

Uniformed Retirement System Board of Trustees Meeting

May 11, 2022 10:00 AM



Agenda Topic	Presenter	Time	Page
Agenda	Jeff Weiler	10:00 AM-10:01 AM	1
1. ACTION ITEMS			3
1.A Nomination and Election of New Vice Chair			
1.B Motion for an Electronic Meeting	Jeff Weiler	10:01 AM-10:04 AM	3
2. INVESTMENT MATTERS			4
2.A Enter Closed Session - Investment Matters	Jeff Weiler	10:04 AM-10:05 AM	4
2.J Exit Closed Session	Jeff Weiler	10:05 AM-10:06 AM	924
3. ACTION ITEMS			925
3.A Bylaws Review and Proposal	Brian Morales		925
3.A.1 Bylaws Comparison Presentation			925
3.A.2 Proposed Bylaws			932
3.A.3 Current Bylaws			936
3.A.4 Code of Ordinances			947
3.B Staff Manager Recommendations – Motions	Brian Morales	10:06 AM-10:11 AM	994
3.C Approval February 23, 2022, Minutes	Jeff Weiler	10:11 AM-10:13 AM	999
3.D Approval April 8, 2022, Emergency Board Meeting Minutes	Jeff Weiler	10:13 AM-10:15 AM	1002
4. INFORMATIONAL			1004
4.A System Performance	Brian Morales		1004

4.B Travel 10:15 AM-10:25 AM

- May 16th – 18th: Boston, MA (HarbourVest Advisory Board and Annual meeting)
- May 17th – 18th: Boston, MA (NEPC Investment Conference)
- May 19th – 20th: Boston, MA (Wellington, Acadian, Manulife)
- June 27th – 30th: San Francisco, CA (NCEPR's Chief Officers Summit)
- June 30th – July 1st: Minneapolis, MN (Parametric)

4.C Educational Opportunities

4.C.1 BlackRock Educational Academy (Virtual and On-Demand Classes)

- Mastering Alternative Asset Classes: on demand
- Systematic Investing: on demand
- ETFs & Technology: on demand
- Asset Allocation: October 19 & 20
- Risk Management & Operational Excellence: Nov 1 & 2

4.C.2 PIMCO Institute

- July 18th – 21st (New Port Beach, CA)
- November 7th – 10th (New Port Beach, CA)

5. ADMINISTRATION/BENEFIT MATTERS 1006

5.A Retirement Applications Jeff Weiler 1006

6. ADJOURN 10:25 AM-10:26 AM

NEXT MEETINGS – Investments: Wednesday, September 28, 2022



Bylaws Comparison

Uniformed Retirement System

May 11, 2022

- **County Code - Article 3. Fairfax County Unformed Retirement System**
 - Section 3-3-2 (f): Definition of Board
 - Section 3-3-11 through Section 3-3-19: Establishes the Board of Trustees and its role
 - Section 3-3-16 (a): Gives authority to Board to establish rules and regulations (Bylaws)
 - **Nowhere in the County Code does it say that the Board of Supervisors must approve the Bylaws or amendments to the Bylaws**
- **Comparison of Current vs. Proposed Bylaws**
 - Blue highlights on the proposed bylaws is new language
 - Grey highlights on the current bylaws is language that the county attorney's office says needs to be moved to a policy and procedures manual
 - Yellow highlights on the current bylaws is language that the county attorney's office says should be removed because its not necessary
- **Policy and Procedures Manual for Board Approval in September**
 - Restructuring and rewriting of the Statement of Investment Objective and Policies
 - Writing of new policies

Section 3-3-15. Accountable to the Board of Supervisors.

The Board of Trustees of the System shall be accountable to the Board of Supervisors. (1961 Code, § 9-85; 11-74-9; 3-16-3.)

- **Accountability refers to the Board of Trustees providing:**
 - **Annual budget audit**
 - **Actuarial study on 2-year basis**
 - **Comprehensive Annual Financial Report**

ARTICLE II – PURPOSE

The Board of Supervisors of Fairfax County, Virginia (“Board of Supervisors”), pursuant to Fairfax County Code §§ 3-3-11 and 3-3-16(a), has established a Board of Trustees (“Board”), and delegated to this Board authority to establish these bylaws for the transaction of the Board’s business.

These bylaws replace and supersede the rules and regulations adopted by the Board on July 1, 2002, and revised on May 17, 2018, and are effective as **[insert date of their approval by the Board of Supervisors]**.

ARTICLE VIII – AMENDMENT OF BYLAWS

These bylaws may be amended by the Board by adopting the proposed amendment or amendments **and by presenting those proposed changes for approval to the Board of Supervisors. Any such amendments shall become effective upon approval by the Board of Supervisors.**

- **Again, nowhere in the County Code does it say that the Board of Supervisors must approve the Bylaws or amendments to the Bylaws**
- **Further, the Uniformed Board is a fiduciary to the *system*, not to the Board of Supervisors**

Current vs. Proposed Bylaws

Item	Current	Proposed	Reason for Revision	Notes
Name	-	Article I	Conform to BAC bylaws template.	New language highlighted in blue
Board of Trustees Authority	1.1 to 1.2	Article II	Conform to BAC bylaws template.	New language highlighted in blue
Compliance with Law and Country Policy	1.2	Article VII	Conform to BAC bylaws template.	
Definitions	2.1 to 2.2	-	Not covered by BAC bylaws template.	Highlighted in yellow
Professional and Ethical Conduct	-	-	Not covered by BAC bylaws template; add to policies and procedures manual.	In ERS not URS
Approval of Amendments	3.1	Article VIII	Conform to BAC bylaws template.	
Incorporation by Reference	3.1	-	The PPM's authoritativeness is improper subject of bylaws	Highlighted in yellow
Membership	4.1	Article III	No substantive changes.	
Officers of the Board	5.1 to 5.4	Article IV	No substantive changes.	
Election of Officers	5.2	Article III	Conform to BAC bylaws template.	
Authorized Signatories	5.5	-	Not covered by BAC bylaws template; move to policies and procedures manual.	Highlighted in grey

Current vs. Proposed Bylaws Continued

Item	Current	Proposed	Reason for Revision	Notes
Meetings of the Board	6.1 to 6.10	Article V	Conform to BAC bylaws template.	New language highlighted in blue
Conduct of Meetings	6.9	-	Not covered by BAC bylaws template; move to policies and procedures manual.	Highlighted in grey
Conduct of Meetings	7.1 to 7.2	Article V	Conform to BAC bylaws template.	
Minutes	8.1 to 8.2	Article V	Conform to BAC bylaws template.	
Board Action	9.1 to 9.4	Article V	Conform to BAC bylaws template.	
Board Action	9.3	-	Conform to BAC bylaws template.	Highlighted in Yellow
Executive Director	10.1 to 10.2	-	Not covered by BAC bylaws template; move to policies and procedures manual.	Highlighted in grey
Chief Investment Officer	11.1	-	Not covered by BAC bylaws template; move to policies and procedures manual.	Highlighted in grey
Reports	12.1	-	Duplicative of ordinance.	Highlighted in Yellow
Standing Committees	-	Article VI	Conform to BAC bylaws template.	
Ad Hoc Committees	13.1	Article VI	Conform to BAC bylaws template.	

Current vs. Proposed Bylaws Continued

Item	Current	Proposed	Reason for Revision	Notes
Committee Authority	13.2	-	Improper delegation of authority.	Highlighted in yellow
Compliance with VFOIA	-	Article VII	Conform to BAC bylaws template.	
Applicable Law	-	-	Duplicative of ordinance.	In PORS not URS
Board Medical Advisor	-	-	Not covered by BAC bylaws template; move to policies and procedures manual.	In PORS not URS

**RULES AND REGULATIONS OF THE
BOARD OF TRUSTEES OF THE
FAIRFAX COUNTY
UNIFORMED RETIREMENT SYSTEM**

1.

ARTICLE I

Authority

1.1 These rules and regulations are adopted pursuant to Fairfax County Code §3-3-16.

1.2 To the extent that any of these rules and regulations are deemed to be in conflict with the Ordinance governing the System, the latter shall take precedence and control.¹

ARTICLE II

Definitions

2.1 The definitions set forth in Fairfax County Code §3-3-1 are hereby incorporated by reference.

2.2 Unless the context clearly indicates to the contrary, the use of the masculine gender includes the feminine, and vice versa.

ARTICLE III

Adoption and Amendment; Incorporation by Reference

3.1 These rules and regulations may be amended only in accordance with the following procedure. A draft amendment shall be prepared and submitted to the Board at a regular meeting for discussion. The Board must have a period of at least two calendar weeks

The Ordinance governing this System is codified at Fairfax County Code §§3-3-1 through 3-356. Hereinafter, it will be referred to as “the Ordinance.”

2.

in which to consider the draft amendment. The Board may vote on an amendment at any meeting of the Board where the item has been included as an action item on the Board's meeting agenda. An amendment must be approved by the affirmative vote of at least six trustees.

All policies of the Board shall be set forth in the Retirement Administration Manual, which shall be maintained by the Executive Director, and which shall constitute rules and regulations of the Board.

ARTICLE IV

Membership

4.1. Composition of the Board shall be as set forth in Fairfax County Code §3-3-12.

ARTICLE V

Officers

5.1. The officers of the Board consist of a Chair and a Vice-chair elected by the trustees at a meeting, and the Treasurer and Secretary. The Executive Director of the Retirement System Agency shall be the Secretary. The Director of Finance shall be the Treasurer in accordance with Fairfax County Code §3-3-12. The Chair and Vice-chair shall be trustees.

5.2. The Chair and Vice-chair shall serve for a term of one year commencing with the regular meeting in January of the year in which they are to serve.

3.

Nominations for officers shall be made at the November regular meeting. Elections shall be held at the January regular meeting.

A person must receive the affirmative votes of at least six trustees to be elected. A person may serve as an officer for an unlimited number of terms, consecutive or otherwise. After election, if a person is unable to complete a term, the Board shall elect a person to serve the remainder of the term. The election of a replacement must be made at the first monthly meeting following the receipt by the Board of either formal or informal notice of the person's inability or unwillingness to complete the term.

5.3. The Chair shall conduct the meetings. In the Chair's absence, the Vice chair shall conduct the meetings. If both the Chair and the Vice-chair are absent from a meeting, the trustees present shall select a trustee to act as the Chair for the meeting.

5.4. The Secretary shall be responsible for seeing that minutes are taken and prepared. The Secretary shall maintain custody of minutes, contracts, opinions, financial and investment data, reports, records of disbursements for expenses and any other records of the Board in accordance with the state law on public records. The Secretary shall attest to actions of the Board.

5.5. Any two officers (excluding the Secretary) may sign on behalf of the Board to implement an approved action of the Board. The Board delegates to the Chief Investment Officer the authority to sign contracts, agreements, and direction letters to facilitate the sale and movement of assets for investment and day-to-day activities required by the System. The Board delegates to the Executive Director the authority to sign vouchers directing the Treasurer to disburse funds in accordance with the directions of the Board.

ARTICLE VI

Meetings

.4.

6.1. The Board shall meet at least once each month other than August and December. Monthly meetings shall be held on the fourth Wednesday of each month except August, November, and December. The November meeting shall be held on the third Thursday when the fourth Wednesday falls the day before the Thanksgiving holiday and the Board may not schedule an August or December meeting. The Chair, or six trustees, may call additional meetings or cancel meetings of the Board.

6.2. The Board shall meet in the offices of the System, unless the Chair, or a majority of the trustees, designates another location.

6.3. The Chair, or the Chair's designee, shall supply to members of the public, on request, reasonable notice of the date, time, and place of meetings as required by the Virginia Freedom of Information Act. The Executive Director shall cause notice of all meetings to be published in public meetings section of the County's website and on the agency's website and shall forward the meeting schedule for inclusion in the Fairfax County Board of Supervisors' Weekly Agenda.

6.4. Special meetings may be called by the Chair. Two business days' written notice of special meetings must be given to each trustee. The only business that may be conducted at a special meeting is what has been identified in the notice of the meeting.

6.5. The Chair may call an emergency meeting of the Board. Each trustee must file a written waiver of notice of any emergency meeting at or before the meeting for any action taken at an emergency meeting to be valid.

5.

6.6. The Chair, or the Chair's designee, shall prepare an agenda for each meeting.

After the Chair calls a meeting to order, a trustee may move to add or delete from the agenda of that meeting or add an item to a future meeting's agenda. Addition or deletion of an item from the agenda requires the affirmative vote of a majority of all trustees present and voting. The addition of an item to an agenda for a future meeting shall be made at the request of one trustee.

6.7. The agenda shall be provided to the trustees at least one week before each monthly meeting. Written information which will be addressed at a monthly meeting shall be provided to each trustee one week before each meeting. Agenda items which could not be distributed to the trustees at least one week before the meeting and which must be acted on at the monthly meeting may be distributed at the meeting. The Chair or the Chair's designee shall send an agenda and any information with respect to a special or emergency meeting, as far in advance of the meeting as is practicable.

6.8. A quorum consists of six trustees. A quorum is required to conduct the business of the Board. Unless otherwise specifically required by these rules and regulations or statute or ordinance, a majority of the trustees present and voting is required for the Board to take an action.

6.9. A trustee cannot designate a substitute to sit and act in the trustee's place.

6.10. Meetings of the Board and its committees shall be generally open to the public. Closed session meetings which are not open to the general public may only be held in strict accordance with the provisions of the Virginia Freedom of Information Act.

ARTICLE VII

Conduct of Meetings

7.1. The Chair, or a majority of the trustees present at the meeting, may direct that

the proceedings for a deliberative body as contained in Robert's Rules of Order apply to meetings of the Board for an entire meeting, for a special purpose or for a certain time period of a meeting. When Robert's Rules of Order do not apply, the chair may conduct a discussion informally. Any reference to Robert's Rules of Order means the latest published edition of such rules at the time an issue arises with respect to such rules.

7.2. A Board action that is otherwise valid is not invalid simply because of the failure to follow Robert's Rules of Order.

ARTICLE VIII

Minutes

8.1. The Secretary shall take minutes of all meetings of the Board.

8.2. Draft minutes of each Board meeting shall be prepared by the Secretary and provided to each trustee as soon as reasonably possible after the meeting, but in no event later than one calendar week prior to the next regularly scheduled meeting. Draft minutes shall be approved or corrected by vote of the Board at its next meeting to the extent the Board can reasonably do so.

ARTICLE IX

Board Action

9.1. An action of the Board shall be evidenced by a motion, which shall be contained in the minutes of the Board. A motion must be initially moved by one trustee and be seconded by another trustee.

9.2. Unless otherwise specified by statute, the Ordinance, or these bylaws, the affirmative vote of a majority of the trustees attending and voting is required to pass a motion. A tie vote fails to carry a motion.

9.3. The Chair votes whenever his votes will affect the result that is, he can vote either to break or to cause a tie.

9.4. An amendment to a pending motion may be made only upon a majority vote of the trustees present and voting.

ARTICLE X

Executive Director

10.1. The Executive Director shall perform those duties prescribed by the Board.

10.2. The Executive Director shall respond on behalf of the Board to all public information requests in accordance with the provisions of the Virginia Freedom of Information Act and

the rules and regulations adopted by the Board.

ARTICLE XI

Chief Investment Officer

11.1. The Chief Investment Officer shall perform those duties prescribed by the

Board.

ARTICLE XII

Reports

12.1. The Board shall prepare and file an annual report with the Board of Supervisors as required by Fairfax County Code §3-3-16.

ARTICLE XIII

Committees

13.1. Ad Hoc Committees. The Board by motion may establish such ad hoc committees that it deems necessary from time to time for the conduct of its business. The selection of the chair and the composition of an ad hoc committee shall be as set forth in the motion. Ad hoc committees may meet as they deem necessary. Ad hoc committees shall comply with the provisions of Articles VI through IX of these by-laws.

13.2. No committee of the Board may exercise any power of the Board or act on its behalf except as specifically authorized to do so by a duly enacted motion.

**ATTESTED TO as a true and correct copy of the Rules and Regulations of the Board
of Trustees of the Fairfax County Uniformed Retirement System as adopted by the Board of Trustees
at its regular meeting on the 17th day of May 2018.**

FAIRFAX COUNTY UNIFORMED RETIREMENT SYSTEM

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

BYLAWS OF THE BOARD OF TRUSTEES
FOR THE FAIRFAX COUNTY UNIFORMED RETIREMENT SYSTEM

ARTICLE I – NAME

The name of this organization is the Fairfax County Uniformed Retirement System (“System”).

ARTICLE II – PURPOSE

The Board of Supervisors of Fairfax County, Virginia (“Board of Supervisors”), pursuant to Fairfax County Code §§ 3-3-11 and 3-3-16(a), has established a Board of Trustees (“Board”), and delegated to this Board authority to establish these bylaws for the transaction of the Board’s business.

These bylaws replace and supersede the rules and regulations adopted by the Board on July 1, 2002, and revised on May 17, 2018, and are effective as [insert date of their approval by the Board of Supervisors].

ARTICLE III – MEMBERSHIP AND TERM OF OFFICE

Appointments. Membership and appointments to the Board shall be determined in compliance with Fairfax County Code § 3-3-12.

Resignations and Vacancies. In the event a member cannot serve or resigns from office, the Chair or Secretary shall advise the Clerk for the Board of Supervisors of the vacancy in writing. Vacancies on the Board shall be filled in compliance with Fairfax County Code § 3-3-13.

ARTICLE IV – OFFICERS AND THEIR DUTIES

Officers. The Board’s officers shall consist of a Chair, a Vice Chair, a Secretary, who shall be the Executive Director of the Fairfax County Retirement Administration Agency (“RAA”), and a Treasurer, who in accordance with Fairfax County Code § 3-3-12 shall be the Director of the Department of Finance. No Board member may hold more than one office.

Elections. The Chair shall be elected in accordance with the voting provisions of Article V by the Board members annually and such election shall be scheduled at the first meeting of each calendar year. Two months prior to the election meeting, a slate of candidates shall be nominated during a meeting held pursuant to Article V. After nomination, each candidate shall be polled on his or her willingness and ability to serve as Chair of the Board. At the election meeting, the Chair shall be elected from among the willing nominees in accordance with the voting provisions of Article V. At the meeting immediately following the election of the Chair, the Chair shall nominate the Vice Chair. After nomination, each candidate shall be polled on his or her willingness and ability to

serve as an officer of the Board. The Vice Chair shall then be elected from among the willing nominees in accordance with the voting provisions of Article V.

Chair. The Chair shall preside over meetings of the Board and be eligible to vote at all times. The Chair shall have the authority to delegate appropriate functions to Board members and request assistance from the RAA staff.

Vice-Chair. In the absence of the Chair at a meeting, the Vice Chair shall perform the duties and exercise the powers of the Chair. In the event that neither the Chair nor the Vice Chair is available, the member present with the longest tenure on the Board shall act as Chair.

Treasurer. The Treasurer of the Board shall be the custodian of all of its funds and securities or evidence of such when in the custody of a fiduciary agent. He or she shall give bond, conditioned upon the faithful performance of his or her duties and the proper accounting of all funds and securities coming into his or her hands. He or she shall deposit all money in the name of the Board and disburse the same only on vouchers signed by such person as is designated for the purpose by the Board.

Secretary. The Secretary, or a duly appointed agent, shall be responsible for recording the minutes of meetings.

Replacement Officers. If either the office of Chair or Vice Chair becomes vacant for any reason, it shall be filled by an election at the next regular meeting having a majority of Board members present. The newly elected officer shall complete the unexpired term of his or her predecessor. Prior to the election of any replacement officer, all members shall be provided with notice of the proposed election before the meeting at which the replacement is to be elected.

ARTICLE V – MEETINGS

VFOIA. All Meetings shall be open to the public, except as provided under the Virginia Freedom of Information Act, Virginia Code § 2.2-3700 *et seq.*, as amended (“VFOIA”). The terms “meeting” and “meetings” shall mean meetings including work sessions, when sitting physically, or through electronic communication means pursuant to Virginia Code § 2.2-3708.2, as a body or entity, or as an informal assemblage of (i) as many as three members or (ii) a quorum, if less than three of the constituent membership, wherever held, and with or without minutes being taken, whether or not votes are cast, of any public body.

Notice and Agenda. Notice and the agenda of all meetings shall be provided as required under VFOIA. Each meeting shall be preceded by a properly stated notice stating its date, time, and location. Notice of a meeting shall be given at least three working days prior to the meeting. Notice of any emergency meeting, reasonable under the circumstances, shall be given contemporaneously with the notice provided to Board members. Notices of all meetings shall be provided to the Office of Public Affairs for

posting at the Government Center and on the County Web site. All meetings shall be conducted in public places that are accessible to persons with disabilities.

Frequency. The Board shall meet quarterly or as determined by the Chair. Meetings shall be held at a time agreed to by a majority of the Board members, and at the RAA's offices.

Voting. A quorum is necessary for a vote. A majority of members of the Board shall constitute a quorum. In making any recommendations, adopting any plan, or approving any proposal, action shall be taken by a majority of the Board members attending and voting. Upon the request of any member, the vote of each member on any issue shall be recorded in the minutes. All votes of the Board members shall be taken during a public meeting, and no vote shall be taken by secret or written ballot or by proxy.

Conduct. Except as otherwise provided by Virginia law or by these bylaws, all meetings shall be conducted in accordance with the current edition of *Robert's Rules of Order Newly Revised*, subject to the following exceptions: (i) the name of the seconder of a motion shall be entered in the minutes; (ii) a vote shall be recorded as unanimous or include the number of members opposed; and (iii) proceedings of a committee of the whole or a quasi-committee of the whole shall be recorded separately and the minutes for those proceedings shall be approved at the committee's next meeting. Except as specifically authorized by VFOIA, no meeting shall be conducted through telephonic, video, electronic, or other communication means where the members are not all physically assembled to discuss or transact public business. All Trustees attending whether in person or electronically have full authority as a trustee.

