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HOUSE BILL NO. 892

House Amendments in [] - February 15, 2010

A *BILL to amend and reenact § 51.1-161 of the Code of Virginia, relating to the Virginia Retirement System; withdrawal of member contributions.*

Patron Prior to Engrossment—Delegate Barlow

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That § 51.1-161 of the Code of Virginia is amended and reenacted as follows:

§ 51.1-161. Withdrawal of contributions before retirement.

A. 1. If a Any member has ceased who has five or more years of creditable service, who ceases to be an employee, other than by death or retirement, he may receive a refund of his accumulated contributions reduced by the amount of any retirement allowance previously received by him under any of the provisions of this chapter or the abolished system.

2. Any member who has less than five years of creditable service, who ceases to be an employee other than by death [~~or~~ ,] retirement, [or involuntary separation due to causes other than job performance or misconduct, as determined by the employer in its sole discretion] shall have such refund reduced by that portion of his accumulated contributions that were paid by his employer on his behalf on or after July 1, 2010. Such reduction shall be transferred to the retirement allowance account of each employer who paid such contributions on a pro rata basis.

B. Accumulated contributions shall be refunded to a member upon retirement for disability from a cause that is compensable under the Virginia Workers' Compensation Act (§ 65.2-100 et seq.) or to his designated beneficiary upon the death of the member from a cause that is compensable under the Virginia Workers' Compensation Act.

C. If a member becomes covered by an optional retirement plan established under §§ 51.1-126, 51.1-126.5, or 51.1-126.6, the member may elect to have his accumulated contributions, as reduced by the amount of any retirement allowance previously received by him under any of the provisions of Chapters 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 this title or the abolished system, transferred directly to such optional retirement plan as a credit to his account in such plan. No portion of the transferred amount shall be available to the member until benefits under the optional retirement plan are otherwise available for distribution. An election to transfer the accumulated contributions to an optional retirement plan shall be treated as a withdrawal of the member's accumulated contributions for purposes of § 51.1-128.

ENGROSSED

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