

# 2020 Legislation

## SUMMARY OF VRS-RELATED BILLS

MAY 2020



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This summary provides an overview of bills passed during the 2020 session of the General Assembly that affect the Virginia Retirement System (VRS).

For full details on each bill, enter the bill number in the search field on the [Legislative Information System](#) (LIS). On the bill's summary page, select the link to the PDF version.

## 2020 BILLS

### [House Bill 351](#) **School Bus Driver (Critical Shortage)** [and Senate Bill 324](#)

Allows school bus drivers to be designated as critical shortage positions and allows a qualified retiree to return to work as a school bus driver while continuing to receive a retirement benefit.

- Requires the identification of a shortage of school bus drivers by geographic area and local school division.
- Retirees must have a 12-calendar-month break in service and will not accrue additional service.
- Retirees cannot have retired under an early retirement incentive program (ERIP).
- No employer contributions are required.
- Provision sunsets July 1, 2025.
- Retirees from the State Police Officers' Retirement System, Virginia Law Officers' Retirement System and the Judicial Retirement System are not eligible to participate in this program.

*[\(continued\)](#)*

## 2020 BILLS (continued)

**House Bill 536  
and Senate Bill 109**

**College Savings Trust Accounts (Felonious Assault Death of VRS Member)**

Reflects statutory changes to the Virginia College Savings Plan and Internal Revenue Code in determining the amount of the college savings account for children of VRS members who die in service as a result of a felonious assault.

Felonious assault benefits include:

- \$50,000 or 25% of accidental death or dismemberment benefit, whichever is less (*no change*).
- Virginia College Savings Plan account for each qualifying child if individual dies as a result of the assault. The amount is approximately equal to the average cost of four years of tuition and mandatory fees at a public college or university in Virginia. The child may attend any accredited college or university that participates in the federal student financial aid programs.

**House Bill 1495  
and Senate Bill 54**

**School Security Officers (Return to Work)**

Permits retired sworn law enforcement officers to return to work as a school security officer (defined in [§ 9.1-101](#)).

- Retirees must have a 12-calendar-month break in service. This break in service means not working in any full-time, part-time or temporary position with any VRS-participating employer.
- Retirees cannot have retired under an early retirement incentive program (ERIP) from any local school division or other VRS employer, or under the Workforce Transition Act.
- Individuals who return to work under this provision are not eligible for any cash match as detailed in Chapter 6.1 ([§ 51.1-607](#) et seq., cash match plans) of Title 51.1.
- No additional service is earned by the member, and employers must pay contributions for these positions.
- Requires an actuarial study of the provision's impact every four years that must be submitted to the General Assembly.

**House Bill 1513**

**Health Insurance Credit**

As of July 1, 2021, requires school divisions that provide benefits to non-teacher employees to also provide a health insurance credit of \$1.50 per year of service to all non-teacher retirees who retire with at least 15 years of total creditable service.

- Eligible non-teachers who retired before July 1, 2021, but who previously did not receive a health insurance credit, will begin receiving it July 1, 2021.
- A school division may, at its option, provide an additional \$1 per year, for a total health insurance credit of \$2.50 per year of service for affected retirees.

*(continued)*

## 2020 BILLS (continued)

**House Bill 1513**  
**(continued)**

- Removes the \$45 cap. (Currently, non-teacher school division employees are eligible for a credit of \$1.50 per year of service, capped at \$45 per month, if the locality has elected such coverage.)
- Does not apply to any non-teacher school division employee who retired on disability before July 1, 2020, if this measure would reduce the retiree's current monthly credit amount.

**House Bill 51**  
**and Senate Bill 40**

**Line of Duty Act**

Provides that children born or adopted after the death or disability of an employee covered by the Line of Duty Act (LODA) are eligible for health insurance coverage if their birth or adoption occurred after the time of the employee's death or disability, but before July 1, 2017. The Department of Human Resource Management administers the [LODA Health Benefits Plans](#).

## 2020-2022 STATE BUDGET

**VRS Employer**  
**Contribution Rates**

- Fully funds the VRS board-certified retirement contribution rates for teachers, state employees, the State Police Officers' Retirement System (SPORS), the Virginia Law Officers' Retirement System (VaLORS) and the Judicial Retirement System (JRS).
- Fully funds the VRS board-certified other post-employment benefits (OPEB) contribution rates for the health insurance credit for state employees and teachers, group life insurance for state employees, the employer share of the teachers' group life insurance program and the Virginia Sickness and Disability Program (VSDP).

**Line of Duty Act**  
**(LODA)**  
**(Item 477)**

Increases the LODA Fund premium amount for participating employers from \$709.21 to \$717.31.

*[\(continued\)](#)*

## 2020-2022 STATE BUDGET (continued)

**Transitional  
Benefits Program  
(Item 477)**

Extends the [Transitional Benefits Program](#) through June 30, 2022. The program allows school divisions and VRS-participating political subdivisions to provide a transitional severance benefit or an enhanced retirement benefit to employees who are involuntarily separated from employment. Involuntary separation is a layoff because of a budget reduction, agency reorganization, workforce downsizing or other causes not related to job performance or misconduct.

**Notification of  
Late Employer  
Contributions  
(Item 492)**

Requires VRS to notify the chairmen of the House Appropriations and Senate Finance and Appropriations committees within 15 days if an employer becomes 60 days late in making a contribution payment to VRS.