Public Access. For any meeting, at least one copy of the agenda, all agenda packets, and, unless exempt under VFOIA, all materials furnished to Board members shall be made available for public inspection at the same time such documents are furnished to Board members. Pursuant to VFOIA, any person may photograph, film, record, or otherwise reproduce any portion of a meeting required to be open, but such actions may not interfere with any Board proceedings.

Records. The Secretary or an appointed representative shall ensure that minutes of meetings are recorded as required under the VFOIA. Minutes shall include: (1) the date, time, and location of each meeting; (2) whether the meeting was regularly scheduled or an emergency (3) the members present and absent; (4) a summary of the discussion on matters proposed, deliberated, or decided; and (5) a record of any votes taken. Such minutes are public records and subject to inspection and copying by citizens of the Commonwealth or by members of the news media.

The RAA shall provide staff support to review and approve records and minutes of each meeting. Meetings may be tape recorded to assist with preparation of the minutes.

The Secretary shall transmit the minutes of a meeting to the Board's members no later than one week before the Board's next regularly scheduled meeting. Minutes shall be signed by the Chair and Secretary following their approval by the Board.

All minutes shall be retained permanently in the RAA's offices. Tape recordings used to assist in the preparation of any minutes shall be stored for three years in the RAA's offices and thereafter, with the County's Archives and Records Division.

Attorney-Client Confidentiality. Records containing legal advice from any attorney for the System, and advice provided in closed session of the Board by any attorney for the System, are protected by attorney-client confidentiality and from disclosure under VFOIA. Any such records or advice should not be disclosed by members of the Board to any third party, or the protections against disclosure provided by attorney-client confidentiality and VFOIA may be waived. Questions regarding the handling of records or advice subject to attorney-client confidentiality should be directed to the Office of the County Attorney.

ARTICLE VI – COMMITTEES

Standing. The Chair may appoint standing committees and a Chair for each with the consent of a majority of Board members present and voting.

Special. The Chair may appoint special committees and a Chair for each with the consent of a majority of Board members present and voting.

All meetings of any such committees shall comply with the notice and other requirements of VFOIA. To the extent that is practicable, any such committees shall be composed of at least four members. Committee meetings may be held at the call of the Chair or at the request of two members, with notice to all members.

ARTICLE VII – COMPLIANCE WITH COUNTY LAW AND POLICY

The Board shall comply with all Virginia laws, including, but not limited to, VFOIA and the State and Local Government Conflict of Interests Act ("COIA"), Virginia Code § 2.2-3100 *et seq.*, as amended, with all County ordinances, and with all County policies concerning the activities of County boards, authorities, and commissions. In the case of a conflict between a provision of these bylaws and any applicable ordinance or law, the applicable ordinance or law, as the case may be, shall control.

ARTICLE VIII – AMENDMENT OF BYLAWS

These bylaws may be amended by the Board by adopting the proposed amendment or amendments and by presenting those proposed changes for approval to the Board of Supervisors. Any such amendments shall become effective upon approval by the Board of Supervisors.

ARTICLE 3. Fairfax County Uniformed Retirement System.

Division 1. Generally.

Section 3-3-1. Fairfax County Uniformed Retirement System established.

Under the authority of Section 51.1-801 of the *Virginia Code*, there is hereby established a retirement system for employees, to be known as the "Fairfax County Uniformed Retirement System," by and in which name it shall, pursuant to the provisions of this Article, transact all of its business. The Fairfax County Uniformed Retirement System is intended to satisfy the requirements of Sections 401(a) and 414(d) of the Internal Revenue Code for qualified governmental pension plans. (1961 Code, § 9-73; 11-74-9; 28-77-3; 51-13-3; 3-16-3.)

Section 3-3-2. Definitions.

Unless provided otherwise in another Section, the following definitions shall apply to this Article:

- (a) *Accrued sick leave credit* shall mean:
 - (1) For employees who are members of Plans A, B, C, or D the credit allowed a member with more than five years of service for purposes of determining retirement eligibility. Credit shall be allowed at the rate of one month for every 172 hours of accrued unused sick leave, and pro rata credit shall be allowed for each fraction thereof.
 - (2) For employees who are members of Plans E or F, the credit allowed a member with more than five (5) years of service for purposes of determining retirement eligibility. Credit shall be allowed at the rate of one month for every 172 hours of accrued unused sick leave, and pro rata credit shall be allowed for each fraction thereof; however, for employees whose County employment commenced by reporting to work on or after January 1, 2013, notwithstanding the amount of the employee's accrued sick leave balance, the maximum amount of accrued sick leave credit that may be used for determining retirement eligibility and for computing the member's retirement allowances and benefits shall be the employee's accrued sick leave balance or 2,080 hours, whichever is less.
- (b) *Accumulated contributions* shall mean the sum of all amounts deducted or picked up from the compensation of a member and credited to his or her individual account in the members' contribution account, any amounts transferred from another retirement plan pursuant to Section 3-3-25.1, together with interest credited on such amounts and any other amounts he or she shall have contributed or transferred thereto as provided in Section 3-3-29(c).
- (c) *Actuarial equivalent* shall mean a benefit of equal value when computed upon the basis of such actuarial tables as are adopted by the Board.
- (d) *Average final compensation* shall mean the average annual creditable compensation of a member during the three consecutive years (78 consecutive pay periods) of creditable service in which such compensation was at its greatest amount, or during the entire period of his or her creditable service if less than three years. In determining creditable compensation, premium payments such as overtime pay shall not be included.

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- (1) In determining average final compensation for members who retire on or after January 1, 1988, the member's accrued unused sick leave at the time of retirement may, at the option of the member, be substituted for an equivalent period of creditable service as if the member had continued to work at his or her final salary during the period of his or her accrued unused sick leave; provided, that in determining the average final compensation for members who became members of the System on or after January 1, 2013 (members of Plans E and F), no more than 2,080 hours of the member's accrued unused sick leave may be used for this purpose.
 - (2) If a member ordered or called to active duty with the armed forces of the United States on or after August 2, 1990, with or without his or her consent, other than for training at the request of the member, is entitled to service credit as a result of such military service pursuant to Section 3-3-25(b) and he or she otherwise would have no creditable compensation attributable to some portion or all of such period of service, his or her average final compensation shall be calculated as if he or she had continued to receive the creditable compensation as defined in this Article and approved and established for his or her position by the County Compensation Plan, including pick-up contributions, during the period of military service for which he or she is receiving service credit. A member shall be entitled to the benefit of the application of this rule for up to a cumulative total of four years of military service commencing on or after August 2, 1990. The Board shall make any and all necessary retroactive adjustments to members' allowances as a result of this rule.
 - (3) Notwithstanding the foregoing, whenever the Director of the Department of Human Resources, at the request of the Board, the member, or the member's beneficiary, determines that the member's receipt of a merit increment was delayed as a result of either or both of the amendments to Section 4.3-2 of the Personnel Regulations, effective July 13, 1991, and July 11, 1992, and that the member would otherwise have been entitled to such merit increment under the Personnel Regulations, based upon the Human Resources Director's review of the member's personnel and payroll records, the Board shall calculate the member's average final compensation as if the member had received the merit increment at the time he or she would have but for the aforesaid amendments to Section 4.3-2 of the Personnel Regulations. This rule shall apply to all applications for allowances and benefits filed with the Board on or after July 13, 1991. The Board shall make any necessary retroactive adjustments to allowances and benefits.
 - (4) Periods of leave without pay under the federal Family and Medical Leave Act of 1993 (FMLA) shall be disregarded in determining periods of consecutive months or pay periods in calculating average final compensation.
- (e) *Beneficiary* shall mean any person entitled to receive benefits as provided by the System. The Board shall provide a member with a form on which to designate in writing one or more beneficiaries of the member's benefits upon the member's death. The Board shall maintain any such written designation on file. A designated beneficiary may be changed from time to time by written notice by the member filed with the Board.
- (f) **Board shall mean the Board of Trustees of the System, as provided for in this Article.**
- (g) *Creditable compensation* shall mean the full compensation, including pick-up contributions, holiday hours worked, administrative emergency leave worked, shift differential paid and regularly scheduled hours paid, credited at the base rate of pay but excluding premium pay such as all overtime, including Fair Labor Standards Act (FLSA) overtime and excluding performance bonuses. Effective for plan years after December 31, 1988, compensation in excess of \$200,000.00, as indexed under Section 415(d) of the Internal Revenue Code, shall be disregarded. Notwithstanding the foregoing, effective for members whose County employment commenced by reporting for work on or after July 1, 1996, compensation in excess of the limit set forth in Section 401(a)(17) of the Internal Revenue Code shall be disregarded. In determining the compensation of an employee under this definition, the rules of Section 415(c)(3) of

the Internal Revenue Code shall apply. Effective for plan years on or after January 1, 2001 an employee's compensation shall include amounts not includible in gross income by reason of Section 132(f)(4) of the Internal Revenue Code.

- (h) *Creditable service* shall mean the sum of membership service credit, plus prior service credit, plus portability service credit purchased pursuant to Section 3-3-25.1, plus accrued sick leave credit.
- (i) *DROP* shall mean the Deferred Retirement Option Program, as provided in Section 3-3-573-3-56.
- (j) *Early retirement* shall mean the retirement upon completion of 20 years of service with an actuarial reduction of the normal retirement allowance accrued.
- (k) *Employee* shall mean any person regularly employed within the Fire and Rescue Department, the Sheriff's Department, and the Department of Animal Control, with the exception of clerical personnel in these departments, or as a park police officer or helicopter pilot, rendering service to the County, and any person regularly employed within the Department of Public Safety Communications who transferred into the System pursuant to Section 3-2-19(e) or who was appointed to a position in the classes identified in Section 3-3-20(a)(4) on or after July 1, 2005, whose compensation is fully or partially paid directly or indirectly by the County.
- (l) *Employer* shall mean an authority in the general County having the power to appoint an employee to office or employment paid directly or indirectly by the County and the Board of Trustees of the System.
- (m) *Executive Director* shall mean the Executive Director of the Fairfax County Retirement Administration Agency.
- (n) *Internal Revenue Code* shall mean the federal income tax statutes, as they may be amended or superseded from time to time in the future.
- (p) *Medical Examining Board* shall mean the physician or physicians provided for by Section 3-3-10.
- (q) *Member* shall mean any person included in the membership of the System as provided in Section 3-3-20.
- (r) *Membership service credit* shall mean credit for service rendered while a member of the System, or as otherwise provided in Section 3-3-24.
- (s) *Normal retirement date* shall mean either (1) the member's 55th birthday, provided, said member shall have completed six years of creditable service as a uniformed member of the Fire and Rescue Department, Sheriff's Department, or Department of Animal Control, or as a park police officer, helicopter pilot, or sheriff, or (2) the date the member completes 25 years of creditable service as a uniformed member of the Fire and Rescue Department, Sheriff's Department, or Department of Animal Control, or as a park police officer, helicopter pilot, or sheriff. The normal retirement date for members who are former park police officers who elected to remain in the System pursuant to Section 3-3-20(b)(2) shall be computed in the same manner. Creditable service for these members shall include service both as a park police officer and as a police officer.
- (t) *Pick-up contributions* shall mean a member's regular contribution which is picked up, through a salary reduction, by the County from the member's compensation for service rendered on or after December 22, 1984.
- (u) *Plan A* shall mean the option effective July 1, 1981, available to employees whose County employment commenced by reporting for work on or before March 31, 1997, providing for current members of Plan A to:
 - (1) Contribute four percent of compensation up to the taxable wage base and five and three-fourths percent of compensation in excess of the taxable wage base; and

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- (2) Accrue normal retirement benefits as provided for in Section 3-3-33(a)(1)(A) and (B) or as provided for in Section 3-3-33(a)(2)(A). Further, cost-of-living adjustments shall not be applicable to the allowance until the member reaches age 55 years, at which time the full benefits prescribed in Section 3-3-33 and Section 3-3-45 shall become payable.
- (v) *Plan B* shall mean the provision effective July 1, 1981, allowing current members the option and requiring new members whose County employment commenced by reporting for work on or before March 31, 1997, to:
- (1) Contribute seven and eight-one-hundredths percent of compensation up to the taxable wage base and eight and eighty-three-one-hundredths percent of compensation in excess of the taxable wage base; and
 - (2) Accrue normal retirement benefits as provided for in Section 3-3-33(a)(1)(A), (B), and (C) or as provided for in Section 3-3-33(a)(2)(A) and (B). Cost-of-living adjustments provided for in Section 3-3-45 shall be applied to this amount from the date of retirement. Additionally, 50 percent of the retirement allowance provided in Section 3-3-33(a)(1)(B) shall be payable from the date of retirement. Upon attainment of age 55 years, benefits shall be based on the provisions of Section 3-3-33(a)(1)(A) and (B).
- (w) *Plan C* shall mean the provision effective April 1, 1997, allowing then-existing members of Plan A who elect to transfer to Plan C prior to April 1, 1997, to:
- (1) Contribute four percent of compensation; and
 - (2) Accrue normal retirement benefits as provided for in Section 3-3-33(a)(1)(D) or as provided for in Section 3-3-33(a)(2)(C). Further, cost-of-living adjustments shall not be applicable to the allowance until the member reaches age 55 years, at which time the full benefits prescribed in Sections 3-3-33 and 3-3-45 shall become payable.
- (x) *Plan D* shall mean the provision effective April 1, 1997, allowing then-existing members of Plan B, and requiring new members whose County employment commenced by reporting for work on or after April 1, 1997, but on or before December 31, 2012, to:
- (1) Contribute seven and eight-one-hundredths percent of compensation; and
 - (2) Accrue normal retirement benefits as provided for in Section 3-3-33(a)(1)(D) or as provided for in Section 3-3-33(a)(2)(D). Cost-of-living adjustments provided for in Section 3-3-45 shall be applied to this amount from the date of retirement.
- (y) *Plan E* shall mean the option effective January 1, 2013, requiring new members whose County employment commenced by reporting for work on or after January 1, 2013, and before July 1, 2019, to:
- (1) Contribute seven and eight-one-hundredths percent of compensation; and
 - (2) Accrue normal retirement benefits as provided for in Section 3-3-33(a)(1)(D) or as provided for in Section 3-3-33(a)(2)(D). Cost-of-living adjustments provided for in Section 3-3-45 shall be applied to this amount from the date of retirement.
- (z) *Plan F* shall mean the option effective July 1, 2019, requiring new members whose County employment commenced by reporting for work on or after July 1, 2019, to
- (A) Contribute seven and eight-one-hundredths percent of compensation; and
 - (B) Accrue normal retirement benefits as provided for in Section 3-3-33(a)(1)(D) or as provided for in Section 3-3-33(a)(2)(E) and as provided for Section 3-3-33(a)(3)(C). Cost of living adjustments provided for in Section 3-3-45 shall be applied to this amount from the date of retirement.

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- (aa) *Primary social security benefit* shall mean the primary insurance amount to which the member is entitled, for old age or disability, as the case may be, pursuant to the federal Social Security Act as in effect at his or her date of retirement, under the provisions of this Chapter, except as otherwise specifically provided.
 - (bb) *Prior service credit* shall mean credit for service rendered prior to the effective date of this Article [May 6, 1974], or as otherwise provided in Section 3-3-25.
 - (cc) *Qualifying employment* shall mean employment that qualifies an employee for participation in the System, and defined specifically to mean regular employment by the Fire and Rescue Department, the Sheriff's Department, and the Department of Animal Control, with the exception of clerical employment in these departments, or as a park police officer or helicopter pilot rendering service to the County, whose compensation is fully or partially paid directly or indirectly by the County.
 - (dd) *Retirement allowance* shall mean the retirement payments to which a member is entitled as provided in this Article.
 - (ee) *Salary* shall mean the compensation, including pick-up contributions, established for each position as approved in the County Compensation Plan.
 - (ff) *Service* shall mean service as an employee for which compensation is paid by the employer, but shall not include time spent on leave without pay.
 - (gg) *Social security* shall mean the federal Social Security Act and its programs for old age, survivors and disability insurance and benefits, as applicable.
 - (hh) *Social security breakpoint* shall mean the average of the taxable wage base for the 35 calendar years ending with the year in which the member attains social security normal retirement age. In determining a member's social security breakpoint during any particular plan year, it is assumed that the taxable wage in effect at the beginning of the plan year shall remain the same for all future years.
 - (ii) *System* shall mean the Fairfax County Uniformed Retirement System. When any part of this Article refers to multiple retirement systems, the Uniformed Retirement System shall be referred to as "this System," rather than "the System."
 - (jj) *Taxable wage base* shall mean the maximum amount of wages received during the calendar year on which social security taxes are payable by the member and by the employer, as such amount is defined in Section 3121(a) of the Internal Revenue Code.

(1961 Code, § 9-72; 11-74-9; 28-77-3; 20-81-3; 5-83-3; 22-83-3; 23-85-3; 36-88-3; 29-89-3; 27-90-3, § 3; 43-92-3; 15-93-3; 37-94-3; 21-96-3; 14-00-3; 10-01-3; 18-01-3; 8-03-3; 8-04-3; 36-10-3; 27-12-3; 3-16-3; 22-18-3; 10-19-3.)

Section 3-3-2.1. Definitions elsewhere in County Code and in County Personnel Regulations.

Unless this Article provides otherwise, the definitions provided in Sections 1-1-2, 3-3-1, and 3-3-12 of the Code of the County of Fairfax, and Chapter 2 of the Fairfax County Personnel Regulations shall apply herein. (3-16-3.)

Section 3-3-3. Social Security Breakpoint.

Repealed by 3-16-3.

Section 3-3-4. Duties of appointing authorities.

The authority having the power to hire the services of a member shall keep such records and from time to time shall furnish such information as the Board may require in the discharge of its duties. Upon employment of a member, the authority shall inform the member of his or her duties and obligations in connection with the System as a condition of employment. (1961 Code, § 9-74; 11-74-9; 3-16-3.)

Section 3-3-5. Consent to provisions of Article required for employment.

By and upon acceptance of employment, every member shall be deemed to consent and agree to any deductions or employer pick-up of amounts from his or her compensation required by this Article and to all other provisions thereof. (1961 Code, § 9-75; 11-74-9; 5-85-3; 3-16-3.)

Section 3-3-6. Protection against fraud.

In addition to any other provisions of law, any person who shall knowingly make any false statement or shall falsify or permit to be falsified any record or records of the System in any attempt to defraud the System shall be guilty of a misdemeanor and shall be punished accordingly. (1961 Code, § 9-76; 11-74-9; 3-16-3.)

Section 3-3-7. Benefits unassignable; non-attachable.

The right of any member to a retirement allowance, the return of accumulated contributions or any other right accrued or accruing to any person under this Article and the money created by this Article shall be unassignable and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws or any other process of law whatsoever except for administrative actions pursuant to Section 63.2-1900 et seq. of the *Virginia Code*, or any court process to enforce a child or child and spousal support obligation, and shall be unassignable except as specifically provided in this Article. However, retirement benefits and assets created under this Article which are deemed to be marital property pursuant to Section 20-89.1 et seq. of the *Virginia Code*, may be divided or transferred by the court by direct assignment to a spouse or former spouse pursuant to Section 20-107.3 of the *Virginia Code*. (1961 Code, § 9-77; 11-74-9; 3-80-3; 5-85-3; 13-92-3; 1-93-3; 3-16-3.)

Section 3-3-8. Errors resulting in over- or under-payment.

Should any change or error in the records result in any member or beneficiary receiving from the System more (overpayment) or less than he or she would have been entitled to receive had the records or computation been correct, the Board shall have the power to correct such error and, as far as practicable, to adjust the payments in such a manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid. (1961 Code, § 9-78; 11-74-9; 3-16-3.)

Section 3-3-9. Amendment of Article.

The Board of Supervisors shall have the continuing right and power to amend or supplement this Article at any time, which right and power is hereby expressly reserved. But no amendment shall be made unless an actuarial report has been filed with the Board of Supervisors as to its effect upon the System and no amendment shall be adopted which shall reduce the then accrued benefits of members or beneficiaries below the extent they are then covered by accumulated reserves, which reserves shall constitute a trust fund for the payment of such benefits. (1961 Code, § 9-79; 11-74-9; 3-16-3.)

Section 3-3-10. Medical Examining Board.

The Medical Examining Board shall consist of the Director of the Health Department (or his or her designee) and, in the discretion of the Board, one or two other physicians designated by the Board. The duties of the Medical Examining Board shall be to arrange for and pass upon all medical examinations required under this Article or requested by the Board and to investigate all essential statements and certificates by or on behalf of a member in connection with an application for disability retirement. The members of the Medical Examining Board, who may act individually or collectively, shall report in writing to the Board their conclusions and recommendations upon all matters referred to it. (1961 Code, § 9-80; 11-74-9; 27-97-3; 3-16-3.)

Section 3-3-10.1. Post-employment physical examinations.

- (a) Any member or person eligible to participate in the System who applies for service-connected disability retirement or severe service-connected disability retirement on or after July 1, 2004, shall disclose to the Board any and all medical records and information, including, but not limited to any pre-employment or post-employment physical examination, any examination made relating to any claim under the Virginia Workers' Compensation Act and any and all other further tests or examinations required by the Board to assist it in its determination of whether the disability for which the member seeks retirement is service-connected or if it is the result of a preexisting condition.
- (b) Failure to disclose to the Board any medical record or information required hereunder or to undergo any further required tests or examinations shall preclude a member who does not disclose such medical records and information or such other further tests or examinations from receiving service-connected disability retirement as provided for in Section 3-3-36 and from receiving severe service-connected disability retirement as provided for in Section 3-3-37.2. (34-04-3; 3-16-3.)

Division 2. Board of Trustees.

Section 3-3-11. Administration of System vested in Board of Trustees.

