

2023 Virginia Retirement System Legislative Summary



This summary provides an overview of bills passed during the 2023 regular session of the General Assembly that affect the Virginia Retirement System. For full details on each bill, enter the bill number in the search field for the appropriate 2023 session on the [Legislative Information System](#). On the bill's summary page, select the link to the PDF version of the bill.

Return to Work Bills

New legislation reduces the break-in-service requirements from 12 months to six months for retirees returning to work full-time in certain positions while continuing to draw their monthly retirement benefits. Those jobs include critical shortage education positions and retiree school security officers.

[House Bill 1630](#)

- Reduces the break-in-service for retirees returning to work full-time as school security officers from 12 months to six months.

[Senate Bill 1289](#)

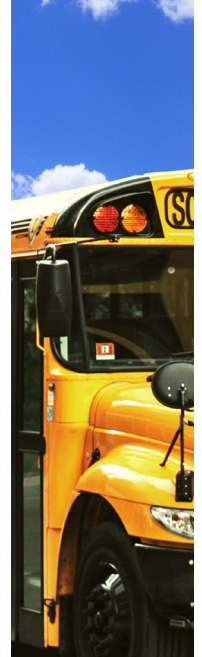
- Reduces the break in service from 12 months to six months for retirees returning to work full-time in critical shortage positions as teachers, assistant principals, principals or bus drivers.

[Senate Bill 1411](#)

- Makes specialized student support personnel – social workers, psychologists, nurses and others as defined in [§ 22.1-253:13.2\(0\)](#) – eligible for designation as K-12 critical shortage positions.

[Senate Bill 1479](#)

- Requires employers to report critical shortage employees to VRS and submit employer contributions for these positions.
- Extends the above provisions to July 1, 2028.
- Requires VRS to study options for allowing retirees with at least 25 years of service to return to work earlier than six months after retirement while continuing to receive a retirement benefit.
- Requires VRS and the Department of Criminal Justice Services, in consultation with the Joint Legislative Audit and Review Commission, to review and analyze options for allowing law enforcement officers to return to work after retirement while continuing to receive a retirement benefit.



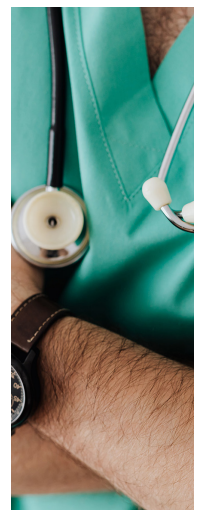
Health Insurance Credit Bills

Eligible members retiring with 15 or more years of service credit from an eligible employer receive a health insurance credit to assist with the cost of health insurance premiums. The credit is a dollar amount set by the General Assembly for each year of service and is added to the monthly benefit members receive in retirement.

[House Bill 1789](#)

A pair of bills increased the health insurance credit for retired constitutional officers and their employees and state employees.

- Raises the monthly health insurance credit amount from \$1.50 to \$1.75 per year of creditable service (not to exceed \$52.50 per month) for retired constitutional officers and their employees who have at least 15 years of creditable service.



- Increases the monthly health insurance credit to \$52.50 per month for constitutional officers or constitutional officers' employees who retired on long-term disability.
 - Although effective July 1, 2023, benefit payments begin July 1, 2024.
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- Raises the monthly health insurance credit amount from \$4 to \$4.25 per year of service with no monthly cap for retired state employees who have at least 15 years of creditable service.
 - Increases the monthly health insurance credit for state employees who retired on long-term disability from \$4 per year of service to \$4.25, or \$120 per month, whichever is greater.
 - Although effective July 1, 2023, benefit payments begin July 1, 2024.



House Bill 2314

State Budget

Lump Sum Contributions to VRS

Allocates \$250 million by June 30, 2023, to reduce unfunded liabilities for VRS-administered retirement plans and other post-employment benefits.

Cash infusions will go into the following plans:

- \$147.5 million to the teacher retirement plan.
- \$73.1 million to the state employee plan.
- \$10.1 million to the group life insurance plan.
- \$6.6 million to the Virginia Law Officers' Retirement System (VaLORS).
- \$4 million to the health insurance credit plan for public school teachers.
- \$3.7 million to the State Police Officers' Retirement System (SPORS).
- \$2.8 million to the health insurance credit plan for state employees.
- \$2.1 million to the Judicial Retirement System (JRS).
- \$134,742 to the health insurance credit plans for constitutional officers and their employees, local social services employees and registrars and their employees.

House Bill 1400

