2014 Special Session I

Budget Bill - SB5003 (Introduced)

Bill Order » Office of Finance » Item 264

Department of Accounts Transfer Payments

Item 264	First Year - FY2015	Second Year - FY2016
Line of Duty (76000)	**$9,458,131**	**$9,458,131**
Death Benefit Payments Under the Line of Duty Act (76001)	$525,000	$525,000
Health Insurance Benefit Payments Under the Line of Duty Act (76002)	$8,933,131	$8,933,131
Fund Sources:		
Trust and Agency	$9,458,131	$9,458,131

Authority: Title 9.1, Chapter 4, Code of Virginia.

A. In addition to such other payments as may be available, the full cost of group health insurance, net of any deductions and credits, for the surviving spouses and dependents of certain public safety officers killed in the line of duty and for certain public safety officers disabled in the line of duty, and the spouses and dependents of such disabled officers, are payable from this Item pursuant to Title 9.1, Chapter 4, Code of Virginia.

B.1. There is hereby established the Line of Duty Act Fund (the Fund) for the payment of benefits prescribed by and administered under the Line of Duty Act. The funds of the Line of Duty Act Fund shall be deemed separate and independent trust funds, shall be segregated and accounted for separately from all other funds of the Commonwealth, and shall be invested and administered solely in the interests of the covered employees and beneficiaries thereof. Neither the General Assembly nor any public officer, employee, or agency shall use or authorize the use of the Fund for any purpose other than as provided in law for benefits and administrative expenses. Fund deposits are irrevocable and are not subject to the claims of creditors. In addition to other such powers as shall be vested in the board, the board shall have the full power to invest, reinvest and manage assets of the Fund in accordance with Article 3.1 (§ 51.1-124.30 et seq.) of Chapter 1 of Title 51.1, and no officer, director, or member of the board or of any advisory committee of the Retirement System or any of its tax exempt subsidiary corporations whose actions are within the standard of care in Article 3.1 of Chapter 1 of Title 51.1 shall be held personally liable for losses suffered by the Fund on investments made under the authority of this article. The board is authorized to establish loans to the Fund from the Group Life program in such amounts and under such terms as may be established by the board. The Fund shall reimburse the Retirement System for all reasonable costs incurred and associated, directly and indirectly, with the administration, management and investment of the Fund.

2. Definitions. As used in this item:

"Board" means the Board of Trustees of the Virginia Retirement System.

"Covered employee" means any employee, sheriff, deputy sheriff, or volunteer of a participating employer or non-participating employer eligible for coverage under the provisions of the Line of Duty Act.

"Fund" means the Line of Duty Act Fund.

"Line of Duty Act" means § 9.1-400 et seq.

"Non-participating employer" means any political subdivision making the irrevocable election, in a manner and on such forms as prescribed by the board, to self-fund Line of Duty Act benefits under paragraph B.4 of this Item.

"Participating employer" means any agency of the Commonwealth with covered employees and any (i) county, city, or town with covered employees that does not make the election under paragraph B.4 of this Item; or (ii) political entity, subdivision, branch, commission, public authority, or body corporate, or other entity of a local government with covered employees that does not make the election under paragraph B.4 of this Item.

"Retirement System" means the Virginia Retirement System.

3. Payment of benefits; funding of benefits.

a. All payments for benefits provided through the Line of Duty Act shall be paid by the State Comptroller. The State Comptroller shall be reimbursed from the Fund for all benefit payments made on behalf of participating employers that, which payments have been approved by the State Comptroller. The State Comptroller shall be reimbursed on no more than a monthly basis from documentation provided to the Retirement System. Reimbursement from the Fund may include reasonable administrative expenses incurred by the Department of Accounts or the State Comptroller for administering the provisions of the Line of Duty Act.

Each participating employer shall make contributions each year to the Fund in accordance with guidelines adopted by the board. Such contributions shall be for purposes of funding benefits and administrative expenses under the Line of Duty Act. The employer contribution for each participating employer shall be determined by the board on a current disbursement basis in accordance with the provisions of this section.

b. For purposes of this Item, employer contributions for coverage provided to members of the National Guard and United States military reserves on active duty shall be paid by the Commonwealth.

c. For purposes of establishing employer contribution contributions, a member of any fire company or department or rescue squad that has been recognized by an ordinance or a resolution of the governing body of any county, city, or town of the Commonwealth as an integral part of the official safety program of such county, city, or town shall be considered part of the city, county, or town served by the company, department or rescue squad. If a company, department, or rescue squad serves more than one city, county, or town, the affected cities, counties, or towns shall determine the basis and apportionment of the required covered payroll and contributions for each department, company, or rescue squad.

d. Each participating employer shall provide all required data requested by the Board to administer the Fund in a form approved by the board.

e. In the event any participating employer fails to remit contributions or other fees and costs of the Fund as duly prescribed, the board shall inform the State Comptroller and the participating employer of the delinquent amount. The State Comptroller shall forthwith transfer such amounts to the Fund from any moneys otherwise distributable to such participating employer.