The general administration and the responsibility for the proper operation of the System and for making effective the provisions of this Article are hereby vested in the Board. (1961 Code, § 9-81; 11-74-9; 3-16-3.)

Section 3-3-12. Membership; term of office.

- (a) The Board of Trustees of the System shall consist of the following members:
 - Four persons appointed by the Board of Supervisors;
 - Two persons elected by the uniformed employees of the Fire and Rescue Department and the employees of the Department of Public Safety Communications;
 - One person elected by the uniformed employees of the Sheriff's Department and the Department of Animal Control and park police and helicopter pilot members of the System;
 - One person elected by the retirees of the System;
 - Director of the Department of Finance, who shall be the Treasurer of the Board, or his or her permanent designee, sitting ex officio; and
 - Director of the Department of Human Resources, or his or her permanent designee, sitting ex officio.

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- (b) With the exception of the Director of the Department of Finance and Director of the Department of Human Resources, the terms of office of the trustees shall be four years.
 - (c) The only persons eligible to be elected by the uniformed employees of the Fire and Rescue Department and the employees of the Department of Public Safety Communications as trustees are uniformed employees of the Fire and Rescue Department and employees of the Department of Public Safety Communications. The only persons eligible to be elected as a trustee by the uniformed employees of the Sheriff's Department and the Department of Animal Control and park police and helicopter pilot members of the System are uniformed employees of the Sheriff's Department and the Department of Animal Control and park police and helicopter pilot members of the System. The offices of such trustees shall be vacated should such trustees separate from service prior to the completion of their term.
 - (d) The only persons eligible to be elected as a trustee by the retirees of the System are retirees of the System. (1961 Code, § 9-82; 11-74-9; 20-81-3; 13-92-3; 40-93-3; 36-10-3; 59-13-3; 3-16-3.)

Section 3-3-13. Vacancies in office.

If a vacancy occurs in the office of a trustee of the System, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled. (1961 Code, § 9-83; 11-74-9; 3-16-3.)

Section 3-3-14. Compensation of trustees.

The trustees of the System may receive compensation at the rate set by the Board of Supervisors. (1961 Code, § 9-84; 11-74-9; 3-16-3.)

Section 3-3-15. Accountable to the Board of Supervisors.

The Board of Trustees of the System shall be accountable to the Board of Supervisors. (1961 Code, § 9-85; 11-74-9; 3-16-3.)

Section 3-3-16. Functions of the Board.

- (a) Subject to the limitations of this Article, the Board shall, from time to time, establish rules and regulations for the administration of the System and for the transaction of its business, copies of which shall be made available to interested parties.
- (b) The Board may employ and pay out of the System funds for all services as shall be required.
- (c) The Board shall keep in convenient form such data as shall be necessary for an actuarial valuation of the System and for checking the experience of the System.
- (d) The Board shall keep minutes of all its proceedings, which shall be open to public inspection unless applicable law provides otherwise.
- (e) The Board shall submit to the Board of Supervisors annually an independent audit showing the fiscal transactions of the System for the preceding fiscal year, the amount of accumulated cash and securities of the System, and the last balance sheet indicating the financial condition of the System.
- (f) At least once in each two-year period, beginning July 1, 1969, the Board shall cause an actuarial evaluation to be made of the System.
- (g) The Board shall review adverse decisions as provided by Section 3-3-49. (1961 Code, § 9-86; 11-74-9; 3-16-3; 22-18-3.)

Division 3. Management of Funds.

Section 3-3-17. Board trustee of funds; investment of same.

- (a) The Board shall be the trustee of funds created by this Article and shall have full power to invest and re-invest such funds. Such investments and re-investments shall be conducted with bona fide discretion and in accordance with the laws of the Commonwealth of Virginia as such laws apply to fiduciaries investing such funds. The Board may, upon the exercise of bona fide discretion, employ investment counsel, who shall be subject to the same limitations herein provided for the Board. Subject to such limitations, the Board shall have full power to hold, purchase, sell, assign, transfer, or otherwise dispose of any of the securities or investments in which any of the funds created herein have been invested, as well as the proceeds of such investments and any money belonging to such funds.
- (b) No trustee shall be personally liable for losses suffered by the System on investments made under the authority of and in compliance with this Section. (1961 Code, § 9-87; 11-74-9; 3-16-3.)

Section 3-3-18. Treasurer fiscal officer of the Board.

The Treasurer of the Board shall be the custodian of all of its funds and securities or evidences of such when in the custody of a fiduciary agent. He or she shall give bond, conditioned upon the faithful performance of his or her duties and the proper accounting of all funds and securities coming into his or her hands. He or she shall deposit all money in the name of the Board and disburse the same only on vouchers signed by such person as is designated for the purpose by the Board. (1961 Code, § 9-88; 11-74-9; 3-16-3.)

Section 3-3-19. Prohibited interest of member or employee of Board.

- (a) The State and Local Government Conflict of Interests Act, Section 2.2-3100 et seq. of the *Virginia Code*, shall apply to members and employees of the Board.
- (b) No member or employee of the Board shall, directly or indirectly, for himself or herself or as an agent in any manner use the funds of the System, except to make such current and necessary payments as are authorized by the Board. (1961 Code, § 9-89; 11-74-9; 3-16-3.)

Division 4. Membership in System.

Section 3-3-20. Membership composition.

- (a) Membership shall be composed of the following:
 - (1) Present employees, as hereinafter identified, except those listed in Subsection (2)(B) of this Section:
 - (A) All persons who were employees on the effective date of this Article or who were on leave from service on such date; or
 - (B) Any employee, otherwise qualified, who has been a member of another Fairfax County retirement system, and who has withdrawn therefrom, provided he or she pays into this System

all contributions which would have been due from him or her had he or she been a member of this System, plus interest at the rate or rates, as established by the Board, for each of the years for which membership service credit is sought.

- (2) Future employees, as hereinafter identified, except those listed in Subparagraph (B) of this Subsection:
- (A) All persons who hereafter shall become employees, persons receiving a normal or early service retirement allowance from this System, the Fairfax County Employees' Retirement System, or Fairfax County Police Officers Retirement System eligible for membership only under the terms and conditions set forth in Section 3-3-43.
 - (B) Employees who are members of the Virginia Retirement System (VRS) and the Educational Employees Supplemental Retirement System of Fairfax County (ERFC), the Employees' Retirement System, or the Police Officers Retirement System, and future employees who are eligible to become members of those systems are not eligible for membership in this System; provided, that an employee who is a member of such a system shall be eligible for membership in this System if he or she elects in writing to withdraw from such system, pursuant to the rules and regulations of this System and of the system of which he or she was previously a member. If the withdrawal from the other system occurs due to being employed in a different position by the same appointing authority, the employee shall be required to purchase service credit under this System for service rendered while a member of such other system, pursuant to the rules of Section 3-3-24. If the withdrawal from the other system occurs due to being employed by a different appointing authority, the employee shall be permitted but not required to purchase service credit under this System for service rendered while a member of such other system, pursuant to the rules of Section 3-3-24. Elected officials, who elect in writing at the time of their employment not to become members, shall be exempted from this System.
- (3) The membership in this System of uniformed employees of the Department of Animal Control transferred from the Employees' Retirement System to this System pursuant to Section 3-2-19(d) shall commence on October 1, 1985, or date of appointment, whichever is later. For purposes of this Article, such members shall be deemed to have been appointed on or after January 1, 1984, regardless of being granted any membership service credit pursuant to Section 3-3-24. Uniformed employees of the Department of Animal Control, including the Director, appointed on or after October 1, 1985, shall become members of this System upon appointment.
- (4) The membership in this System of certain employees of the Public Safety Communications Center transferred from the Employees' Retirement System to this System pursuant to Section 3-2-19(e), shall commence on October 1, 2005, or date of appointment, whichever is later. Employees of the Public Safety Communications Center appointed on or after July 1, 2005, in the class specification Public Safety Communications Squad Supervisor, Public Safety Communications Assistant Squad Supervisor, Public Safety Communicator III, Public Safety Communicator II or Public Safety Communicator I, or any successor class specification(s) to these class specifications, shall become members of this System upon appointment.
- (b) Park police transferring to the Fairfax County Police Officers Retirement System.
- (1) Members of this System who were park police and who were reclassified as police officers on January 22, 1983, shall, within 30 days of the adoption of this Subsection [June 20, 1983], make an irrevocable election, in writing, whether to remain members of this System or to transfer to the Fairfax County Police Officers Retirement System.
 - (2) Members of this System who were park police and who were reclassified as police officers on January 22, 1983, who elect to remain as members of this System shall continue as members of this System.

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- (3) Members of this System who were park police and who were reclassified as police officers on January 22, 1983, who elect to transfer to the Police Officers Retirement System shall cease to be members of this System and shall be members of the Police Officers Retirement System as of January 22, 1983.
- (4) Members who elect to transfer to the Police Officers Retirement System pursuant to Subsection (b)(3) of this Section shall make a further election among the following options at the time of their election under Subsection (b)(1) of this Section:
- (A) Withdraw the total of his or her accumulated member contributions (with interest) as of January 22, 1983, which shall be reduced by the amount of any retirement allowances previously received by him or her under this Article. Any member contributions to this System after January 22, 1983, shall be transferred to the transferee's member account in the Police Officers Retirement System. Said refund shall be paid to the member not later than 90 days from the date of receipt of the member's election by the Board; or
 - (B) If the member has five or more years of creditable service in this System on January 22, 1983, the member may leave his or her accumulated contributions as of January 22, 1983, in this System and receive a deferred vested benefit commencing on the first of the month coinciding with or following the date the member attains age 55 years, or in an actuarially reduced amount payable at the optional early retirement age, in accordance with applicable provisions of this Article; and any member contribution made to this System after January 22, 1983, shall be transferred to the transferred member's account in the Police Officers Retirement System; or
 - (C) The member may transfer his or her accumulated contributions to the Police Officers Retirement System to obtain prior service credit in that system pursuant to Section 3-7-20(b). In this case, the Board shall transfer the member's accumulated contributions (plus interest) as well as that portion of the retirement allowance account representing employer contributions to this System attributable to the member's service in this System to the Police Officers Retirement System.
- (5) Members who are required by Subsection (b)(1) of this Section to make an election whether to transfer to the Police Officers Retirement System who fail to do so within the 30 day period provided therein shall be deemed to have elected to continue in this System pursuant to Subsection (b)(1) of this Section.
- (6) Participation in this System of former members who return to qualifying employment and who have not withdrawn their accumulated contributions from this System as provided in Section 3-3-39 shall return to membership in the plan to which they were contributing at the time their former employment ceased.
- (c) Members of the System who were deputy sheriffs and who as deputy sheriffs had been performing nursing and/or paramedical duties in the Sheriff's Department and who when reassigned to civilian positions in the Sheriff's Department allocated to one of the classes in the Correctional Health Nurse class series, shall, notwithstanding any other provision in this Chapter to the contrary, remain as members of the System so long as they remain in such positions and for so long as they remain so continuously employed in a position allocated to such classes in the Sheriff's Department or in other positions covered by this Article.
- (d) Notwithstanding any other provision of this Chapter or Article to the contrary, an active member of this System who has more than five years of creditable service in this System and who is appointed to serve as a Deputy County Executive shall remain a member of this System, and shall not become a member of the Fairfax County Employees' Retirement System as a result of such appointment. Any such member shall remain a member of this System for so long as he or she is so employed or subsequently resumes working in a position that is covered under this System. (1961 Code, § 9-90; 11-74-9; 35-81-3; 22-83-3; 23-85-3; 36-86-3; 45-93-3, 10-01-3; 32-02-3; 23-05-3; 27-12-3; 3-16-3; 10-19-3.)

Section 3-3-21. Cessation of membership.

The membership of any person in the System shall cease :

- (a) If he or she ceases to be an employee for a period of five years; or
- (b) Upon separation and withdrawal of his or her accumulated contributions; or
- (c) Upon death. (1961 Code, § 9-91; 11-74-9; 20-81-3; 3-16-3.)

Division 5. Service Credit.

Section 3-3-22. Statement to be filed with Board.

Under such rules and regulations as are adopted by the Board, each member or someone on his or her behalf shall file with the Board in such form as the Board may prescribe, a statement of the facts pertaining to his or her status as a member, which shall include a statement of all service rendered as an employee, and such other information as the Board may require. Until such statement is filed, no member or his or her beneficiary shall be eligible to receive any benefits under this Article. (1961 Code, § 9-92; 11-74-9; 3-16-3.)

Section 3-3-23. Year of service.

The Board shall determine by appropriate rules and regulations how much service in any year is the equivalent of a year of service, but in no case shall it allow credit for more than one year of service for all service rendered in any period of 12 consecutive months. (1961 Code, § 9-93; 11-74-9; 3-16-3.)

Section 3-3-24. Membership service credit.

- (a) Each member shall receive membership service credit for periods for which he or she received compensation and was a member of the System or after he or she last became a member in the event of a break in his or her membership, provided that any former member of the System who ceased his or her County employment and withdrew his or her accumulated member contributions from the System may purchase membership service credit by paying into the System all accumulated contributions which were collected from him or her during his or her prior period or periods of membership, plus interest at the rate or rates established by the Board, for the entirety of any period of prior service for which membership service credit is sought; a member may not purchase credit for only a portion of any prior period of service, but may only purchase credit for an entire prior period of service.
 - (1) In the event that a member of Plan A, Plan B, Plan C, Plan D, or Plan E who ceased his or her County employment and withdrew his or her accumulated member contributions from the System seeks, on or after January 1, 2013, and before July 1, 2019, to purchase credit for periods during which he or she received compensation as a member of the System, he or she may only become a member of, and purchase membership service credit in, Plan E by paying into the System all accumulated contributions which would have been collected from him or her during his or her prior period or periods of membership, plus interest at the rate or rates established by the Board, for the entirety of any period of prior service for which membership service credit is sought.
 - (2) In the event that a member of Plan A, Plan B, Plan C, Plan D, Plan E, or Plan F who ceased his or her County employment and withdrew his or her accumulated member contributions from the System seeks, on or after July 1, 2019, to purchase credit for periods during which he or she received compensation as a member of the System, he or she may only become a member of, and purchase

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- membership service credit in Plan F, by paying into the System all accumulated contributions which would have been collected from him or her during his or her prior period or periods of membership, plus interest at the rate or rates established by the Board, for the entirety of any period of prior service for which membership service credit is sought.
- (3) Notwithstanding the foregoing, a member of any of the six Plans (A, B, C, D, E or F) that are part of the System who ceased his or her County employment, but who left his or her accumulated member contributions in the System, shall, upon his or her return to County employment, rejoin the Plan to which he or she formerly belonged. Such member may satisfy some or all of the amount due from him or her for the purchase of such service through a rollover from an individual retirement account if the entire amount in that account is attributable to a rollover from the System. Such member may also satisfy some or all of the amount due from him or her for the purchase of such service through a direct trustee-to-trustee transfer from an eligible deferred compensation plan described in Section 457(b) of the Internal Revenue Code maintained by an eligible employer described in Section 457(e)(1)(A), or through a direct trustee-to-trustee transfer from an annuity contract described in Section 403(b) of the Internal Revenue Code.
- (b) Members who are former park police officers who elected to remain in the System under Section 3-3-20(b)(2) shall receive membership service credit for service rendered as a park police officer and for their service as a police officer, including time served as a police officer prior to their election pursuant to Section 3-3-20(b)(2).
- (c) Uniformed employees of the Department of Animal Control who transferred into this System pursuant to Section 3-2-19(d) may purchase membership service credit in this System for service as a uniformed employee of the Department of Animal Control rendered prior to October 1, 1985, by making an election in writing pursuant to Section 3-2-19(d)(3) and paying to the Board the difference between the employee contributions that would have been required under this System plus interest, and their employee contribution plus interest to the Fairfax County Employees' Retirement System for the period for which membership service credit is sought. The Board is authorized to enter into agreements with such members for the payment of the sum in installments, at the same interest rate, applied to the member's contribution account, so long as the entire sum due, plus interest, is paid within one year of the adoption of Section 3-2-19(d) [December 16, 1985].
- (d) With respect to employees of the Public Safety Communications Center who transferred into this System pursuant to Section 3-2-19(e) and who purchase membership service credit in this System pursuant to Section 3-2-19(e)(3) and (5) by paying to the Board the difference between the employee contributions that would have been required under this System plus interest, and their employee contribution plus interest to the Employees' Retirement System, the Board is authorized to enter into agreements with such members for the payment of the sum in installments, at the same interest rate, to be applied to the member's contribution account, so long as the entire sum due, plus interest, is paid within three years of October 1, 2005.
- (e) Under such rules and regulations as are adopted by the Board, any employee who has been a member of the Virginia Retirement System (VRS) and the Educational Employees Supplemental Retirement System of Fairfax County (ERFC), the Employees' Retirement System, or the Fairfax County Police Officers Retirement System, and who withdraws therefrom may purchase service credit for service rendered while a member of such other system by paying into this System all contributions that would have been due from him or her had he or she been a member of this System, plus interest at the rate or rates, as established by the Board, for each of the years for which membership service credit is sought. (A member may purchase membership service credit for prior service while a member of VRS only for service due to employment by the Fairfax County Public Schools (FCPS).)
- (f) The amount due from a member for such purchase of service credit shall be satisfied, to the extent possible, (a) by directing the trustees of the system from which he or she is withdrawing to transfer his or her

accumulated member contributions in such system directly to this System, without distribution to such employee, if such transfers are available under such system, or (b) through (i) a rollover from the system from which he or she is withdrawing (if the member would be eligible for a refund from such system), (ii) a rollover from an individual retirement account in which all contributions were derived from a rollover from a system, (iii) a direct trustee-to-trustee transfer from an annuity described in Section 403(b) of the Internal Revenue Code, or (iv) a direct trustee-to-trustee transfer from an eligible deferred compensation plan described in Section 457(b) of the Internal Revenue Code maintained by an eligible employer described in Section 457(e)(1)(A). To the extent that a rollover or direct transfer permitted under this Subsection is insufficient to purchase the necessary service credit, other arrangements permitted by the rules and regulations adopted by the Board shall be made for purchasing such service credit.

- (g) Members in service shall also receive membership service credit for periods of service-connected disability retirement from the System.
- (h) A member shall also receive membership service credit for any period during which the member is taking leave without pay from the County service and is receiving compensation from the County for temporary total or temporary partial disability under the Virginia Workers' Compensation Act.
- (i) Each member shall receive membership service credit for military leave, provided he or she returns to full employment within 90 days of discharge and such discharge is other than dishonorable. (1961 Code, § 9-94; 11-74-9; 22-83-3; 23-85-3; 45-93-3; 36-94-3; 22-96-3; 10-01-3; 8-03-3; 23-05-3; 27-12-3; 3-16-3; 10-19-3.)

Section 3-3-25. Prior service credit.

The Board shall determine, as soon as practicable after the filing of statements of service, the credit that the member is entitled to receive for prior service. Credit for prior service need not have been continuous provided no break in service exceeded five years. When an employee again becomes a member after his or her prior membership has ceased, he or she shall enter the System as an employee not entitled to prior service credit. Members who have had a break in service shall receive full credit for all past County service; provided, that no credit shall be given for a period of employment prior to a break in service in excess of five years. (1961 Code, § 9-95; 11-74-9; 45-93-3; 30-09-3; 3-16-3.)

Section 3-3-25.1. Portability service credit.

- (a) Definitions.
 - (1) *Accepting plan* shall mean the retirement plan or system which is receiving membership assets from another defined benefit retirement plan or system in order to permit a current member to purchase portability service credit in the accepting plan through the use of his or her membership contributions in the transferring plan.
 - (2) *Portability service credit* shall mean service credit purchased in an accepting plan by the transfer of membership assets from the transferring plan.
 - (3) *Transferring plan* shall mean the retirement plan or system which is transferring membership assets to an accepting plan to enable a former employee of the transferring plan to purchase service in the accepting plan through the use of his or her membership contributions in the transferring plan.
- (b) The Board of Supervisors may enter into agreements with the Virginia Retirement System (VRS) or with any other political subdivision of the Commonwealth of Virginia, provided that the retirement system of any other political subdivision of the Commonwealth of Virginia is a defined benefit plan or eligible deferred compensation plan described in Section 457(b) of the Internal Revenue Code maintained by an eligible employer described in Section 457(e)(1)(A), to permit any vested member of any such plan to purchase portability credit in this System.

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- (c) The purchase of portability service credit in the System pursuant to this Section may only be made within 18 months of the date when an employee commences employment in a position covered by the System, or within 18 months of March 23, 2003, for County employees who are members of the System on March 23, 2003.
 - (d) In order to purchase portability service credit in the System, the member shall be a vested member of the transferring plan and the transferring plan shall be holding member contributions that are subject to transfer. A member desiring to purchase portability service credit shall make written application for the purchase of such credit to the System. The System shall determine from the transferring plan the amount of the member's assets that would be subject to transfer to the System. Based upon the amount subject to transfer, the Board shall determine the amount of portability service credit that would be actuarially equivalent to the amount of the assets to be transferred to the System; this amount shall represent the maximum amount of portability service credit that can be purchased. The Board shall communicate the amount of portability service credit that can be purchased to the member in writing; however, in no event shall the amount of portability service credit that can be purchased exceed the duration of the member's employment in a position that was covered by the transferring plan. The member shall have 30 days from the date of the letter advising him or her of the amount of portability service credit that can be purchased to determine whether to proceed with the purchase or to withdraw his or her application for the purchase of portability service credit.
 - (e) In the event that the assets transferred are not sufficient to purchase portability service credit in the System equivalent to five years of service, the member shall not become vested in the System until his or her creditable service equals five years.
 - (f) The purchase of portability service credit in the Virginia Retirement System (VRS) or the retirement system of any political subdivision of the Commonwealth of Virginia that is covered by this Section shall be accomplished upon the transfer of assets from the transferring plan to this System. Upon the completion of such transfer, the member shall lose all rights to any allowances and benefits from the transferring plan, and shall only be entitled to receive allowances and benefits from this System.
 - (g) When a vested member of this System leaves his or her covered employment and enters a position covered by the Virginia Retirement System (VRS) or by a defined benefit retirement plan of a political subdivision of the Commonwealth of Virginia with which the Board of Supervisors has entered into a portability agreement, the former member of this System may transfer an amount equal to the greater of (i) his or her accumulated member contributions with interest thereon, or (ii) an amount representing the present value of his or her accrued benefits with this System. In order to accomplish the transfer of assets from this System to an accepting plan, the member must make application in writing to this System. Upon the transfer of membership assets from this to the accepting plan, the member shall lose all rights to any allowances or benefits from this System based upon the service giving rise to the assets transferred to the accepting plan by this System. Should such a person resume service in a position covered by this System in the future, he or she may purchase service credit for such prior service or purchase portability service credit, if eligible to do so, in accordance with the provisions of this Article at the time he or she again becomes a member of this System. (18-01-3; 8-03-3; 3-16-3.)

