 1, 2013, except for hazardous duty employees and judges. 	
HB 1130 Howell, W.	Creates Hybrid Plan	<p>Creates a new optional hybrid retirement plan beginning January 1, 2014 with a DB and DC component for all state employees except judges and employees currently eligible for optional retirement plans.</p> <ul style="list-style-type: none"> • DB component has a multiplier of 1.0% and a required employee contribution of 4%. The employer rate will be determined actuarially. • DC component has a required employee contribution of 2% and an employer contribution of 1%. The employee can contribute an additional 4% which the employer would match with an additional 2.5%. The maximum contribution is 9.5% (6% from the employee and 3.5% from the employer). • Current employees who transfer to this plan would keep a 1.7% multiplier on the transferred DB funds and the 1% multiplier would be used on any accrued funds after joining this plan. 	Referred to HAC Subcommittee on Compensation and Retirement
SB 497 – Watkins	Contributions by Local and School Board Employees	<p>Requires that persons employed by local government or school board employers be required to pay the 5% employee contribution to the VRS. School board employees would be authorized to phase in the 5% contribution over a maximum of five years.</p>	Referred to Senate Finance
SB 498 – Watkins	Hybrid Plan	<p>Creates a new hybrid retirement plan, administered by the VRS which:</p> <ul style="list-style-type: none"> • Contains a DC and a DB component. • Is available to all new state employees on or after January 1, 2014 • Allows new employees to choose between this plan and the current DB plan • Allows current employees to choose to participate in this plan or remain in the current DB plan 	Referred to Senate Finance

Legislation Affecting VRS – General Registrars

Bill Number	General Topic	Summary	Status
HB 318 – Ingram and HB 594 – Crockett-Stark	Unreduced Retirement	Permits a general registrar who (i) is involuntarily separated and (ii) has 20 or more years of creditable service to retire with an unreduced allowance upon attaining age 50.	Both bills referred to HAC Subcommittee on Compensation and Retirement

Legislation Affecting VRS – Local School Divisions

Bill Number	General Topic	Summary	Status
HB 702 – Filler-Corn and SB 198 Marsden	HIC – Local School Division Employees	Provides a \$4 per month HIC for retired non-professional employees of the local school division at the option of the local school division and at a cost borne by the local government.	HB 702 Referred to HAC Subcommittee on Compensation and Retirement and SB 198 referred to Senate Finance

Legislation Affecting VRS – Working After Retirement

Bill Number	General Topic	Summary	Status
HB 208 – Miller, Jackson and SB 216 - Barker	Working After Retirement-School Security Guards	Retirees hired as school board security personnel. Provides that retired law enforcement officers may be hired as local school board security personnel without interruption of their retirement benefits under certain conditions.	HB 208 Referred the HAC Subcommittee on Compensation and Retirement and SB 216 referred to Senate Finance
SB 136 - Puller	Working After Retirement	Provides that a person retired under LEOs, SPORS, or VaLORS may be hired by a town with a population of less than 10,000 as a full-time Police Chief	Referred to Senate Finance

	Police Chief	without interruption of his retirement allowance.	
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Legislation Affecting VRS – Judicial Retirement Age

Bill Number	General Topic	Summary	Status
SB 95 Edwards	Judicial Retirement Age	Adjusts the mandatory retirement age under judicial retirement to age 73.	Passed by Senate

Legislation Affecting VRS – Disability

Bill Number	General Topic	Summary	Status
HB 438 - Tata	Disability	Provides that if an employee who has at least five years in a hazardous duty position becomes disabled and is unable to return to a hazardous duty position but accepts a non hazardous duty position with the same employer, he may, at the sole discretion of his employer, continue to be covered under the hazardous duty plan even if the new position would not otherwise be eligible for such benefits.	Referred to HAC Subcommittee on Compensation and Retirement

Legislation Affecting VRS – Other Legislation

SJ 5 Howell, J.	Amendment to Constitution Regarding Payment of Contributions	Requires that contributions to defined benefit retirement plans that are maintained for state employees and employees of participating political subdivisions and school divisions be made in strict adherence with contribution rates and times for the payment of the contributions as recommended by the Board of Trustees of the VRS.	Carried Over to the 2013 Session
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Legislation Affecting VRS – Line of Duty Act (LODA)

Bill Number	General Topic	Summary	Status
HB 42 – Tata	Membership	Expands the definition of a deceased person under the Act to include members of any fire company or department providing fire protection services for facilities of the Virginia National Guard or the Virginia Air National Guard.	Referred to General Laws
HB 395 – Ransone and SB 441 - Obenshain	Special Fund	Originally this bill created a special fund controlled by the Governor for disbursement of moneys to the beneficiary of a deceased law-enforcement officer. The bill was amended and now allows the State Comptroller to advance funds for burial expenses for these law enforcement officers.	HB 395 HAC Subcommittee on Compensation and Retirement recommended reporting; SB441 Re-referred to Senate Finance
HB 740 – Jones, C. and SB 125 – Watkins	Self Funding and Administration	Allows a political subdivision with employees eligible for coverage under the Line of Duty Act to make an irrevocable election to self-fund and administer the benefits available under the Line of Duty Act.	HB 740 Referred to House General Laws; SB 125 Engrossed as amended by Senate
HB 1134 - Cosgrove	Definitions	Includes any full-time sworn member of the enforcement division of the Department of Motor Vehicles in the definition of “deceased person” for the purposes of the Line of Duty Act.	Referred to General Laws
SB 424 - Ruff	Membership	Includes under the coverage of the Line of Duty Act individuals employed as fire company personnel for the Virginia Air National Guard or the Virginia National Guard's Fort Pickett Reserve.	Read third time and passed by Senate