
VIRGINIA STATE BUDGET

2010 Session

Budget Bill - HB29 (Chapter 872)

Bill Order » Independent Agencies » Item 485

Virginia Retirement System

| Item 485 | First Year - FY2009 | Second Year - FY2010 |
|---|---------------------|--|
| Personnel Management Services (70400) | \$9,426,951 | \$9,626,951 \$9,833,451 |
| Administration of Retirement and Insurance Programs (70415) | \$9,426,951 | \$9,626,951 \$9,833,451 |
| Fund Sources: | | |
| General | \$28,000 | \$28,000 \$0 |
| Trust and Agency | \$9,398,951 | \$9,598,951 \$9,833,451 |

Authority: Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.

A. The Board of Trustees of the Virginia Retirement System is hereby authorized to charge a participation fee to each employer served by the Virginia Retirement System for any services provided pursuant to Title 51.1 of the Code of Virginia. The fee shall be utilized to pay the administrative expenses of all administrative services, including non-retirement programs. Retirement contributions required by the Board shall be reduced to pay such fees in a manner prescribed by the Board of Trustees.

B. Included in this appropriation is \$28,000 each year from the general fund for administrative costs associated with and contribution supplements for the Volunteer Firefighters' and Rescue Squad Workers' Service Award Program.

C. State agencies and institutions of higher education shall make payments to the Virginia Retirement System for retirement contributions, Virginia Sickness and Disability Program contributions, and retiree healthcare credit contributions on a quarterly basis.

D. Any person included in the membership of a retirement system provided by Chapter 1 (§ 51.1-124.1 et seq.), 2 (§ 51.1-200 et seq.), 2.1 (§ 51.1-211 et seq.), or 3 (§ 51.1-300 et seq.) of Title 51.1, Code of Virginia, who (i) rendered at least 15 years of total creditable service as a local officer as defined in § 51.1-124.3 or as an employee of a local social services board and (ii) after terminating service as a local officer or employee of a local social service board, was employed by a local government that does not elect to provide a health insurance credit under § 51.1-1402, shall be eligible for the credit provided by § 51.1-1403, provided that the retired employee is participating in a health insurance plan. The Commonwealth shall be charged with the credit as provided for in subsection A of § 51.1-1403. In such case, the health insurance credit shall be determined based upon the amount of state service or service as a local officer or employee of a local social service board, whichever is greater.

E.1. In the second year, as an alternative to the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees pursuant to § 51.1-145(I), Code of Virginia, rates paid to the VRS on behalf of employees of participating counties, cities, towns, and local public school divisions may, at each participating employer's option, be based on the results of the June 30, 2007 actuarial valuation of assets and liabilities assuming an investment return of eight percent, a cost of living increase of three percent, and an amortization period of 30

years.

2. Counties, cities, towns, and local public school divisions electing to utilize the optional actuarial assumptions authorized in paragraph E.1 must certify to the board of the Virginia Retirement System by resolution adopted by the local board that they: 1) are electing to exercise such option, and 2) have reviewed and understand the information provided by the Virginia Retirement System outlining the potential future fiscal implications of such election.

3. Prior to electing to utilize the optional actuarial assumptions authorized in paragraph E.1 local public school divisions must receive the concurrence of the local governing body. Such concurrence must be documented by a resolution of the governing body.

4. The board of the Virginia Retirement System shall: 1) provide all counties, cities, towns, and local public school divisions participating in the Virginia Retirement System with a summary of the implications inherent in the use of the actuarial assumptions set out in paragraph E.1., and 2) shall establish minimum fiscal standards for participation in this program of alternative actuarial assumptions that will consider, but not necessarily be limited to, the index of local fiscal stress.