Division 6. Contributions.

Section 3-3-26. Member contributions.

- (a) Each member shall contribute for each pay period for which he or she received compensation the amounts prescribed in this Section. Subsequent to December 22, 1984, the County shall pick up all employee contributions required herein, for all compensation earned on or after December 22, 1984. The Board of Supervisors may, from time to time, revise the rates of member contributions.

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- (b) All members of Plan A, who, before April 1, 1997, do not elect in writing to accept the provisions set forth in Subsection (d) of this Section and Section 3-3-33(a)(2)(C) shall be considered as participants in Plan A. Contributions shall be made equal to four percent of such member's creditable compensation per pay period until his or her creditable compensation during the calendar year exceeds the taxable wage base. When such member's annual creditable compensation during the calendar year exceeds the taxable wage base, contributions shall be made equal to five and three-quarters percent of said member's creditable compensation per pay period.
 - (c) All members of Plan B, who before April 1, 1997, do not elect in writing to accept the provisions set forth in Subsection (e) of this Section and Section 3-3-33(a)(2)(D) shall be considered participants in Plan B. Contributions shall be made equal to seven and eight-one-hundredths percent of such member's creditable compensation per pay period until his or her creditable compensation during the calendar year exceeds the taxable wage base. When such member's annual creditable compensation during the calendar year exceeds the taxable wage base, contributions shall be made equal to eight and eighty-three-one-hundredths percent of said member's creditable compensation per pay period.
 - (d) All members of Plan A, who, before April 1, 1997, elect in writing to accept the provisions of this Section and Section 3-3-33(a)(2)(C), shall be considered participants in Plan C. Contributions shall be made equal to four percent of the member's creditable compensation per pay period.
 - (e) All members of Plan B, who, before April 1, 1997, elect in writing to accept the provisions of this Section and Section 3-3-33(a)(2)(D), and all new members who begin employment that qualifies them for participation in the System on or after April 1, 1997, and before January 1, 2013, shall be considered participants in Plan D. Contributions shall be made equal to seven and eight-one-hundredths percent of the member's creditable compensation per pay period.
 - (f) All members of Plan E and Plan F shall have contributions made equal to seven and eight-one-hundredths percent of the member's creditable compensation per pay period.
 - (g) Notwithstanding any other provision of this Section, no pick-up shall be made from any member's compensation if the employer's contribution required hereunder is in default.
 - (h) The Board may modify the method of collecting the pick-up contributions of members so that the employers, departments, institutions, and agencies required to remit to the Treasurer of the Board may retain the amounts picked up by them with respect to members' salaries and have a corresponding amount deducted from County funds otherwise payable to them.
 - (i) All contributions required to be made under Subsections (b), (c), (d), (e), and (f) of this Section with respect to current services rendered by an active member on or after December 22, 1984, shall be picked up by the County and shall be treated as the employer's contribution in determining tax treatment under Section 414(h)(2) of the Internal Revenue Code. For all other purposes under this Chapter and otherwise, such pick-up contributions shall be treated as contributions made by a member in the same manner and to the same extent as contributions made by a member prior to December 22, 1984. All picked-up amounts shall be included in compensation for the purpose of calculating benefits under Division 8. The County shall pay such picked-up amounts from the same source of funds which is used in paying earnings to the employee.
 - (j) With the exception of the transfers between retirement plans specifically allowed as set forth above, no transfers between any of the Plans of the System shall be permitted. (1961 Code, § 9-96; 11-74-9; 20-81-3; 34-81; 5-85-3; 48-96-3; 3-16-3; 10-19-3.)

Section 3-3-27. Employer contributions.

- (a) Each employer shall contribute at an annual rate to be fixed by the Board of Supervisors.

(b) The aggregate present value of future employer contributions payable into the retirement allowance account shall be sufficient, when combined with the amount then held in the members' contribution account and the retirement allowance account together with the present value of future employee contributions, to provide the estimated prospective benefits payable. The annual employer contribution rate shall be fixed as equal to the employer normal cost plus an expense rate, as long as the System's funding ratio (actuarial value of assets divided by actuarial accrued liability) remains within a corridor, the lower measurement of which is described below and the upper measurement of which is 120 percent. The employer normal cost and System actuarial accrued liability are to be measured using the entry age normal funding method.

- To the extent that the System's funding ratio exceeds 120 percent, a credit shall be established equal to the amount of assets in excess of 120 percent of the actuarial accrued liability.
- To the extent that the System's funding ratio is lower than the lower measure of the corridor, a charge shall be established equal to the difference between the lower measure plus the actuarial accrued liability and the assets.

The employer contribution shall be adjusted by a 15 year amortization of the credit or charge described in this Subsection, to be paid until the funding ratio re-enters the corridor at which time it shall cease.

Effective with the fiscal year 2016 County contribution rate, the lower measure of the corridor shall be established at 95 percent. The 95 percent threshold shall be increased until it reaches 100 percent, no later than by the year 2020. Once the lower measurement of the corridor reaches 100 percent, the 15-year amortization described above shall be over a fixed 15 years with additional 15-year amortization layers created annually. Once the System's funding ratio reaches 100 percent, such amortizations shall cease.

In the event of an ordinance change that affects benefits, the employer contribution rate shall be changed effective with the July 1 coincident with or next following the date of adoption of the ordinance change. The employer normal cost component shall be adjusted to the level required by the ordinance change and there shall be an additional component to the employer cost equal to the increase in actuarial accrued liability. Any additional actuarial accrued liability which does not reduce the funding level below 120 percent shall be excluded from this component. (1961 Code, § 9-97; 11-74-9; 23-85-3; 28-89-3; 48-96-3; 10-01-3; 16-02-3; 28-15-3, § 2; 3-16-3.)

Division 7. Assets of System.

Section 3-3-28. Assets to be credited to one of two accounts.

All of the assets of the System shall be credited, according to the purpose for which they are held, to one of two accounts, namely, the members' contribution account, and the retirement allowance account. (1961 Code, § 9-98; 11-74-9; 3-16-3.)

Section 3-3-29. Members' contribution account.

- (a) The members' contribution account shall be the account to which all members' contributions, pick-up contributions and interest allowances as provided in this Article shall be credited. From this account shall be paid the accumulated contributions of a member required to be returned to him or her upon withdrawal or paid in the event of his or her death before retirement.
- (b) Each member's contribution and pick-up contributions provided for in Sections 3-3-26 and 3-3-27 shall be credited to the individual account of that member.
- (c) Each individual account of the members' contribution account shall be credited annually with interest at a rate of not less than two percent per annum on the accumulated contributions of the member; provided, that interest shall accrue on any such contribution beginning at the end of the calendar year in which each

such contribution was made, and further provided that interest shall not be accredited or accumulated to the individual accounts of members who have ceased to be employees for a period of more than five years.

- (d) Upon the retirement of a member, his or her accumulated contributions shall be transferred from the members' contribution account to the retirement allowance account. (1961 Code, § 9-99; 11-74-9; 5-85-3; 3-16-3.)

Section 3-3-30. Retirement allowance account.

- (a) The retirement allowance account shall be the account in which shall be accumulated all employer contributions, amounts transferred from the members' contribution account, and to which all income from the invested assets of the System after all expenses for required services shall be credited. This account shall pay retirement allowances, other benefits payable after a member's retirement, and necessary expenses of the System.
- (b) The amount of interest allowances provided for in Section 3-3-29 shall be transferred each year from the retirement allowance account to the members' contribution account. (1961 Code, § 9-100; 11-74-9; 3-16-3.)

Section 3-3-31. Deposits.

For the purpose of meeting disbursements for retirement allowances and other payments, there may be kept available cash, not exceeding ten percent of the total amount in the accounts of the System, on deposit in one or more banks or trust companies that are approved as depositories for County funds. (1961 Code, § 9-101; 11-74-9; 3-16-3.)

Division 8. Benefits.

Section 3-3-32. Service retirement.

- (a) Normal service retirement. Any member in service who has attained the age of 55 years and has completed six years of creditable service, or has completed 25 years of creditable service may retire at his or her normal retirement date or thereafter upon written notice to the Board made by the member, or his or her duly appointed agent, stating the time the retirement is to become effective. However, such effective date shall be subsequent to his or her last day of service, but not more than 90 days subsequent to the filing of such notice.
- (b) Early service retirement. Any member in service who has completed 20 years of creditable service may retire pursuant to the procedures set forth in Subsection (a) of this Section.
- (c) Compulsory retirement. Repealed; provided, any member in service who previously had reached compulsory retirement age but who had continued in service pursuant to the exemptions previously provided by this Subsection may continue in service without regard to the limitations set forth in this Subsection. (1961 Code, § 9-102, 11-74-9; 28-77-3; 20-81-3; 5-83-3; 22-83-3; 14-87-3; 3-16-3.)

Section 3-3-33. Service retirement allowance and other benefits.

- (a) Normal service retirement. Upon service retirement after July 1, 1988, a member shall receive an annual retirement allowance, payable monthly as provided below:
- (1) Effective the first of any month following the member's attainment of age 55 years the annual retirement allowance payable for life shall consist of:

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- (A) For members of Plans A and B, an amount equal to two percent of the average final compensation, multiplied by the number of years of creditable service.
 - (B) In addition to the amount of retirement allowance provided in Subparagraph (A) of this Subsection, members of Plans A and B shall receive an additional amount payable monthly, equal to the primary social security benefit to which such member would be entitled under the provisions of the Social Security Act in effect on the date of the member's retirement if such member were then 65 years of age. Further, such additional retirement allowance shall be reduced by the amount of any social security benefits such member may become eligible to receive, at the earliest date of such eligibility. For purposes of this reduction the amount of social security benefits of a member shall be the amount he or she would have been eligible to receive, without regard to any disqualification resulting from the earned income of the member. The social security benefits, for all employees whose County employment commenced by reporting for work after July 1, 1976, shall be determined on a pro rata basis as ratio of the number of years of creditable service in the County (numerator) and 25 years (denominator). This number is never larger than one.
 - (C) For the members of Plan B, the amount prescribed in Subparagraph (A) of this Subsection shall include cost-of-living adjustments provided for under Section 3-3-45 during the period between the member's retirement and his or her attainment of age 55 years.
 - (D) For members of Plans C, D, E, and F amount equal to two and five-tenths percent of the member's average final compensation multiplied by the number of years of creditable service. For members of these plans the amount shall include cost-of-living adjustments provided for under Section 3-3-45.
- (2) For members who retire before attaining the age of 55 years, the annual retirement allowance, payable during the period between retirement and the first of the month following such member's 55th birthday, shall be determined as follows:
- (A) Members of Plan A shall receive the amount provided for in Subsection (a)(1)(A) of this Section. Such allowances shall not be subject to cost-of-living adjustments provided for under Section 3-3-45 until the first of the month following the member's 55th birthday. Further, the additional allowance prescribed in Subsection (a)(1)(B) of this Section shall not be included.
 - (B) After undergoing the additional deductions through December 31, 1981, members of Plan B shall receive the amount provided for in Subsection (a)(1)(A) of this Section subject to cost-of-living adjustments under Section 3-3-45 plus 50% of the additional allowance provided for under Subsection (a)(1)(B) of this Section.
 - (C) Members of Plan C shall receive the amount provided for in Subsection (a)(1)(D) of this Section. Such allowances shall not be subject to cost-of-living adjustments provided for under Section 3-3-45 until the first of the month following the member's 55th birthday.
 - (D) Members of Plans D and E shall receive the amount provided for in Subsection (a)(1)(D) of this Section subject to cost-of-living adjustments under Section 3-3-45 as provided in Subsection (a)(1)(E) of this Section.
 - (E) Members of Plan F shall receive the amount provided for in Subsection (a)(1)(D) of this Section subject to cost-of-living adjustments under Section 3-3-45 as provided in Subsection (a)(1)(E) of this Section.
- (3) In addition to the allowances provided in Subsections (a)(1) and (a)(2) of this Section, for participants in Plans A, B, C, D or E retiring after March 18, 2002, the allowances in Subparagraphs (A) and (B) below, referred to as the pre-social security benefit, shall be payable until the first month after the member

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- attains the age of eligibility for an unreduced social security retirement benefit. The pre-social security benefit shall not be subject to cost-of-living adjustments provided for under Section 3-3-45.
- (A) For members of Plans A and B, an additional amount equal to two-tenths of one percent of average final compensation times years of service.
 - (B) For members of Plan C, D, and E, an additional amount equal to three-tenths of one percent of average final compensation times years of service.
 - (C) The pre-social security benefit provided herein shall not be credited to the DROP accounts of members of Plan E who elect to participate in the DROP; however, upon the completion of the member's DROP period, the member shall be entitled to receive the pre-social security benefit provided herein if he or she is not then entitled to an unreduced social security benefit until the first month after such member is entitled to an unreduced social security benefit. Members in Plan F are not entitled to the Pre-social security benefit; however, those members are given an Early Age Option to receive a higher retirement allowance amount before they are entitled to receive an unreduced social security benefit as defined in Subsection (a)(1)(B) of this Section.
 - (D) Early Age Option. Any member in Plan F who retires prior to his or her full retirement age under social security shall be eligible to receive an additional monthly benefit equal to 0.3 percent of his or her average final compensation, not to exceed his or her social security breakpoint times years of service until the first month after such member is entitled to an unreduced social security benefit. Upon reaching the full retirement age under social security, the member's monthly benefit is reduced for life by an amount determined to result in a lifetime benefit under this option that is actuarially equivalent to the lifetime benefit that would be received without this option.
- (b) Early service retirement. An amount which shall be determined in the same manner as for retirement at the member's normal retirement date with years of creditable service and average final compensation being determined as of the date of his or her actual retirement, and the amount of the retirement allowance so determined being reduced on an actuarial equivalent basis for the period that the actual retirement date precedes the normal retirement date; provided, that for members who retire after July 1, 1988, the amount provided for in Subsection (a)(1)(B) of this Section shall not be reduced on the actuarial equivalent basis.
- (1) The allowance for members of Plans A and C except those exempted under Subsection (b)(2) of this Section shall be reduced in accordance with the factors prescribed in Table 1.
 - (2) The allowance for members of Plans B, D, E, and F and members of Plans A and C whose age plus creditable service equal 75 shall be reduced in accordance with the factors prescribed in Table 2.
- (c) Joint and last survivor option. Before the normal retirement date, a member may elect to receive a decreased retirement allowance during his or her lifetime and to have such retirement allowance or a specified fraction thereof, continued after his or her death to the spouse, for his or her lifetime. The amount of such retirement allowance shall be determined on an actuarial equivalent basis and shall be calculated at the member's actual retirement date using the actuarial adjustment factors in Table 3. In the event a retired member has elected a reduced retirement allowance in consideration of continued allowance to his or her spouse after the member's death and such spouse predeceases the member, such member's retirement allowance shall be increased to that amount to which the member would have been entitled had no election been made. In the event a retired member who has elected the joint and last survivor option shall be divorced from his or her spouse, and such former spouse waives his or her rights to the benefits of the election of the joint and last survivor option, the retired member may revoke his or her joint and last survivor election; such revocation must be accompanied by a certified copy of a court order or decree containing the waiver of the spouse's rights under the joint and last survivor option election. Upon the provision of the request to revoke the election and the certified copy of a court order or decree containing the waiver of the spouse's rights under the joint and last survivor option election, the Executive Director shall revoke the

election and increase the member's retirement allowance to the amount it would have been had no joint and last survivor election ever been made. The effective date of the increase in the member's retirement allowance shall be the first of the month next following the submission of the request to revoke the election accompanied by a certified copy of a court order or decree containing the waiver of the spouse's rights under the joint and last survivor option election.

TABLE 1
FAIRFAX COUNTY UNIFORMED RETIREMENT SYSTEM

Actuarial Reduction Factors That Would Apply to Members
With a Normal Retirement Age Requirement of 25 Years of Service
(or, Attainment of Age 55, if Earlier) if They Are Permitted To
Retire Early With a Reduced Retirement Allowance After 20 Years of Service

(ASSUMES 4% COST-OF-LIVING ADJUSTMENTS ARE EFFECTIVE
AT AGE 55 WITHOUT CATCH-UP PROVISION)

Age at Retirement	Years of Service					
	20	21	22	23	24	25
38	65.83	71.56	77.79	84.57	91.94	100.00
39	65.83	71.57	77.80	84.58	91.95	100.00
40	65.85	71.58	77.81	84.59	91.96	100.00
41	65.88	71.60	77.82	84.60	91.97	100.00
42	65.93	71.63	77.84	84.61	91.98	100.00
43	65.99	71.67	77.87	84.63	91.99	100.00
44	66.07	71.73	77.91	84.66	92.00	100.00
45	66.17	71.81	77.97	84.69	92.02	100.00
46	66.29	71.91	78.04	84.73	92.04	100.00
47	66.45	72.03	78.13	84.79	92.07	100.00
48	66.64	72.18	78.24	84.86	92.10	100.00
49	66.86	72.36	78.37	84.95	92.14	100.00
50	67.13	72.57	78.53	85.05	92.19	100.00
51	72.81	72.81	78.71	85.18	93.11	100.00
52	78.92	78.92	78.92	86.29	92.97	100.00
53	85.48	85.48	85.48	85.48	92.41	100.00
54	92.50	92.66	92.66	92.66	92.66	100.00
55	100.00	100.00	100.00	100.00	100.00	100.00

TABLE 2
FAIRFAX COUNTY UNIFORMED RETIREMENT SYSTEM

Actuarial Reduction Factors That Would Apply to Members
With a Normal Retirement Age Requirement of 25 Years of Service
(or, Attainment of Age 55, if Earlier) if They Are Permitted To
Retire Early With a Reduced Retirement Allowance After 20 Years of Service

(ASSUMES 4% COST-OF-LIVING ADJUSTMENTS
ARE EFFECTIVE AT RETIREMENT)

	Years of Service
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Age at Retirement	20	21	22	23	24	25
38	74.50	79.17	84.06	89.18	94.48	100.00
39	74.18	78.89	83.83	89.01	94.39	100.00
40	73.84	78.61	83.60	88.84	94.30	100.00
41	73.49	78.32	83.37	88.67	94.21	100.00
42	73.11	78.01	83.13	88.50	94.12	100.00
43	72.72	77.68	82.88	88.33	94.03	100.00
44	72.32	77.34	82.61	88.14	93.93	100.00
45	71.89	76.98	82.34	87.95	93.83	100.00
46	71.44	76.61	82.04	87.75	93.73	100.00
47	70.97	76.22	81.74	87.53	93.62	100.00
48	70.48	75.81	81.41	87.31	93.50	100.00
49	69.96	75.38	81.08	87.07	93.38	100.00
50	69.42	74.92	80.72	86.83	93.25	100.00
51	74.45	74.45	80.35	86.57	93.11	100.00
52	79.95	79.95	79.95	86.29	92.97	100.00
53	86.00	86.00	86.00	86.00	92.82	100.00
54	92.66	92.66	92.66	92.66	92.66	100.00
55						

TABLE 3

FAIRFAX COUNTY UNIFORMED RETIREMENT SYSTEM

Actuarial Adjustment Factors That Would Apply to Members
With a Normal or Early Service Retirement Allowance Determined Under Section 3-3-33
Who Elect a Joint and Last Survivor Option

Percent of Retirement Allowance Continued to Spouse Upon Member's Death	Factor for Equal Ages	Increase/Decrease For Each Full Year Beneficiary is Older (Younger) Than Employee	Maximum Factor
100%	87%	0.7%	96%
75%	90%	0.6%	97%
66.67%	91%	0.5%	98%
50%	93%	0.4%	99%

(1961 Code, § 9-103; 11-74-9; 28-7-3; 20-81-3; 34-81-3; 36-83-3; 36-88-3; 29-89-3; 27-90-3, § 3; 48-96-3; 28-97-3; 13-98-3; 5-00-3; 17-02-3; 27-12-3; 51-13-3; 3-16-3; 10-19-3.)

Section 3-3-34. Ordinary disability retirement.

- (a) Any member in service who has five or more years of creditable service may, at any time before his or her normal retirement date, retire on account of disability, not compensable under the Virginia Workers' Compensation Act, upon written application to the Board, made by the member or his or her appointing authority, setting forth at what time the retirement is to become effective; provided, that such effective date shall be after the last day of service, but shall not be more than 90 days prior to the execution and filing of

such application; and provided further, that the Medical Examining Board, after a medical examination of such member, shall certify that such member is, and has been continuously since such effective date if prior to the filing of such application, mentally or physically incapacitated for the further performance of duty, and that such incapacity is likely to be permanent and that such member should be retired.