4. Irrevocable election to become non-participating employer.

a. A political subdivision with covered employees may make, in a manner and on such forms as prescribed by the board, an irrevocable election on or before July 1, 2012, to be deemed a non-participating employer fully responsible for self-funding all benefits relating to its past and present covered employees under the Line of Duty Act from its own funds, including any responsibility apportioned to it under the provisions of paragraph 3(c) above. Non-participating employers shall continue to be subject to the provisions set forth in the Line of Duty Act.

b. A non-participating employer shall not be required to contribute to the Fund, nor shall it be required to contribute to the costs incurred or associated, directly or indirectly, with the administration, management and investment of the Fund.

c. Effective July 1, 2012, non-participating employers shall be responsible for self-administering the payments of benefits in accordance with the requirements of the Line of Duty Act. The eligibility determination process for the Line of Duty benefit shall continue to be determined consistent with the provisions of § 9.1-403 and any other applicable section of Code. The State Comptroller shall determine and collect from a non-participating employer an amount representing reasonable costs incurred and associated, directly and indirectly, with such eligibility determination.

d. In the event any non-participating employer fails to remit benefit and other costs of the Line of Duty Act as prescribed, the State Comptroller shall transfer such amounts from any moneys otherwise distributable to such non-participating employer.

5. The Virginia Retirement System Medical Board established pursuant to § 51.1-124.23, Code of Virginia shall, upon request by the State Comptroller, make a written report of its conclusions and recommendations on matters referred to it regarding eligibility for benefits under the Line of Duty Act.

C. In addition to any other benefit provided by law, an additional death benefit in the amount of $20,000 for the surviving spouses and dependents of certain members of the National Guard and United States military reserves killed in action in any armed conflict on or after October 7, 2001, are payable pursuant to § 44-93.1.B., Code of Virginia, from the Line of Duty Death and Health Benefits Trust Fund. The Department of Accounts, with support from the Department of Military Affairs, shall determine eligibility for this benefit.

D. For any surviving spouse of a "deceased person" or any "disabled person" as those terms are defined in § 9.1-400 , who is receiving the benefits described in § 9.1-401 and who would otherwise qualify for the health insurance credit described in Chapter 14 of Title 51.1, Code of Virginia, the amount of such credit shall be calculated and reimbursed to the State Comptroller for deposit into the Line of Duty Death and Health Benefits Trust Fund from the health insurance credit trust fund, in a manner prescribed by the Board of Trustees of the Virginia Retirement System.

E. A member of any fire company providing fire protection services for facilities of the Virginia National Guard or the Virginia Air National Guard shall be eligible to receive benefits according to the provisions under the Line of Duty Act, Title 9.1, Chapter 4, Code of Virginia. Funding for the inclusion of a member of any fire company providing fire protection services for facilities of the Virginia National Guard or the Virginia Air National Guard will be paid by the Department of Military Affairs out of its appropriation in Item 410 of this act.

F. It is the intent of the General Assembly that expeditious payments for burial expenses be made for persons whose death is determined to be a direct and proximate result of their performance in the line of duty as defined by the Line of Duty Act. The State Comptroller is hereby authorized to release, at the request of the family of a person who may be subject to the line of duty death benefits, payments to a funeral service provider for burial and transportation costs. These payments would be advanced from the death benefit that would be due to the beneficiary of the deceased person if it is determined that the person qualifies for line of duty coverage. Expenses advanced under this provision shall not exceed the coverage amounts outlined in § 65.2-512. In the event a determination is made that the death is not subject to the line of duty benefits, the Virginia Retirement System or other retirement fund to which the deceased is a member, will deduct from benefit payments otherwise due to be paid to the beneficiaries of the deceased, payments previously paid by the State Comptroller for burial and related transportation expenses and return such funds to the State Comptroller. The State Comptroller shall have the right to file a claim with the Virginia Workers' Compensation Commission against any employer to recover burial and related transportation expenses advanced under this provision.

G. Any locality that has established a trust, trusts, or equivalent arrangements for the purpose of accumulating and investing assets to fund postemployment benefits other than pensions under § 15.2-1544, Code of Virginia, may fund Line of Duty Act benefits from the assets of the trust, trusts, or equivalent arrangements.