- (b) Any member not in service at the time of application who is otherwise eligible for ordinary disability retirement may be granted an ordinary disability retirement if:
 - (1) Written application is made within one year of the date he or she ceased to be in service; and
 - (2) The Board finds:
 - (A) The disability arose in the course of the member's service;
 - (B) The disability was the proximate cause of the member's ceasing to be in service; and
 - (C) There was good cause for the employee not to have filed an application while in service.
- (c) In the event a member is granted an ordinary disability retirement pursuant to Subsection (b) of this Section, the Board shall establish an effective date which, considering all the circumstances of the individual case is just; provided, such date shall be no more than 90 days prior to the execution and filing of his or her application. (1961 Code, § 9-104; 11-74-9; 20-81-3; 48-96-3; 3-16-3.)

Section 3-3-35. Ordinary disability retirement allowance.

Upon ordinary disability retirement, as provided for in Section 3-3-34, a member shall receive an annual retirement allowance, payable monthly during his or her lifetime and continued disability, consisting of an amount equal to two percent of his or her average final compensation multiplied by the number of years of creditable service. However, said retirement allowance shall not be greater than 60 percent of the member's average final compensation. (1961 Code, § 9-105; 11-74-9; 28-77-3; 20-81-3; 48-96-3; 3-16-3.)

Section 3-3-36. Service-connected disability retirement.

- (a) Any member in service may, at any time before his or her retirement date, retire on account of disability which is due to injury by accident and/or disease(s) which arose out of and in the course of the member's service. The Board shall determine a member is disabled due to injury by accident and/or disease(s) which arose out of and in the course of a member's service. In making this determination, the Board shall consult the decisions of the Virginia Workers' Compensation Commission, the Court of Appeals of Virginia, and the Supreme Court of Virginia which applied or construed language under the Virginia Workers' Compensation Act. Furthermore, in making this determination, the Board shall consider any medical record or information and/or any further tests or examinations required pursuant to Section 3-3-10.1.
- (b) The member or his or her employer shall be required to submit a written application setting forth at what time the retirement is to become effective; provided, that such effective date shall be after the last day of service but shall not be more than 90 days prior to the date of such application. Prior to submitting such application, the member shall be required to apply for workers' compensation to which he or she may be entitled. The member shall be required to submit to the Board copies of the dispositions as made of his or her workers' compensation claim and any subsequent awards or other documents reflecting any modification or termination of such benefits. With respect to the determination of a member's eligibility for retirement under this Section, the Board shall give great weight to the decisions of the Virginia Workers' Compensation Commission, the Court of Appeals of Virginia, and the Supreme Court of Virginia on the compensability of his or her disability under the Virginia Workers' Compensation Act; and the Board may modify its prior determination of eligibility under this Section in light of any such decision within 90 days after the date such decision becomes final.

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- (c) Any member otherwise eligible for ordinary disability retirement under Section 3-3-34, who applies for retirement pursuant to this Section, and whom the Board finds to be disabled but not eligible for retirement under this Section, shall be retired pursuant to Section 3-3-34.
 - (d) Any member who applied for service-connected disability retirement on or before (effective date of amendment [December 16, 1985]) shall have his or her eligibility for such retirement governed by the provisions of this Section in effect on that date. Members applying thereafter shall have their eligibility determined by the provisions of this Section.
 - (e) When an application for service-connected disability retirement has been submitted by a member or on his or her behalf by his or her employer, the appointing authority for the agency in which the member is employed shall certify whether or not there exist any vacant positions within the agency the essential physical job functions of which the member could perform, with or without reasonable accommodation; this certification shall be provided to the member and to the Board. The appointing authority shall have a continuing obligation to notify the member and the Board if any such position becomes vacant between the time of the appointing authority's initial certification and the Board's action on the member's retirement application. A member who has applied for service-connected disability retirement who meets the physical requirements for such position, with or without reasonable accommodation, and who can be retrained to fulfill the other requirements for any such position shall be given the option to accept such position and withdraw his or her application for service-connected disability retirement or to decline such position and proceed with his or her application for service-connected disability retirement. A member shall have seven days from the date of the appointing authority's certification that a position is available to make his or her election as to whether he or she shall accept the position or proceed with his or her retirement application; the failure of the member to make such election shall constitute an election to proceed with his or her application for retirement. In the event that the member elects not to accept a position for which he or she has received notification, the appointing authority shall have no further duty to notify the member and the Board of any further positions that may subsequently become available. In the event that no such positions are vacant or the member elects not to accept a vacant position, the application for service-connected disability retirement shall proceed to a determination by the Board. The certification by an appointing authority that no such positions exist within the member's agency constitutes an application of specific County personnel policies, procedures, rules and regulations. (1961 Code, § 9-106; 11-74-9; 20-81-3; 24-85-3; 48-96-3; 34-04-3; 3-16-3; 22-18-3; 19-21-3 .)

Section 3-3-37. Service-connected disability retirement allowance.

- (a) Any member who is receiving, or has been approved by the Board to receive, service-connected disability retirement, or who has applied for service-connected disability retirement, or whose employer has submitted as application for service-connected disability retirement for such employee as of December 9, 1996, under Section 3-3-36, shall receive an annual retirement allowance, payable monthly during his or her lifetime and continued disability, consisting of an amount equal to 66 $\frac{2}{3}$ percent of the salary the member received at the time of retirement. This allowance shall be reduced by the amount of any compensation awarded under the Virginia Workers' Compensation Act to the member for temporary total or partial incapacity.
- (b) Any member who submits an application for service-connected disability retirement, or for whom his or her employer submits such application under Section 3-3-36 on or after December 9, 1996, shall receive an annual retirement allowance, payable monthly during his or her lifetime and continued disability, consisting of an amount equal to 40 percent of the salary the member received at the time of retirement. However, this allowance shall be reduced by the amount of any compensation awarded under the Virginia Workers' Compensation Act to the member for temporary total or partial incapacity.

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- (c) The amount of the reduction shall be increased by an award of a cost-of-living increase to the member's compensation for temporary total or partial incapacity under the Virginia Workers' Compensation Act (Act). When the member is no longer entitled to receive payments for temporary total or partial incapacity under the Act because of the limits in the Act as to the total amount of such compensation or as to the period of time that the member is entitled to receive such compensation, the amount of such payments shall no longer be used to reduce the retirement allowance and, accordingly, subsequent monthly payments of the allowance shall be determined as if the original allowance had been computed without the reduction for such payments.
 - (d) If a member receives his or her compensation for temporary total or partial incapacity under the Virginia Workers' Compensation Act (Act) in the form of a lump sum payment, he or she shall receive no monthly retirement allowance otherwise payable under this Section until such time as the amounts he or she would have received equal the amount of his or her lump sum benefit under the Act; provided, neither a lump sum payment or portion thereof representing compensation for permanent total or partial loss or disfigurement under the Act nor a lump sum payment or portion thereof representing compensation for periods of temporary total or partial incapacity which occurred prior to the effective date of the member's retirement under Section 3-3-36 shall be offset against the member's allowance under this Section; and provided further, that in the event the member receives a lump sum settlement of benefits that he or she is or may be entitled to in the future under the Act, and said settlement does not specify how much of the lump sum represents settlement of his or her entitlement to temporary total or partial incapacity, as opposed to other benefits, the Board shall determine the portion of such lump sum which in its judgment represents compensation for such benefits. (1961 Code, § 9-107; 11-74-9; 28-77-3; 20-81-3; 34-81-3; 4-83-3; 36-88-3; 29-89-3; 1-93-3; 48-96-3; 10-01-3; 23-07-3; 47-08-3; 23-11-3; 67-13-3, § 1; 3-16-3; 37-17-3; 22-18-3.)

Section 3-3-37.1. Joint and last survivor option for disability beneficiaries.

A member of the System who applied for an ordinary or service-connected disability retirement allowance, including those members who are determined to be eligible for severe service-connected disability retirement by the Board, on or after July 1, 1988, may, before his or her actual retirement date, elect the joint and last survivor option provided by Section 3-3-33(c). (36-88-3; 48-96-3; 3-16-3.)

Section 3-3-37.2. Severe service-connected disability retirement.

- (a) Any member in service may, at any time before his or her normal retirement date, be retired on account of a severe disability which is due to injury by accident and/or disease(s) which arose out of and in the course of the member's service. The Board shall determine whether a member has suffered a severe disability as defined herein due to injury by accident and/or disease(s) which arose out of and in the course of a member's service. In making this determination, the Board shall consult the decisions of the Virginia Workers' Compensation Commission, the Court of Appeals of Virginia, and the Supreme Court of Virginia which applied or construed language under the Virginia Workers' Compensation Act. Furthermore, in making this determination, the Board shall consider any medical record or information and/or any further tests or examinations required pursuant to Section 3-3-10.1.
- (b) When a member or his or her employer submits a written application for service-connected disability retirement as set forth in Section 3-3-36, the Board shall determine whether the member meets the requirements for qualification to receive severe service-connected disability as set forth in this Section. Prior to submitting such application, the member shall be required to apply for workers' compensation to which he or she may be entitled. The member shall also be required to submit to the Board copies of the dispositions as made of his or her workers' compensation claim and any subsequent awards or other documents reflecting any modification or termination of such benefits. With respect to the determination of a member's eligibility for retirement under this Section, the Board shall give great weight to the decisions of

the Virginia Workers' Compensation Commission, the Court of Appeals of Virginia, and the Supreme Court of Virginia on the compensability of his or her disability under the Virginia Workers' Compensation Act; and the Board may modify its prior determination of eligibility under this Section in light of any such decision within 90 days after the date such decision becomes final.

- (c) Any member otherwise eligible for ordinary disability retirement under Section 3-3-34 whom the Board finds to be disabled but not eligible for retirement under this Section, shall be retired pursuant to Section 3-3-34. Any member otherwise eligible for service-connected disability retirement under Section 3-3-36 whom the Board finds to be disabled but not eligible for retirement under this Section, shall be retired pursuant to Section 3-3-36.
- (d) *Severe disability* shall mean an impairment from the list below that permanently incapacitates the member from performing the necessary duties of the position in which he or she had been employed prior to sustaining the impairment.
 - (1) Schedule of impairments:
 - (A) Loss of both hands or both feet;
 - (B) Loss of one hand and one foot;
 - (C) Loss of one hand and the sight of one eye;
 - (D) Loss of one foot and the sight of one eye;
 - (E) Loss of the sight of both eyes;
 - (F) Paralysis, either paraplegia or quadriplegia;
 - (G) Cancers determined to be compensable by the Virginia Workers' Compensation Commission which were caused by documented contact with a toxic substance, pursuant to Section 65.2-402(c) of the *Virginia Code*;
 - (H) Loss of speech;
 - (I) Loss of hearing;
 - (J) A mental incapacity that meets the criteria for disability benefits under the Federal Old-Age Survivors' and Disability Insurance Act;
 - (K) Chronic Hepatitis C determined to be compensable by the Workers' Compensation Commission which was caused by documented exposure to HCV-positive blood or other potentially infectious material (OPIM) in the workplace or during work-related activities, as described in Section 65.2-402.1.(a) of the Virginia Code; or
 - (L) Occupational Asthma, Occupational Hypersensitivity Pneumonitis, or Chronic Obstructive Pulmonary Disease (COPD) determined to be compensable by the Virginia Workers' Compensation Commission which was caused by documented exposure to a toxic substance in the workplace or during work-related activities, as described in Section 65.2-402(c) of the Virginia Code, or otherwise determined to be compensable as an injury by accident by the Virginia Workers' Compensation Commission. This condition, added on {date} is to be applied retroactively to any service-connected disability applications submitted on or after June 1, 2019.
 - (2) *Loss* shall mean:
 - (A) With respect to a hand or foot, the dismemberment by severance through or above the wrist or ankle joint, or the partial dismemberment resulting in the loss of functional use of the partially dismembered hand or foot.

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- (B) With respect to sight, central acuity of 20/200 or less with the use of correcting lenses or visual acuity greater than 20/200 if accompanied by a limitation in the field of vision that the widest diameter of the visual field subtends an angle no greater than 20 degrees. These standards apply to the affected eye if sight loss is claimed for one eye in combination with loss of a hand or foot, or to the better eye if sight loss is claimed for both eyes.
 - (C) With respect to hearing, a severe and irreversible bilateral loss of hearing that is not correctable with either the use of hearing aids or with corrective surgery.
- (e) For the purpose of this Section only, *member in service* shall include a member who has not reached his or her normal retirement date and who has been retired on account of a service-connected disability pursuant to the terms of Section 3-3-36.
 - (f) A member for whom an application for severe service-connected disability is approved by the Board shall not be required to submit to medical re-evaluations as required by Section 3-3-40. (48-96-3; 19-01-3; 7-03-3; 34-04-3; 3-16-3; 22-18-3; 04-20-3.)

Section 3-3-37.3. Severe service-connected disability retirement allowance.

- (a) Any member who retires pursuant to Section 3-3-37.2 shall receive an annual retirement allowance, payable monthly during his or her lifetime, consisting of an amount equal to 90 percent of the salary the member was entitled to receive at the time of his or her retirement. This allowance shall be reduced by the amount of any compensation awarded under the Virginia Workers' Compensation Act to the member for temporary total or partial incapacity.
- (b) The amount of the reduction shall be increased by an award of a cost-of-living increase to the member's compensation for temporary total or partial incapacity under the Virginia Workers' Compensation Act (Act). When the member is no longer entitled to receive payments for temporary total or partial incapacity under the Act because of the limits in the Act as to the total amount of such compensation or as to the period of time that the member is entitled to receive such compensation, the amount of such payments shall no longer be used to reduce the retirement allowance and, accordingly, subsequent monthly payments of the allowance shall be determined as if the original allowance had been computed without the reduction for such payments.
- (c) If a member receives his or her compensation for temporary total or partial incapacity under the Virginia Workers' Compensation Act (Act) in the form of a lump sum payment, he or she shall receive no monthly retirement allowance otherwise payable under this Section until such time as the amounts he or she would have received equal the amount of his or her lump sum benefit under the Act; provided, however, neither a lump sum payment or portion thereof representing compensation for permanent total or partial loss or disfigurement under the Act nor a lump sum payment or portion thereof representing compensation for periods of temporary total or partial incapacity which occurred prior to the effective date of the member's retirement under Section 3-3-37.2 shall be offset against the member's allowance under this Section; and provided further, that in the event the member receives a lump sum settlement of benefits that he or she is or may be entitled to in the future under the Act, and said settlement does not specify how much of the lump sum represents settlement of his or her entitlement to temporary total or partial incapacity, as opposed to other benefits, the Board shall determine the portion of such lump sum which in its judgment represents compensation for such benefits. (48-96-3; 10-01-3; 23-07-3; 47-08-3; 23-11-3; 68-13-3, § 1; 3-16-3; 38-17-3; 22-18-3.)

Section 3-3-38. Service-connected accidental death benefit.

If death of a member is caused by an accident occurring prior to retirement and such death is compensable under the Virginia Workers' Compensation Act, there shall be paid, in addition to any other benefits of this Article or other legislation, the following:

- (a) For a member whose death occurs before retirement:
 - (1) The member's accumulated contributions as provided in Section 3-3-29(c) to his or her designated beneficiary duly approved, acknowledged, and filed with the Board, otherwise to the member's estate; provided, no benefit is payable under Section 3-3-43; and
 - (2) The sum of \$10,000.00 to his or her designated beneficiary duly approved, acknowledged, and filed with the Board, otherwise to the member's estate.
- (b) For a member whose death occurs after retirement:
 - (1) The member's accumulated contributions as provided in Section 3-3-29(c) less the amount of any retirement allowances previously received by the member, such sum to be paid to his or her designated beneficiary duly approved, acknowledged and filed with the Board, otherwise to the member's estate; provided, no benefit is payable under Section 3-3-33; and
 - (2) The sum of \$10,000.00 to his or her designated beneficiary duly approved, acknowledged and filed with the Board, otherwise to the member's estate. (1961 Code, § 9-108; 11-74-9; 5-85-3; 3-16-3.)

Section 3-3-39. Refund of contributions upon withdrawal or death; deferred vested benefit.

- (a) Refund of contributions.
 - (1) If a member has ceased to be an employee, otherwise than by death or by retirement under the provisions of this Article, and has fewer than five years of creditable service on his or her date of separation, he or she shall be eligible for a refund of the total of his or her accumulated contributions (with interest) which have been reduced by the amount of any retirement allowances previously received by him or her under this Article. The member shall file a written application with the Board for such refund and he or she shall be paid the amount to which he or she is entitled not later than 90 days after receipt of his or her application by the Board. Should a member or a person in retirement die, the amount of his or her accumulated contributions reduced by the amount of any retirement allowances previously received by him or her under this Article shall then be payable in a lump sum to a designated beneficiary or in the absence of a designated beneficiary to his or her estates; provided, no benefit is payable under Section 3-3-33(c).
 - (2) A member who becomes eligible for membership in either the Virginia Retirement System (VRS) and the Educational Employees Supplemental Retirement System of Fairfax County (ERFC), the Fairfax County Employees' Retirement System, or the Fairfax County Police Officers Retirement System prior to receipt of a refund amount may, under such rules and regulations as are adopted by the Board and by the board of the system of which he or she is eligible to become a member, elect in writing to transfer the amount of his or her refund directly from this System to the system for which he or she has become eligible for membership. In the alternative, to the extent that a refund is an "eligible rollover distribution" within the meaning of Section 402(f)(2)(A) of the Internal Revenue Code, such a member may (a) under rules and regulations of the system of which he or she is eligible to become a member, elect in writing to roll over the amount of his or her refund directly from this System to the system for which he or she has become eligible for membership or (b) elect in writing to roll over the

portion of his or her refund which is such an eligible rollover distribution directly to an individual retirement account.

- (3) All refunds shall be mailed to the last address on record with the Board. Refunds that have not been claimed within six months shall become the property of the System.
- (b) Deferred vested benefit. If a member has five or more years of creditable service on his or her date of separation from the County, the member may leave his or her accumulated contributions in the System and receive a deferred vested benefit payable beginning the date the member attains 55 years of age. Members who choose a deferred vested benefit are not eligible to receive the pre-social security benefit. (1961 Code, § 9-109; 11-74-9; 20-81-3; 34-81-3; 5-85-3; 36-88-3; 45-93-3; 10-01-3; 01-11-3; 3-16-3.)

Section 3-3-40. Medical reevaluation of disabled members; penalty for unjustified refusal to accept medical attention, vocational rehabilitation or selective employment, or to submit to medical examination.

- (a) Once each year during the first five years following the retirement of a member on a disability retirement allowance, and once in every three-year period thereafter, the Board shall require any such beneficiary prior to his or her normal retirement date to undergo a medical examination by the Medical Examining Board. Should such a beneficiary refuse to submit to any such medical examination or unreasonably and without just cause or excuse refuse medical attention recommended by the Medical Examining Board, his or her disability retirement allowance shall be discontinued until his or her withdrawal of such refusal; and should his or her refusal continue for one year, all his or her rights to any further disability retirement allowance shall cease.
- (b) Members who are beneficiaries of service-connected disability retirement allowances pursuant to Section 3-3-36, and who are receiving periodic payments from their employers pursuant to the Virginia Workers' Compensation Act (Act) which are required to be offset against the allowances pursuant to Section 3-3-37, shall cooperate with and accept medical services or vocational rehabilitation and/or selective employment provided by the employer pursuant to the Act. In the event a member's periodic payments are suspended by the Virginia Workers' Compensation Commission (Commission) for unjustified refusal to accept medical services, vocational rehabilitation and/or selective employment, the Board may, if in its determination such refusal was unjustified, direct that the allowance pursuant to Section 3-3-37 shall be computed as if the member received the suspended payments. The Board shall make appropriate adjustment to the member's allowance if the suspension by the Commission is subsequently reversed or modified. Employers shall promptly notify the Board of any suspensions or releases from suspensions affecting members subject to this Subsection, for unjustified refusal creates a rebuttable presumption that the member unjustifiably refused medical services, vocational rehabilitation training, and/or selective employment.
- (c) The requirement for medical examinations of disability retirees established in this Section is not applicable to retirees who are receiving severe service-connected disability retirement benefits pursuant to Section 3-3-37.2. (1961 Code, § 9-110; 11-74-9; 28-77-3; 36-88-3; 3-16-3.)

Section 3-3-41. Reduction of service-connected disability retirement allowance.

Repealed by 11-94-3.

Section 3-3-42. Cessation of disability retirement allowance.

- (a) Should a beneficiary of a disability retirement allowance return to service at any time prior to his or her normal retirement date, his or her disability retirement allowance shall cease, and he or she shall become a

member of the System and contributions, in accordance with Section 3-3-26, shall resume. Any service on the basis of which his or her disability retirement allowance was computed shall thereafter be counted as creditable service; and, in addition, the period of disability retirement shall be counted as creditable service for those on service-connected disability retirement.

- (b) Any excess accumulated contributions of such beneficiary over the disability retirement allowances received by him or her shall be transferred from the retirement allowance account to the member's contribution account. (1961 Code, § 9-112; 11-74-9; 5-85-3; 3-16-3.)

Section 3-3-43. Cessation of normal or early service retirement allowance.

- (a) Subsection (b) of this Section shall apply to persons who are receiving a normal or early service retirement allowance from this System, the Fairfax County Employees' Retirement System, or the Fairfax County Police Officers Retirement System and who submitted their application for such allowance to the Board of such system on or before July 21, 1986. Subsection (c) of this Section shall apply to persons who are receiving a normal or early service retirement allowance from this System, the Employees' Retirement System, or the Police Officers Retirement System and who submitted their application for such allowance to the Board of such system after July 21, 1986.
- (b) Should a person receiving a normal or early service retirement allowance from this System, the Fairfax County Employees' Retirement System, or the Fairfax County Police Officers Retirement System (retiree) return to regular service in a permanent position in any office or employment paid directly or indirectly by the County, he or she shall elect to receive such retirement allowance under one of the following two options.
- (1) Such allowance shall not commence or, if already commenced, shall cease while the retiree is so employed. His or her allowance shall commence or resume upon application or reapplication by the retiree after he or she has ceased permanent employment in such a position. The allowance of a retiree of this System who is appointed to a position covered by the Employees' Retirement System or Police Officers Retirement System shall commence or resume at that cost-of-living adjustment amount pursuant to Section 3-3-54 which would have been payable had the retiree continued to receive his or her allowance without interruption. A retiree of this System who elects in writing at the time of reappointment to a position covered by this Article not to become a contributing member during the period of his or her reemployment shall be exempted from the requirement to make contributions to this System. A retiree of this System who elects in writing at the time of reappointment to a position covered by this Article to become a contributing member again during the period of his reemployment shall be eligible:
- (A) For a recomputation of his or her allowance to take into account compensation and creditable service attributable to the period of reemployment during which his or her allowance was suspended under this Subsection;
- (B) To make new election for any optional benefit to which he or she is entitled; and
- (C) For a retirement allowance for a service-connected disability arising out of and in the course of his or her reemployment (in lieu of his or her service retirement allowance).

A retiree of the Employees' Retirement System or Police Officers Retirement System who is appointed to a position covered by this Article and elects in writing within 30 days of such appointment may be excluded from membership in this System.

- (2) The retiree may elect to continue to receive his or her service retirement allowance. A retiree electing this option shall not be eligible for membership in the Employees' Retirement System or Police Officers Retirement System if either covers the position in which he or she is reemployed. If he or she is a

retiree of this System and the position in which he or she is reemployed is covered by this System, he or she shall not be required to contribute to this System during his or her period of reemployment.

- (c) A person receiving a normal or early service retirement allowance from this System, the Fairfax County Employees' Retirement System, or the Fairfax County Police Officers Retirement System (retiree) may return to employment for which compensation is paid directly or indirectly by the County subject to the following conditions:
- (1) A retiree shall not receive in combined compensation and retirement allowance, computed monthly, any more than 115 percent of the then current maximum monthly salary for a Deputy County Executive in the County's Compensation Plan. The appropriate Retirement System Board of Trustees shall reduce the retiree's allowance as necessary to keep the combined salary and allowance at this limit. For purposes of this Subsection, a retiree's allowance shall be deemed to be the allowance that he or she would receive if he or she had not elected a joint or last survivor option which results in an actuarially reduced allowance. Employers under all three systems shall report salaries paid to retirees to the retiree's Board.
 - (2) A retiree who is employed in a position service in which would otherwise make him or her eligible for membership in this System, the Employees' Retirement System, or the Police Officers Retirement System, shall not be eligible for membership in that system.
- (d) Notwithstanding any other provision of this Article or any other Article of this Chapter, a person receiving a normal or early service retirement allowance from this System, the Fairfax County Employees' Retirement System, or the Fairfax County Police Officers Retirement System (retiree) may be employed in a position under his or her former appointing authority subject to the following terms and conditions.
- (1) If the retiree is a member of this System and service in the position to which he or she is to be appointed ordinarily would result in membership this System, his or her normal or early service retirement allowance shall be suspended for the duration of his or her new employment. During his or her new employment, he or she shall make member contributions to this System. At the time of his or her new employment, he or she shall be entitled to make all elections available to new members of this System, and if otherwise eligible, during his or her employment, he or she may apply for ordinary or service-connected disability retirement. In such case, his or her combined years of service and his or her average final compensation based on his or her new employment shall be used in calculating the disability retirement allowance. On re-application for service retirement from his or her new employment, the retiree shall receive as his or her service retirement allowance the higher of (i) his or her initial service retirement allowance increased by any cost-of-living increases that were granted by the Board to service retirements during the period of his or her new employment or (ii) a service retirement allowance calculated on the basis of his or her combined years of creditable service in his or her initial and new employment and his or her average final compensation calculated on the basis of the creditable compensation that he or she received during both his or her initial and new employment, as if there had been no break in service.
 - (2) A retiree who is a member of this System and who is to be re-appointed to a position service in which would result in membership in either the Employees' Retirement System or Police Officers Retirement Systems but for his or her membership in this System, shall be subject to Subsection (b) or (c) of this Section, whichever is applicable.
 - (3) If the retiree is a member of either the Employees' Retirement or Police Officers Retirement Systems and service in the position to which he or she is to be appointed would result in membership in this System but for this membership in the other system, the retiree shall be subject to Subsection (b) or (c) of this Section, whichever is applicable.
 - (4) This Subsection shall apply to all persons appointed to positions on or after March 1, 1990, service in which would ordinarily make them members of this System, the Employees' Retirement System, or

Section 3-3-44. Spouse retirement allowance.

- (a) Should death occur to a member in service who has completed five years of creditable service, a retirement allowance shall be payable to the member's spouse if said spouse is the designated beneficiary duly approved, acknowledged and filed with the Board. The annual retirement allowance, payable monthly for life shall be 50 percent of the annual retirement allowance provided in the first sentence of Section 3-3-33(a), with creditable service and final compensation being determined as of the date of the member's death. Said spouse shall elect within 90 days after notice by the Board of the option of receiving the benefits outlined in this Subsection or a lump sum payment of the member's accumulated contributions as provided in Section 3-3-39, or within 180 days of the death of the member, whichever first occurs. If death is due to a service-connected accident as defined in Section 3-3-38, and the designated beneficiary under Section 3-3-38(1)(A) is the member's spouse, the spouse shall elect in writing within 90 days after the notice by the Board, or within 180 days of the death of the member, whichever first occurs, to receive either the benefits contained in this Subsection or those contained in Section 3-3-38(1)(A). In the event of the spouse's death prior to receiving allowances under this Section equaling the sum of the member's accumulated contribution, said sum, reduced by the amount of any retirement allowances previously paid under this Section, shall be paid to the spouse's designated beneficiary duly approved, acknowledged and filed with the Board, otherwise the spouse's estate.
- (b) Should death occur to a member in service who has completed five years of creditable service and if the member's designated beneficiary, duly approved, acknowledged and filed with the Board, is not the member's spouse, a lump sum payment equaling the member's accumulated contribution as provided in Section 3-3-29(c), shall be paid to the designated beneficiary.
- (c) Should death occur to a member in service who has completed five years of creditable service and the member has no designated beneficiary, a lump sum payment equaling the member's accumulated contribution shall be paid to the member's estate; provided, that if such member's spouse is the sole person entitled under the laws of the Commonwealth of Virginia to the benefits provided hereunder, then said spouse shall have the same right to elect benefits as is provided to spouses in Subsection (a) of this Section.
- (d) Effective on and after January 1, 2007, if a member dies while performing "qualified military service" as defined in Section 414(u) of the Internal Revenue Code, any additional benefits that would have been provided under the System if the member had resumed employment on the day prior to his or her death and then terminated employment due to death shall be paid to such member's designated beneficiary or, if applicable, estate. (1961 Code, § 9-113; 11-74-9; 28-77-3; 20-81-3; 5-85-3; 29-09-3; 01-11-3; 3-16-3.)

Section 3-3-45. Cost-of-living adjustments.

Monthly retirement allowances shall be adjusted effective July 1, 1981, and each July 1 thereafter in order to reflect changes in the cost of living since the date of benefit commencement; provided, that such adjustments shall not affect the amount of the social security benefit allowance payable pursuant to Section 3-3-33(a)(1)(B) or Section 3-3-33(a)(2)(B); and provided further, that allowances for service-connected disability retirement shall be subject to Subsection (d) of this Section. The monthly benefit allowance to be effective July 1 of any such year shall be the benefit in effect immediately prior to such adjustment increased for the basic cost-of-living increase provided for in Subsection (a) of this Section and the supplemental cost-of-living increase if any, provided for in Subsection (b) of this Section with such increase reduced as provided in Subsection (c) of this Section in the event the monthly retirement allowance has been in pay status for less than 12 months.

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- (a) The basic cost-of-living increase shall be the lesser of four percent and the percentage corresponding to the percentage increase in the Consumer Price Index during the 12-month calendar period ending with the March immediately preceding the July in which the increase is effective. For the purpose of this Section, *Consumer Price Index* shall mean the Consumer Price Index for all Urban Consumers (CPI-U) as issued by the Bureau of Labor Statistics of the U.S. Department of Labor for the appropriate Standard Metropolitan Statistical Area (SMSA) that includes the County.
 - (b) As part of each biennial actuarial valuation, the actuary shall determine the percentage supplemental cost-of-living increase (not greater than one percent that can be provided on the following two July first's based upon the available actuarial surplus). The Board then may, but shall not be required to, increase the benefits of all retirement allowances in pay status on each of such July first by such actuarially determined percentage. For the purpose of this Section, *available actuarial surplus* shall mean the excess of the actuarial value of the assets of the System over the actuarial accrued liabilities of the System as disclosed in the biennial actuarial valuation of the System.
 - (c) In the event a member receiving a retirement allowance has not been in pay status for 12 full months, the basic cost-of-living increase and the supplemental cost-of-living increase shall be determined as the percentage of the full increase determined in Subsections (a) and (b) of this Section as follows:

Number of Complete Months Benefit Has Been in Pay Status	Percentage of Full Increase
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Less than 30%

3, 4 or 525%

6, 7 or 850%

9, 10 or 1175%

- (d) Cost-of-living adjustments provided by this Section shall be applied to the net amount of the member's service-connected disability retirement allowance after all reductions required by Section 3-3-37 have been made. The member's allowance after the adjustments for cost of living provided by this Section at any date in time shall be determined by retroactive computation from the date of initial retirement, and the application of all applicable cost-of-living adjustments to the net allowance which the member is entitled to under Section 3-3-37.
- (e) The Board of Supervisors reserves the right to amend, terminate or modify the post -retirement increases described in Subsection (b) of this Section. Upon termination, no further increases to allowances shall be due or payable to any member or beneficiary. However, any such amendment, termination or modification shall not reduce the amount of the allowance then being paid to any member or beneficiary who has received allowances as of the date of the amendment, termination or modification. Furthermore, no amendment, termination or modification shall reduce the rights of any member as of June 30, 1981, to increases such member was entitled to based upon the terms of the plan in effect on June 30, 1981. (1961 Code, § 9-114; 11-74-9; 20-81-3; 1-93-3; 26-10-3; 3-16-3.)

Section 3-3-46. Retention rights.

Participation in the System does not convey the right to be retained in service, or any right or claim to any assets of the System unless such right has specifically accrued under this Article. (1961 Code, § 9-116; 11-74-9; 20-81-3; 36-88-3; 3-16-3; 22-18-3.)

Section 3-3-47. Vesting on termination of System; nonreversion of funds.

Upon termination of the System or upon complete discontinuance of contributions to the System, the rights of all members to benefits accrued to the date of such termination or discontinuance, to the extent then funded, are non-forfeitable. No portion of the assets of the System shall be used for, or diverted to, purposes other than for the exclusive benefit of the members and their beneficiaries prior to the satisfaction of all liabilities with respect to members and their beneficiaries. (1961 Code, § 9-117; 11-74-9; 20-81-3; 36-88-3; 3-16-3; 22-18-3.)

Section 3-3-48. Nonretroactivity to members retired or terminated prior to July 1, 1974.

The benefits provided by this Article shall not apply to members retired or terminated prior to July 1, 1974, and their rights and benefits shall be determined under the ordinance in effect prior thereto. However, retirement allowances determined thereunder shall be subject to post-1974 cost-of-living adjustments. (1961 Code, § 9-118; 11-74-9; 20-81-3; 3-16-3; 22-18-3.)

Section 3-3-49. Review of adverse decisions.

Any member adversely affected by a decision of the Board shall receive written notice of said decision and may, within 30 days of receipt of such notice, request in writing a review by the Board of said decision, pursuant to procedures established by the Board. (20-81-3; 3-16-3; 22-18-3.)

Section 3-3-50. Transfer to Senior Executive Retirement Plan.

Repealed by 97-26-3.

Section 3-3-51. Masculine usage includes feminine.

Repealed by 3-16-3.

Section 3-3-52. Limitation on annual retirement allowance.

Notwithstanding any other provision of this Article, the annual retirement allowance to which any member may be entitled shall not exceed the limits on benefits set forth in Section 415 of the Internal Revenue Code and any regulations issued by the U.S. Department of the Treasury thereunder, and in calculating such limits a member's compensation shall include any differential wage payments for military service as defined under Section 3401(h)(2) of the Internal Revenue Code and paid on or after January 1, 2009. Such limits shall be applied annually for the 12-month period commencing each July 1 and ending the following June 30. A benefit payable other than in the form of an annuity shall not exceed the amount which, when converted to an actuarial equivalent annual benefit, does not exceed the limits on benefits set forth in Section 415(b) of the Internal Revenue Code. Effective June 30, 2000, the mortality tables prescribed by the Uruguay Round Agreement Acts (GATT), as set forth in Internal Revenue Service Revenue Ruling 2001-62 (superseding and modifying Revenue Ruling 95-29), or as further updated or modified by the Internal Revenue Service, shall be used in determining the actuarial equivalent amount of such benefit. (27-90-3, § 4; 21-96-3; 8-03-3; 01-11-3; 3-16-3; 22-18-3.)

Section 3-3-53. Distribution of benefits.

Notwithstanding any other provision of this Article, effective for plan years beginning after December 31, 1986, the entire interest of each member shall be distributed to such member not later than the required beginning date specified below, or shall be distributed, beginning not later than the required beginning date, over

the life of such member or over the lives of such member and a beneficiary or over a period not extending beyond the life expectancy of such member or the life expectancy of such member and a beneficiary. For this purpose, the term *required beginning date* shall mean April 1 of the calendar year following the later of the calendar year in which the member attains 70½ years of age, or the calendar year in which the member retires. If a member dies after distribution of the member's interest has begun, the remaining portion, if any, of such interest shall be distributed at least as rapidly as under the method of distribution being used as of the date of death. If a member dies before the distribution of the member's interest has begun, any death benefit shall be distributed within five years after the death of such member, unless (1) any portion of the member's interest is payable to (or for the benefit of) a designated beneficiary, (2) such portion shall be distributed over the life of such beneficiary or over a period not extending beyond the life expectancy of such beneficiary, and (3) if the beneficiary is someone other than the member's surviving spouse, such distributions shall begin not later than one year after the date of the member's death or such later date as the U.S. Secretary of the Treasury may by regulations prescribe. If the beneficiary is the surviving spouse of the member, (1) distribution shall begin on or before the latest of one year after the date of the member's death, such later date as the U.S. Secretary of the Treasury may by regulations prescribe, or the date on which the member would have attained 70½ years of age and (2) if the surviving spouse dies before the distributions to such spouse begin, the distribution rules specified in this Section shall be applied as if the surviving spouse were the member. Distributions from the System shall be made in accordance with the requirements of Section 401(a)(9) of the Internal Revenue Code, including the rules for incidental death distributions set forth at Section 401(a)(9)(G). (27-90-3, § 4; 51-13-3; 3-16-3; 22-18-3.)

Section 3-3-54. Direct rollovers to other plans.

- (a) General. This Section applies to distributions made on or after January, 1, 1993. Notwithstanding any provision of the System to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. However, to the extent that any portion of the amount of the rollover is comprised of after-tax contributions, the distribution may only be rolled over to an eligible retirement plan that separately accounts for after-tax contributions.
- (b) Definitions.
 - (1) *Eligible rollover distribution* shall mean any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Internal Revenue Code; and the portion of any distribution that is not includible in gross income.
 - (2) *Eligible retirement plan* shall mean any one of the following that accepts the distributee's eligible rollover distribution: an individual retirement account described in Section 408(a) of the Internal Revenue Code; an individual retirement annuity described in Section 408(b) of the Internal Revenue Code; an annuity plan described in Section 403(a) of the Internal Revenue Code; a qualified trust described in Section 401(a) of the Internal Revenue Code; an annuity contract described in Section 403(b) of the Internal Revenue Code; an eligible deferred compensation plan described in Section 457(b) of the Internal Revenue Code that is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state; or effective for distributions made after December 31, 2007, a Roth IRA described in Section 408A of the Internal Revenue Code, provided the eligible rollover distribution is considered a "qualified rollover contribution" under Section 408A(e). However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

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- (3) *Distributee* shall mean a member or former member. In addition, the member's or former member's surviving spouse and the member's or former member's spouse or former spouse who is entitled to receive benefits from the System, shall be distributees with regard to the interest of the spouse or former spouse. Effective for distributions on or after January 1, 2010, a distributee shall include a non-spouse beneficiary of a deceased member or former member who may make an eligible rollover distribution in a direct trustee-to-trustee transfer to an "inherited" individual retirement account.
 - (4) *Direct rollover* shall mean a payment by the System to the eligible retirement plan specified by the distributee. (45-93-3; 21-96-3; 8-03-3; 01-11-3; 3-16-3; 22-18-3.)

Section 3-3-55. Additional retirement allowance.

(a) Definitions.

- (1) *Active member* shall mean a member of the System who is an employee on July 1, 1995, or who became an employee thereafter, and whose membership in the System has not ceased at any time from July 1, 1995, or from when he or she became an employee (whichever is later), until the effective date of his or her subsequent retirement.
 - (2) *Retired member* shall mean a member of the System who is receiving a retirement allowance on July 1, 1995. A member of the System who is receiving a retirement allowance shall include any member whose effective date of retirement is on or before July 1, 1995.
 - (3) *Retirement allowance* shall mean a normal service retirement allowance, an early service retirement allowance, an ordinary disability retirement allowance, a deferred vested benefit, or a spouse retirement allowance.
 - (4) *Base annual retirement allowance* shall mean the initial calculation of a member's or spouse's annual retirement allowance without regard for any deductions for withholding or other benefit elections or adjustments under Section 3-3-8. For a member taking normal service retirement under Section 3-3-32(a), this is the allowance calculated under Section 3-3-33(a)(1) (post-age 55 years) or Section 3-3-33(a)(2) (pre-age 55 years) less any additional allowance under Section 3-3-33(a)(1)(B); for a member taking early retirement under Section 3-3-32(b), this is the allowance calculated under Section 3-3-33(b), less any additional allowance under Section 3-3-33(a)(1)(B); for a member retired on account of ordinary disability under Section 3-3-34, this is the allowance calculated under Section 3-3-35; for a member receiving a deferred benefit, this is the allowance calculated under Section 3-3-39(b); and for a spouse receiving a spouse retirement allowance, this is the allowance calculated under Section 3-3-44.
 - (5) *Adjusted base annual retirement allowance* shall mean the base annual retirement allowance of a retired member or of the spouse of a member receiving the base spouse annual retirement allowance provided under Section 3-3-44, as increased by any cost-of-living adjustments applied to the member's or spouse's retirement allowance from the effective date of his or her retirement or election of the spouse retirement allowance through July 1, 1995.
 - (6) *Member in service* shall mean a member of the System.
- (b) The adjusted base annual retirement allowance of each retired member or spouse receiving a retirement allowance on July 1, 1995, shall be increased by three percent, effective July 1, 1995, (modified adjusted base annual retirement allowance). Adjustments to the retired member's or spouse's retirement allowance made under the provisions of this Article after July 1, 1995, shall be computed on the basis of the modified adjusted base annual retirement allowance.
- (c) When an active member retires, or an eligible spouse of an active member elects to receive the spouse retirement allowance after July 1, 1995, after his or her base annual retirement allowance has been

computed under the applicable Section of this Article, the resulting base annual retirement allowance shall be increased by three percent (initial base annual retirement allowance). Adjustments to the member's or spouse's retirement allowance under this Article shall be computed on the basis of the initial base annual retirement allowance.

- (d) If a member is entitled to the three percent increase in the base retirement allowance provided by either Subsection (b) or (c) of this Section and if at the time he or she is entitled to such increase, he or she is also eligible to receive in whole or in part the additional allowance provided by Section 3-3-33(a)(1)(B) under any provision of this Article, such additional allowance shall be also increased by three percent.
- (e) Separation from service.
 - (1) A member who:
 - (A) Separated from service other than by death or retirement with five or more years of creditable service in the System prior to July 1, 1995, and
 - (B) Has not withdrawn his or her accumulated contributions as of July 1, 1995, and
 - (C) Subsequently applies for and is determined to be eligible for a deferred vested benefit after July 1, 1995, shall have his or her deferred vested benefit computed mutatis mutandi in the same manner as an active member under Subsection (c) of this Section.
 - (2) A member in service on or after July 1, 1995, who:
 - (A) Subsequently separates from service other than by death or retirement with five or more years of creditable service in the System, and
 - (B) Does not withdraw his or her accumulated contributions, and
 - (C) Subsequently applies for and is determined to be eligible for a deferred vested benefit, shall have his or her deferred vested benefit computed mutatis mutandi in the same manner as an active member under Subsection (c) of this Section.
 - (3) A member in service on or after July 1, 1995, who,
 - (A) Subsequently separates from service other than by death or retirement with five or more years of creditable service in the System, and
 - (B) Does not withdraw his or her accumulated contributions, and
 - (C) Thereafter, returns to service and again becomes a member of the System, and
 - (D) Subsequently applies for and is determined to be eligible for a normal service, early service, or ordinary disability retirement allowance, or for a deferred vested benefit, shall have his or her allowance or deferred vested benefit computed mutatis mutandi in the same manner as an active member under Subsection (c) of this Section.
 - (4) A member in service on or after July 1, 1995, who:
 - (A) Thereafter separates from service, and
 - (B) Withdraws his or her accumulated member's contributions, and
 - (C) Subsequently returns to service and again becomes a member of the System, and
 - (D) At that time makes arrangements to purchase credit for all of his or her previous service in the System under this Article, and
 - (E) Thereafter applies for and is determined to be eligible for a normal service, early service, or ordinary disability retirement or for a deferred vested benefit, shall have his or her allowance or

deferred vested benefit computed mutatis mutandi in the same manner as an active member under Subsection (c) of this Section.

- (f) The spouse of a member who retired on a normal service, early service or ordinary disability retirement who is receiving an allowance under the joint and last survivor option provided by Section 3-3-33(c), on July 1, 1995, shall have such allowance increased by three percent, effective July 1, 1995. Adjustments to such allowance under this Article after July 1, 1995, shall be computed on the basis of this increased allowance.
- (g) Notwithstanding the 60 percent of average final compensation limit contained in Section 3-3-35, the initial base annual retirement allowance of an active member who becomes eligible to receive an ordinary disability retirement allowance and who is entitled to the increase provided by Subsection (c) of this Section shall not exceed 61.8 percent of his or her average final compensation.
- (h) Notwithstanding any provision of this Section to the contrary, no adjustment under this Section shall be made which would violate the limitations provided by Section 3-3-52 concerning the limitations imposed by Section 415 of the Internal Revenue Code and U.S. Treasury regulations issued thereunder; provided, that any adjustment under this Section may be made up to those limitations.
- (i) This Section shall not be applicable to members of Plan F. (12-95-3; 3-16-3; 10-19-3.)

Section 3-3-56. Deferred retirement option program.

Effective October 1, 2003, there is hereby established a Deferred Retirement Option Program (DROP) for eligible members of the System. Members of the System in service who are eligible for normal service retirement are eligible to elect to participate in this program.

(a) Definitions.

- (1) *DROP period* shall mean the three-year period immediately following the commencement of the member's participation in the DROP.
- (2) *Eligible member* shall mean any member who is, or shall become within 60 days, eligible for normal service retirement benefits as those are defined in Section 3-3-33(a).

(b) Election to participate.

- (1) An eligible member may participate in the DROP only once. An eligible member who desires to participate in the DROP must file an application with the Fairfax County Retirement Administration Agency not less than 60 days prior to the date of the commencement of the member's participation in the DROP.
- (2) A member's election to participate in the DROP is irrevocable, with the exception that a member who elects to participate in the DROP may revoke that election prior to the commencement of his or her DROP period; once revoked, a member may not then elect to participate in the DROP for a period of at least 12 months from the date of his or her revocation.
- (3) At the time of an eligible member's election to participate in the DROP, he or she must make an election in writing pursuant to Section 3-3-33(c) as to whether or not to receive a reduced retirement allowance in order to provide a retirement allowance for his or her spouse after the member's death.
- (4) An eligible member who elects to participate in the DROP shall agree to do so for a period of three years.
- (5) Subject to any limitation on the number of accrued sick leave hours that may be converted to creditable service as provided in Section 3-3-2(a)(2), an eligible member who elects to participate in the DROP shall, at the time of his or her election to participate in the DROP, make an election

in writing as to whether he or she wishes to convert all of his or her available accrued sick leave to creditable service or to convert all but 40 hours of his or her accrued sick leave to creditable service. Sick leave that is either carried over or that accrues during the DROP period shall not be converted to creditable service at the conclusion of the DROP period.

(c) Continued employment.

- (1) A participating DROP member shall, upon commencement of his or her DROP period, continue to work for the County in the position he or she held before the effective date of his or her election to participate in the DROP. Thereafter, the participating DROP member shall perform the services of that position or any other position to which he or she is promoted or transferred.
- (2) A participating DROP member shall continue to accrue annual and sick leave and, if eligible, compensatory time during the DROP period. At the conclusion of the DROP period, the member shall receive the payment for his or her accrued annual and compensatory leave that he or she would have received upon retirement. In no case shall a participating DROP member receive payment for his or her accrued annual and compensatory leave at the commencement of the member's participation in the DROP.
- (3) A participating DROP member shall continue to remain eligible for health and life insurance benefits provided by the County to its employees and shall remain eligible to participate in the County's deferred compensation plan. The deductions from the salary of a participating DROP member for health and life insurance benefits shall be the same deductions that would have been taken had the participating DROP member been an active County employee, not the deductions that would be taken from the retirement allowances and benefits of a retiree.
- (4) All County personnel policies and regulations shall continue to apply to a participating DROP member after the commencement of his or her DROP period. A participating DROP member shall remain eligible for annual merit pay increments and promotions during the DROP period. However, a participating DROP member's salary during his or her DROP period shall not be included in the computation of the member's average final compensation. A participating DROP member is also subject to the County's disciplinary policies and regulations.
- (5) If a participating DROP member's continued employment with the County is interrupted by military service, there shall be no interruption of the member's participation in the DROP. During the period of the participating DROP member's military service, the member's retirement allowances and benefits shall continue to be paid into the participating member's DROP account until the member's DROP period ends. At the end of the DROP period, the member's DROP account balance shall be paid to the member whether or not he or she has returned to his or her former County position, and the member shall begin to receive his or her normal retirement benefits.
- (6) Except as otherwise set forth herein, a participating DROP member's continued service shall be deemed to be normal service retirement and shall not count as creditable service with the System.
- (7) Upon commencement of a participating DROP member's DROP period, the County shall cease to withhold contributions to the System from the participating DROP member's salary.
- (8) The salary received by a participating DROP member during his or her DROP period shall not be included by the County in the base that is used to determine the amount of the County's employer contributions to the System.

(d) DROP account.

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- (1) Upon commencement of the participation of a member of Plans A, B, C, and D in the DROP, the member's service retirement allowance pursuant to Section 3-3-33(a) and the additional retirement allowance pursuant to Section 3-3-55 shall be paid into the member's DROP account. Upon commencement of the participation of a member of Plan E, in the DROP, the member's service retirement allowance pursuant to Section 3-3-33(a) shall be paid into the member's DROP account; the additional retirement benefits provided for in Section 3-3-33(a)(3) shall not be credited to the DROP accounts of members of Plan E, although members of Plan E shall remain eligible to receive the additional retirement benefits provided for in Section 3-3-33(a)(3) upon the completion of their DROP period, if they then meet the requirements for eligibility for such benefits set forth in Section 3-3-33(a)(3). Upon commencement of the participation of a member of Plan F in the DROP, the member's service retirement allowance pursuant Section 3-3-33(a) shall be paid into the member's DROP account, the additional retirement benefits provided for in Section 3-3-33(d) and Section 3-3-55(d) shall not be credited to the DROP accounts of members of Plan F.
 - (2) The initial monthly amount shall be increased each July 1 based upon the annual cost-of-living adjustment provided to retirees pursuant to Section 3-3-45. Any other changes that occur during the DROP period that would result in an alteration of the participating DROP member's retirement allowances and benefits if he or she were retired shall also result in adjustments to the monthly amount credited to a participating DROP member's DROP account.
 - (3) The participating DROP member's DROP account shall be credited with interest at an annual rate of five percent, compounded monthly. Interest shall not be pro-rated for any period less than a full month.
 - (4) Contributions by the County and the participating DROP member into the System for the participating DROP member shall cease.
 - (5) Amounts credited to a participating DROP member's DROP account shall not constitute annual additions under Section 415 of the Internal Revenue Code.
 - (6) A participating DROP member's DROP account shall not be an account that is separate and distinct from the assets of the System; a participating DROP member's DROP account balance shall remain part of the assets of the System.
- (e) Cessation of County employment.
- (1) At the conclusion of a participating DROP member's DROP period, the member's County employment shall automatically cease. The participating DROP member shall then begin to receive normal service retirement allowances and benefits computed based upon his or her average final compensation at the time of the commencement of the DROP period and his or her creditable service at the time of the commencement of the DROP period, plus cost -of -living increases provided to retirees and any other benefit improvements that may have been granted to retirees during the participating DROP member's DROP period. At least 60 days prior to the conclusion of a participating DROP member's DROP period, the member shall make one of the following elections concerning payment of his or her DROP account balance:
 - (A) The member may receive payment of his or her DROP account balance as a lump sum.
 - (B) The member may elect to roll over his or her DROP account balance into an "eligible retirement plan," as defined in Section 3-3-54(b)(2).
 - (C) The member may elect to receive payment of a portion of his or her DROP account balance and roll over the remaining portion into a qualified retirement plan, such as an IRA. If the member elects this method of receiving his or her DROP account balance, he or she must

specify, in writing, the specific amount to be paid as a lump sum and the specific amount to be rolled over.

- (D) The member may elect to use his or her DROP account balance to increase his or her monthly retirement benefits and allowances. The amount of the increase shall be determined based on the actuarial equivalent of the member's DROP account balance.
- (E) The member may divide his or her DROP account balance in half, and may then elect to use 50 percent of his or her DROP account balance to increase his or her monthly retirement allowances and benefits, and to receive the remainder in any manner listed in Subparagraphs (A), (B) and (C) above.

In the event that the participating DROP member does not make the election required by this Subsection, the member shall receive payment of his or her DROP account balance as a lump sum.

- (2) A participating DROP member may terminate his or her County employment at any time, in which case the effective date of the member's termination of his or her County employment shall be treated as the end of the DROP period for all purposes of this Section.
 - (3) In the event that the employment of a participating DROP member is terminated by the County during the DROP period for any reason, the effective date of the member's separation from County service shall be treated as the end of the DROP period for all purposes of this Section.
- (f) Death or disability during DROP period.
- (1) (A) If a participating DROP member dies during the DROP period, the participating DROP member's designated beneficiary on record with the System shall receive payment of the member's DROP account balance and the member's accumulated contributions; if there is no designated beneficiary on record with the System, payment of these amounts shall be made to the participating DROP member's estate. In the event that the participating DROP member has elected a joint and last survivor option pursuant to the terms of Section 3-3-33(c), the participating DROP member's surviving spouse shall receive payment of the participating DROP member's DROP account balance and shall begin to receive allowances and benefits pursuant to the joint and last survivor option election of the participating DROP member.
 - (B) If a participating DROP member dies during the DROP period, and the participating DROP member's death is a service-connected accidental death as set forth in Section 3-3-38, the member's beneficiary shall receive the benefits provided for in Section 3-3-38(a)(1); if there is no designated beneficiary on record with the System, payment of these amounts shall be to the member's estate. In the event that the participating DROP member has elected a joint and last survivor option pursuant to the terms of Section 3-3-33(c), the participating DROP member's surviving spouse shall receive the benefits provided for in Section 3-3-38(a)(1)(B) and the participating DROP member's DROP account balance, and shall begin to receive allowances and benefits pursuant to the joint and last survivor election of the participating DROP member.
- (2) If a participating DROP member becomes disabled during the DROP period, the participating DROP member shall receive:
 - (A) In the case that a participating DROP member suffers a disability that would be considered an ordinary disability as defined in Section 3-3-35, the effective date of the member's disability shall be treated as the end of the participating DROP member's DROP period.
 - (B) In the case that a participating DROP member suffers a service-connected disability as set forth in Section 3-3-36 the participating DROP member may elect either: (i) to receive the service-connected disability retirement allowances and benefits to which he or she would otherwise be entitled; (ii) to continue his or her DROP period by accepting a position

pursuant to Section 3-3-36(e); or (iii) to receive the normal service retirement benefits and allowances to which he or she would be entitled plus his or her DROP account balance. An election to receive service-connected disability retirement allowances and benefits or severe service-connected disability retirement benefits shall constitute a waiver of the member's right to receive any amounts credited to his or her DROP account balance.

- (C) In the case that a participating DROP member suffers a severe service-connected disability as set forth in Section 3-3-37.2, the participating DROP member may elect either: (i) to receive the severe service-connected disability retirement allowances and benefits to which he or she would otherwise be entitled; or (ii) to receive the normal service retirement benefits and allowances to which he or she would be entitled plus his or her DROP account balance. An election to receive severe service-connected disability retirement benefits shall constitute a waiver of the member's right to receive any amounts credited to his or her DROP account balance.
- (g) Execution of documents and adoption of rules and regulations. The County Executive is authorized to execute all documents necessary or appropriate to operate the DROP including, but not limited to, the establishment of a trust within which the participating DROP members' DROP accounts shall be held and administered. The Board of Trustees is also authorized to adopt rules and regulations governing the DROP. Any documents executed by the County Executive shall be approved for form by the County Attorney prior to execution. (36-03-3; 41-08-3; 27-10-3; 01-11-3; 27-12-3; 3-16-3; 10-19-3; 19-21-3 .)

Section 3-3-57. Increased retirement allowance for certain retired members.

- (a) For the purposes of this Section only, the following words and phrases shall be defined as follows:
- (1) *Retired member* shall mean a member of the System whose effective date of retirement was on or before March 18, 2002.
 - (2) *Retirement allowance* shall mean a normal service retirement allowance, an early service retirement allowance, an allowance to a surviving spouse pursuant to the joint and last survivor option, or a spouse retirement allowance.
 - (3) *Spouse receiving a spouse allowance* shall mean a member's surviving spouse who was, on or before March 18, 2002, entitled to receive a spouse retirement allowance.
 - (4) *Base annual retirement allowance* shall mean the initial calculation of a member's retirement allowance, a surviving spouse's allowance pursuant to the joint and last survivor option, or a spouse's annual retirement allowance, without regard to any deductions for withholding or other benefit elections or adjustments under Section 3-3-8.
 - (A) For Plan A members taking normal service retirement pursuant to Section 3-3-32(a), this is the allowance calculated pursuant to Sections 3-3-33(a)(1)(A) and (B) as in effect on the effective date of their retirement;
 - (B) For Plan B members taking normal service retirement pursuant to Section 3-3-32(a), this is the allowance calculated pursuant to Section 3-3-33(a)(1)(A), (B) and (C) as in effect on the effective date of their retirement;
 - (C) For Plan C members taking normal service retirement pursuant to Section 3-3-32(a), this is the allowance calculated pursuant to Section 3-3-33(a)(1)(D) as in effect on the effective date of their retirement;

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- (D) For Plan D members taking normal service retirement pursuant to Section 3-3-32(a), this is the allowance calculated pursuant to Section 3-3-33(a)(1)(D) and (E) (Plan D members) as in effect on the effective date of their retirement;
 - (E) For Plan A and C members taking early service retirement pursuant to Section 3-3-32(b) whose age plus creditable service as of the effective date of their retirement was less than 75 years, this is the allowance calculated pursuant to Section 3-3-33(b)(1) as in effect on the effective date of their retirement;
 - (F) For Plan B and D members and for Plan A and C members taking early service retirement pursuant to Section 3-3-32(b) whose age plus creditable service was greater than or equal to 75 years as of the effective date of their retirement, this is the allowance calculated pursuant to Section 3-3-33(b)(2) as in effect on the effective date of their retirement; or
 - (G) For a surviving spouse receiving an allowance pursuant to the joint and last survivor option, this is the allowance calculated pursuant to Section 3-3-33(c) as in effect on the effective date of the member's retirement; or
 - (H) For a spouse receiving a spouse allowance, this is the allowance calculated pursuant to Section 3-3-44(a) as in effect on the date of the commencement of payment of the spouse allowance.
- (5) *Adjusted base annual retirement allowance* shall mean the base annual retirement allowance as set forth in Subparagraph 4 of this Subsection as increased by any cost-of-living adjustments applied to the base annual retirement allowance from the effective date of the retired member's retirement or of the commencement of the receipt of a spouse allowance through December 31, 2003.
- (b) Effective January 1, 2004, the adjusted base annual retirement allowance of each retired member or spouse receiving a retirement allowance shall be increased as follows:
- (1) For Plan A members, by 23 percent;
 - (2) For Plan B members, by 15 percent;
 - (3) For Plan C members, by five percent;
 - (4) For Plan D members, by five percent;
 - (5) For spouses receiving spouse allowances pursuant to Section 3-3-44(a), by ten percent; or
 - (6) For surviving spouses receiving allowances pursuant to the joint and last survivor option set forth in Section 3-3-33(c), by ten percent.
- (c) No increased retirement allowance calculated pursuant to this Section shall violate the limitations on annual retirement allowances set forth in Section 3-3-52.
- (d) For those persons eligible to receive the increased retirement allowance pursuant to this Section, cost of-living adjustments pursuant to Section 3-3-45 and made after January 1, 2004, shall be calculated based upon the increased retirement allowance set forth in this Section. (43-03-3; 3-16-3; 10-19-3.)

Division 9. Benefit Restoration Plan.

Section 3-3-58. Benefit restoration plan.

- (a) There is hereby established a Benefit Restoration Plan for the System.
- (b) Purpose and intent; rule of construction.

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- (1) In establishing this Benefit Restoration Plan, the Board of Supervisors intends to establish and maintain a "qualified governmental excess benefit arrangement," as defined and authorized by the Section 415(m) of the Internal Revenue Code, as is permitted by Section 51.1-1302 of the *Virginia Code*. The purpose of this Benefit Restoration Plan is to restore, through a non-qualified arrangement, the benefits lost by the application of the limitation on annual benefits under Section 415(b) of the Internal Revenue Code as applicable to governmental plans. This Benefit Restoration Plan shall exist in addition to all other retirement, pension, or other benefits available to participants, including the benefits established by the System.
 - (2) This Section shall be construed to ensure compliance with federal and state law, and any regulations promulgated thereunder, governing such qualified governmental excess benefit arrangements, including, but not limited to Section 415(m) of the Internal Revenue Code and Sections 51.1-1302, 51.1-1303, and 51.1-1304 of the *Virginia Code* , as in effect at the time of the adoption of this Section and as subsequently amended.
- (c) Definitions.
- (1) *Administrator or Plan Administrator* shall mean the Board, which is responsible for the general administration and operation of the Benefit Restoration Plan and for making effective the provisions of this Section. Under the oversight of the Board, the Executive Director shall be responsible for the day to day operation and administration of the Benefit Restoration Plan.
 - (2) *Beneficiary* shall mean the person or persons entitled under this Article to receive any benefits payable after the participant's death.
 - (3) *Benefit Restoration Plan or Plan* shall mean the Benefit Restoration Plan for the System established by this Section.
 - (4) *Effective date* shall mean the date of this Section's adoption [June 5, 2006].
 - (5) *Eligible member* shall mean a retired member of the System whose benefits thereunder are reduced by the application of the limitations on annual benefits under Section 415(b) of the Internal Revenue Code as applicable to governmental plans.
 - (6) *Enabling statute* shall mean Chapter 13 of Title 51.1 of the *Virginia Code* , as amended.
 - (7) *Grantor trust* shall mean the trust fund described in Subsection (i)(3) of this Section and established and maintained for the Benefit Restoration Plan.
 - (8) *Participant* shall mean an eligible member qualified to participate in the Benefit Restoration Plan.
 - (9) *Plan Sponsor* shall mean the Board of Supervisors.
 - (10) *Plan Year* shall mean the 12-month period beginning on July 1.
 - (11) *Restoration death benefit* shall mean the benefit due the beneficiary of a participant under the Plan as determined under this Section.
 - (12) *Restoration retirement benefit* shall mean the benefit due a participant or his or her beneficiary under the Benefit Restoration Plan determined under this Section.
- (d) Eligibility and Participation.
- (1) Eligibility and date of participation. Each eligible member shall be a participant in the Benefit Restoration Plan commencing with the date he or she first becomes, or again becomes, an eligible member.

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- (2) Length of participation. Each eligible member who becomes a participant shall be or remain a participant for so long as he or she is entitled to future benefits under the terms of the Benefit Restoration Plan.
- (e) Restoration retirement benefit. Subject to the terms and conditions set forth in this Section, a participant who retires or is retired under the System and who is entitled to the payment of benefits under the System shall be entitled to a restoration retirement benefit, generally expressed as a benefit payable monthly for the life of the participant and commencing at the applicable time provided under this Article, equal to the excess, if any, of:

- (1) The amount of the participant's retirement allowance under the System, determined without regard to the limitations on contributions and benefits imposed by Section 415 of the Internal Revenue Code, over
- (2) The amount of the participant's retirement allowance under the System.

To the extent that the participant's retirement allowance payable under the System is increased at any time due to increases in limitations on contributions and benefits imposed by Section 415 of the Internal Revenue Code, whether by statute, regulation, actions of the U. S. Treasury Secretary or his or her delegate or otherwise, the participant's restoration retirement benefit shall be reduced correspondingly.

- (f) Death Benefit.
- (1) Death after benefit commencement. If a participant dies after his or her restoration retirement benefit commences to be paid, the only benefits payable under the Benefit Restoration Plan to his or her beneficiary after his or her death shall be those, if any, provided under the form of payment being made to him or her at his or her death.
 - (2) Death before benefit commencement. If a participant dies before his or her restoration retirement benefit commences to be paid, the only benefit payable under the Benefit Restoration Plan with respect to him or her shall be the restoration death benefit, if any, provided in Subsection (f)(3) of this Section.
 - (3) Restoration death benefit. Subject to the terms and conditions set forth herein, if a participant dies on or after the effective date and before his or her restoration retirement benefit commences to be paid, his or her beneficiary shall be entitled to a restoration death benefit as follows:
 - (A) If his or her beneficiary is entitled to receive any death benefit under the System, such beneficiary shall be entitled to receive as a restoration death benefit under the Benefit Restoration Plan an amount equal to the excess, if any, of:
 - (i) The amount of such death benefit under the System, determined without regard to the limitations on contributions and benefits imposed by Section 415 of the Internal Revenue Code, over
 - (ii) The actual amount of such death benefit under the System.

To the extent that the participant's accrued benefit or any death benefit payable under the System is increased at any time due to increases in the limitations on contributions and benefits imposed by Section 415 of the Internal Revenue Code, whether by statute, regulation, actions of the U.S. Secretary of the Treasury or his or her delegate or otherwise, the participant's restoration death benefit shall be reduced correspondingly.

- (g) Vesting. A participant's restoration retirement benefit or restoration death benefit, as the case may be, shall be vested at the time of his or her retirement under the System or death, but only to the extent, and determined in the manner, that such participant has a vested and non-forfeitable right to his or her retirement allowance under the System.
- (h) Payment of Benefits.

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- (1) Time and manner for payment of benefits. A participant's restoration retirement benefit, or the restoration death benefit, shall be payable at the same time and in the same manner as the participant's retirement allowance or comparable death benefit (other than his or her accumulated contributions or contribution refund death benefit) is paid under the System, whether as elected by the participant or otherwise payable. For a member who is receiving a retirement allowance under the System on the effective date, and who would immediately be an eligible member upon the effective date, such Member shall immediately commence receiving a restoration retirement benefit on a prospective basis.
 - (2) Discretionary use of other methods of payment. In the sole discretion of the Administrator, monthly payment amounts of less than \$100.00, or such amount as the Administrator may from time to time determine, may be paid on an annual or semi-annual basis, in arrears and without interest.
 - (3) Benefit determination and payment procedure. The Administrator shall make all determinations concerning eligibility for benefits under the Benefit Restoration Plan, the time or terms of payment, and the form or manner of payment to the participant (or the participant's beneficiary in the event of the death of the participant). The Administrator shall promptly notify the employer and, where payments are to be made from a grantor trust, the trustee thereof, of each such determination that benefit payments are due and provide to the employer or trustee such other information necessary to allow the employer or trustee to carry out said determination, whereupon the employer or trustee shall pay such benefits in accordance with the Administrator's determination.
 - (4) Payments to minors and incompetents. If a participant or beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits shall be paid to such person as the Administrator may designate for the benefit of such participant or beneficiary. Such payments shall be considered a payment to such participant or beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Benefit Restoration Plan.
 - (5) Distribution of benefit when distributee cannot be located. The Administrator shall make all reasonable attempts to determine the identity and/or whereabouts of a participant or his or her beneficiary entitled to benefits under the Benefit Restoration Plan, including the mailing by certified mail of a notice to the last known address shown on the employer's or the Administrator's records. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no such claim made for such benefits, the employer shall continue to hold the benefit due such person, subject to any applicable statute of escheats.
- (i) Funding.
- (1) The undertaking to pay the benefits hereunder shall be unfunded obligations payable solely from the general assets of the employer and subject to the claims of the employer's creditors.
 - (2) Except as provided in a grantor trust established as permitted in Subsection (i)(3) of this Section, nothing contained in the Benefit Restoration Plan and no action taken pursuant to this Section shall create or be construed to create a trust of any kind of a fiduciary relationship between the employer and the participant or his or her beneficiary or any other person or to give any participant or beneficiary any right, title, or interest in any specific asset or assets of the employer. To the extent that any person acquires a right to receive payments from the employer under the Benefit Restoration Plan, such rights shall be no greater than the right of any unsecured general creditor of the employer.
 - (3) Use of grantor trust permitted. Notwithstanding any provision of this Section to the contrary, the Benefit Restoration Plan Sponsor may in its sole discretion elect to establish and fund a grantor trust for the purpose of providing benefits under the Benefit Restoration Plan.
- (j) Plan Administrator.

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- (1) The Plan Administrator shall have full and complete authority and discretion to control and manage the operation of and shall decide all matters under the Benefit Restoration Plan pursuant to this Section and the enabling statute. The Administrator shall have any and all powers as may be necessary or advisable to discharge its duties under the Benefit Restoration Plan including the power and authority to interpret the terms of the Benefit Restoration Plan.
 - (2) The Plan Administrator shall be responsible for performing the duties required for the operation of the Benefit Restoration Plan, and shall be responsible for supervising the performance of any other persons who may assist in the performance of the Plan Administrator's responsibilities under this Section and the enabling statute.
 - (3) To enable the Plan Administrator to perform its responsibilities, employer(s) shall promptly provide to the Plan Administrator complete and accurate information on any matter that is required by the Administrator in order to make any decision or determination under the Benefit Restoration Plan. The Plan Administrator shall rely upon this information supplied by the employer, and shall have no duty or responsibility to verify this information.
 - (4) Except as prohibited by law or by this Section, the Plan Administrator may delegate any of its duties to the Executive Director. The Plan Administrator may contract with any person to provide services to assist in the administration of the Benefit Restoration Plan. The Plan Administrator shall make such contracts in compliance with all applicable state and local laws and regulations. Any person other than the Plan Administrator who performs services regarding the Benefit Restoration Plan is subject to the supervision and direction of the Plan Administrator, and does not have the authority to control the operation of the Plan.
- (k) Termination and amendment of Benefit Restoration Plan.
- (1) Termination. The Board of Supervisors hereby reserves the right to terminate the Benefit Restoration Plan at any time; provided, that no such termination shall reduce, suspend, or terminate the restoration retirement benefit or restoration death benefit otherwise payable to a participant or beneficiary hereunder as of the date of such termination.
 - (2) Amendment. The Board of Supervisors hereby reserves the right to amend this Benefit Restoration Plan at any time; provided, that no such amendment shall reduce, suspend, or terminate the restoration retirement benefit or restoration death benefit otherwise payable to a participant or beneficiary hereunder as of the date of such amendment.
- (l) Non-assignability.

The interests of each participant hereunder the Benefit Restoration Plan are not subject to the claims of the participant's creditors; and neither the participant nor his or her beneficiary, shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Benefit Restoration Plan, which payments and interest are expressly declared to be non-assignable and non-transferable. Notwithstanding the foregoing, the Plan Administrator shall honor any process for a debt to the employer who has employed the participant and any administrative actions pursuant to Section 63.2-1900 et seq. of the *Virginia Code*, or any court process to enforce a child or spousal support obligation, in the manner as described in Section 3-3-7 mutatis mutandi. Restoration retirement benefits and/or restoration death benefits created under this Section which are deemed to be marital property pursuant to Section 20-89.1 et seq. of the *Virginia Code* may be divided or transferred by the court by direct assignment to a spouse or former spouse pursuant to Section 20-107.3 of the *Virginia Code*. Under no circumstances may a payment under this Subsection take place before the participant's benefit under the System is actually paid. (12-06-3; 3-16-3; 22-18-3.)



Investment Manager Recommendations

May 11, 2022

Motion to Approve Arcmont Investment

Based on the information discussed in closed session, the Board of Trustees of the Uniformed Retirement System approves Staff's recommendation to commit to invest \$20 million of the Uniformed System's assets to the Arcmont Direct Lending Fund IV

Motion to Approve Wasatch

Based on the information discussed in closed session, the Board of Trustees of the Uniformed Retirement System approves Staff's recommendation to invest 3% (approximately \$63 million) of the Uniformed System's assets in the Wasatch Global Investors' International Small Cap Growth strategy; the assets will be held in a separate account at the System's custodian

Motion to Approve WCM Investment

Based on the information discussed in closed session, the Board of Trustees of the Uniformed Retirement System approves Staff's recommendation to invest up to 3.33% (approximately \$70 million) of the Uniformed System's assets in the WCM Investment Management's Focused Growth International Strategy; the assets will be held in a separate account at the System's custodian

Motion to Approve Bylaws

Approve the County Attorney Office's recommendation to replace the Rules and Regulations of the Board of Trustees of Fairfax County Uniformed System by adopting the proposed Bylaws



Minutes for Emergency Electronic Uniformed Retirement System Board of Trustees Meeting

02/23/2022 | 11:01 am – 12:41 pm - Eastern Time (US and Canada)
By phone

Attendees

Board: Frank Grace; Brian Edmonston; Richard Merrell; Catherine Spage; Chris Pietsch; Shaughnessy Pierce; Hank Kim; Robert Konczal (IN 11:58)

Absent: Teresa Valenzuela

Staff: Brian Morales; Anthony Vu; Jennifer Snyder; Yuko Ando; Filipp Dmitrov; Katherine Molnar (IN 11:58); Amy Bain; Meir Zupovitz

Guests: Doug Moseley; David Barnes

Set Agenda

Mr. Hank called the meeting to order at 11:01 a.m.

MOTION FOR ELECTRONIC MEETING

Mr. Hank moved

THAT THE FAIRFAX COUNTY UNIFORMED RETIREMENT SYSTEM (URS) BOARD MEET ELECTRONICALLY PURSUANT TO VA. CODE § 2.2-3708.2(A)(3) TO ADDRESS AND DISCUSS THE MARKET VOLATILITY CAUSED BY NOVEL CORONAVIRUS (COVID-19) AND HOW THIS VOLATILITY POTENTIALLY IMPACTS THE ASSETS AND INVESTMENTS OF THE URS.

AN EMERGENCY MEETING IS PERMITTED BECAUSE ON MARCH 12, 2020, GOVERNOR RALPH NORTHAM DECLARED A STATE OF EMERGENCY WITH REGARD TO THE PUBLIC HEALTH THREAT CREATED BY THE POTENTIAL SPREAD OF COVID-19 AND ITS ANTICIPATED EFFECTS. THIS DECLARATION DIRECTS LOCAL GOVERNMENTS TO RENDER APPROPRIATE ASSISTANCE TO ALLEVIATE ANY CONDITIONS RESULTING FROM THE SITUATION, AND TO IMPLEMENT RECOVERY AND MITIGATION OPERATIONS AND ACTIVITIES SO AS TO RETURN IMPACTED AREAS TO PRE-EVENT CONDITIONS AS MUCH AS POSSIBLE.

IN ADDITION, THE NATURE OF THE CORONA VIRUS AND COVID-19 MAKE IT IMPRACTICABLE AND UNSAFE TO PHYSICALLY ASSEMBLE A QUORUM OF THE URS BOARD. FINALLY, THE CORONA VIRUS AND COVID-19 HAVE DIRECTLY CREATED SIGNIFICANT VOLATILITY IN THE FINANCIAL MARKETS SUCH THAT THE URS, AS THE FIDUCIARY OF THE SYSTEM'S INVESTMENTS AND ASSETS, IS OBLIGATED TO ADDRESS HOW TO MITIGATE THESE EFFECTS. IT IS SO MOVED.

Ms. Pierce seconded the motion and the motion passed unanimously.

Mr. Merrell moved, Ms. Pierce seconded the motion and the motion passed unanimously to enter closed Session at 11:09 AM

MOTION TO GO INTO CLOSED SESSION - VIRGINIA CODE SECTION 2.2-3711(A)(20):

CHAIR: I MOVE THAT THE FAIRFAX COUNTY UNIFORMED RETIREMENT BOARD OF TRUSTEES GO INTO CLOSED SESSION, PURSUANT TO VIRGINIA CODE SECTION 2.2-3711(A)(20), FOR DISCUSSION REGARDING THE ACQUISITION, HOLDING OR DISPOSITION OF A SECURITY OR OTHER OWNERSHIP INTEREST IN AN ENTITY. THE SECURITY OR OWNERSHIP INTEREST IS NOT TRADED ON A GOVERNMENTALLY REGULATED SECURITIES EXCHANGE. THE DISCUSSION:

- (i) CONCERNS CONFIDENTIAL ANALYSES PREPARED FOR THE BOARD OF TRUSTEES, AND WAS PROVIDED TO THE BOARD OF TRUSTEES UNDER A PROMISE OF CONFIDENTIALITY OF THE FUTURE VALUE OF SUCH OWNERSHIP INTEREST OR THE FUTURE FINANCIAL PERFORMANCE OF THE ENTITY,
- (ii) WOULD HAVE AN ADVERSE EFFECT ON THE VALUE OF THE INVESTMENT TO BE ACQUIRED, HELD, OR DISPOSED OF BY FAIRFAX COUNTY UNIFORMED RETIREMENT BOARD OF TRUSTEES SPECIFICALLY RELATES TO . . .
 - Acceptance of Closed Session Meeting Notes
 - Manager Presentations
 - Staff Review and Recommendations
 - Performance Review
 - Market Update
 - Portfolio Actions

The closed session was ended upon completion of closed session business.

CLEANSING MOTION COMING OUT OF CLOSED SESSION:

CHAIR: IN ACCORDANCE WITH VIRGINIA CODE SECTION 2.2-3712, I MOVE THAT THE FAIRFAX COUNTY UNIFORMED RETIREMENT BOARD OF TRUSTEES MEMBERS CERTIFY THAT, TO THE BEST OF EACH MEMBER'S KNOWLEDGE, ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER THE VIRGINIA FREEDOM OF INFORMATION ACT AND ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED SESSION WAS CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN CLOSED SESSION.

MOTION

Mr. Kim moved

TO APPROVE STAFF'S RECOMMENDATION TO TERMINATE KABOUTER INTERNATIONAL OPPORTUNITIES FUND II BASED ON THE INFORMATION DISCUSSED IN CLOSED SESSION

Mr. Edmonston seconded the motion and the motion passed unanimously.

MOTION

Mr. Kim moved

TO APPROVE STAFF'S RECOMMENDATION TO INVEST UP TO 3% OF THE UNIFORMED SYSTEMS ASSETS (APPROXIMATELY \$65 MILLION) IN AN ETF OR DERIVATIVE TO MAINTIAN INTERNATIONAL SMALL CAP EXPOSURE WHILE AN INTERNATIONAL SMALL CAP MANAGER REPLACEMENT SEARCH IS COMPLETED

Mr. Edmonston seconded the motion and the motion passed unanimously.

MOTION

Mr. Kim moved

TO APPROVE THE NOVEMBER 2021 MINUTES

Mr. Pietsch seconded the motion and the motion passed unanimously.

Adjourn

Ms. Spage moved

TO ADJOURN

Mr. Merrell seconded the motion and the motion passed unanimously.

The meeting ended at 12:41 p.m.

Frank H. Grace, III, Chairman

FOOTNOTE: This information has been prepared by Fairfax County and has not been provided or approved by the General Partners, Investment Managers or the Funds.



Minutes for Emergency Electronic Uniformed Retirement System Board of Trustees Meeting

4/8/2020 | 9:00 am – 9:22 am - Eastern Time (US and Canada)
Virtual

Attendees

Board: Hank Kim; Brian Edmonston; Chris Pietsch; Shaughnessy Pierce; Robert Konczal; David O'Neil
Absent: Frank Grace; Teresa Valenzuela; Catherine Spage; Richard Merrell
Staff: Jeffrey Weiler; Amy Bain

Set Agenda

Mr. Kim called the meeting to order at 9:00 a.m.

MOTION FOR ELECTRONIC MEETING

Mr. Kim moved

THAT THE FAIRFAX COUNTY UNIFORMED RETIREMENT SYSTEM (URS) BOARD MEET ELECTRONICALLY PURSUANT TO VA. CODE § 2.2-3708.2(A)(3) TO ADDRESS AND DISCUSS THE MARKET VOLATILITY CAUSED BY NOVEL CORONAVIRUS (COVID-19) AND HOW THIS VOLATILITY POTENTIALLY IMPACTS THE ASSETS AND INVESTMENTS OF THE URS.

AN EMERGENCY MEETING IS PERMITTED BECAUSE ON MARCH 12, 2020, GOVERNOR RALPH NORTHAM DECLARED A STATE OF EMERGENCY WITH REGARD TO THE PUBLIC HEALTH THREAT CREATED BY THE POTENTIAL SPREAD OF COVID-19 AND ITS ANTICIPATED EFFECTS. THIS DECLARATION DIRECTS LOCAL GOVERNMENTS TO RENDER APPROPRIATE ASSISTANCE TO ALLEVIATE ANY CONDITIONS RESULTING FROM THE SITUATION, AND TO IMPLEMENT RECOVERY AND MITIGATION OPERATIONS AND ACTIVITIES SO AS TO RETURN IMPACTED AREAS TO PRE-EVENT CONDITIONS AS MUCH AS POSSIBLE.

IN ADDITION, THE NATURE OF THE CORONA VIRUS AND COVID-19 MAKE IT IMPRACTICABLE AND UNSAFE TO PHYSICALLY ASSEMBLE A QUORUM OF THE URS BOARD. FINALLY, THE CORONA VIRUS AND COVID-19 HAVE DIRECTLY CREATED SIGNIFICANT VOLATILITY IN THE FINANCIAL MARKETS SUCH THAT THE URS, AS THE FIDUCIARY OF THE SYSTEM'S INVESTMENTS AND ASSETS, IS OBLIGATED TO ADDRESS HOW TO MITIGATE THESE EFFECTS. IT IS SO MOVED.

Mr. Pietsch seconded the motion and the motion passed unanimously.

CLOSED SESSION – PERSONNEL-RELATED

Mr. Kim moved, Ms. Pierce seconded the motion and the motion passed unanimously to enter closed Session at 9:03 am.

MOTION TO GO INTO CLOSED SESSION - VIRGINIA CODE SECTION 2.2-3711(A)(20):

I MOVE THAT THE FAIRFAX COUNTY UNIFORMED RETIREMENT BOARD OF TRUSTEES GO INTO CLOSED SESSION, PURSUANT TO VIRGINIA CODE SECTION 2.2-3711(A)(20), FOR DISCUSSION REGARDING THE ACQUISITION, HOLDING OR DISPOSITION OF A SECURITY OR OTHER OWNERSHIP INTEREST IN AN ENTITY. THE SECURITY OR OWNERSHIP INTEREST IS NOT TRADED ON A GOVERNMENTALLY REGULATED SECURITIES EXCHANGE. THE DISCUSSION:

- (i) CONCERNS CONFIDENTIAL ANALYSES PREPARED FOR THE BOARD OF TRUSTEES, AND WAS PROVIDED TO THE BOARD OF TRUSTEES UNDER A PROMISE OF CONFIDENTIALITY OF THE FUTURE VALUE OF SUCH OWNERSHIP INTEREST OR THE FUTURE FINANCIAL PERFORMANCE OF THE ENTITY,
- (II) WOULD HAVE AN ADVERSE EFFECT ON THE VALUE OF THE INVESTMENT TO BE ACQUIRED, HELD, OR DISPOSED OF BY FAIRFAX COUNTY UNIFORMED RETIREMENT BOARD OF TRUSTEES
- (ii) SPECIFICALLY RELATES TO . . .
 - Acceptance of Closed Session Meeting Notes
 - Manager Presentations
 - Staff Review and Recommendations
 - Performance Review
 - Market Update
 - Portfolio Actions

The closed session was ended upon completion of closed session business.

Mr. Kim moved, Ms. Pierce seconded the motion and the motion passed unanimously to exit closed Session at 9:21 am.

CLEANSING MOTION COMING OUT OF CLOSED SESSION:

IN ACCORDANCE WITH VIRGINIA CODE SECTION 2.2-3712, I MOVE THAT THE FAIRFAX COUNTY UNIFORMED RETIREMENT BOARD OF TRUSTEES MEMBERS CERTIFY THAT, TO THE BEST OF EACH MEMBER'S KNOWLEDGE, ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER THE VIRGINIA FREEDOM OF INFORMATION ACT AND ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED SESSION WAS CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN CLOSED SESSION.

MOTION

Mr. Konczal moved

TO APPROVE STAFF'S RECOMMENDATION TO PROVIDE A SERVICE-CONNECTED 90% SEVERE DISABILITY RETIREMENT BENEFIT TO KS BASED ON THE INFORMATION DISCUSSED IN CLOSED SESSION

Mr. Edmonston seconded the motion and the motion passed unanimously.

Adjourn

The meeting was adjourned at 9:22 am.

Frank H. Grace, III, Chairman

FOOTNOTE: This information has been prepared by Fairfax County and has not been provided or approved by the General Partners, Investment Managers or the Funds.



MONTHLY PERFORMANCE REPORT

FAIRFAX COUNTY UNIFORMED RETIREMENT SYSTEM

MARCH 31, 2022

Doug W. Moseley, Partner

David Barnes, Senior Consultant



TOTAL COMPOSITE NET OF FEES

	Allocation			Performance (%)								
	Beginning Market Value (\$)	Ending Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	15 Yrs (%)
Total Composite	2,223,619,655	2,118,862,710	100.0	1.0	-3.6	-1.3	4.2	8.1	7.3	6.1	6.8	5.7
Composite Allocation Index				0.9	-2.9	0.5	4.8	7.8	7.0	6.1		
Policy Index				0.7	-2.7	1.4	6.5	8.8	7.9	7.0	7.2	5.7
Total Domestic Equity	286,711,623	272,821,066	12.9	5.6	-8.5	8.9	22.9	22.9	20.4	19.2	21.7	14.9
US Equity Custom Index				3.2	-5.2	3.2	11.1	17.6	14.8	13.0	14.0	9.9
S&P 500 Index				3.7	-4.6	6.5	15.6	18.9	16.0	14.0	14.6	10.3
International Equity	493,249,422	491,893,307	23.2	-0.1	-7.9	-11.1	-5.8	5.8	5.3	4.7		
MSCI AC World ex USA (Net)				0.2	-5.4	-6.6	-1.5	7.5	6.8	5.2	5.6	3.1
International Equity - Developed	316,581,773	291,318,563	13.7	0.5	-7.7	-7.7	-2.6	6.4	5.7	4.8	6.4	3.8
MSCI EAFE (Net)				0.6	-5.9	-3.8	1.2	7.8	6.7	5.1	6.3	2.9
International Equity - Emerging Markets	176,667,649	200,574,744	9.5	-0.9	-8.0	-16.8	-11.3	4.9	4.5	4.2	3.4	3.7
MSCI Emerging Markets (Net)				-2.3	-7.0	-15.6	-11.4	4.9	6.0	4.7	3.4	3.8
Total Fixed Income	479,312,327	473,925,860	22.4	-1.5	-4.6	-4.5	-1.6	1.9	2.8	3.0	4.0	5.8
Blmbg. U.S. Aggregate Index				-2.8	-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2	3.6
Core Bonds	319,903,471	307,014,099	14.5	-2.0	-3.7	-2.7	-0.2	3.2	3.9	3.8	4.9	
Blmbg. U.S. Aggregate Index				-2.8	-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2	3.6
Opportunistic Credit	88,846,300	84,820,201	4.0	-0.3	-4.2	-2.5	0.3	3.5	3.5	3.3	5.2	
Credit Suisse High Yield Index				-0.8	-4.2	-2.7	-0.2	4.3	4.4	4.8	5.5	6.2
Emerging Market Debt	70,542,055	82,071,730	3.9	-0.7	-9.2	-14.6	-10.5	-4.1	-1.1	1.5	0.5	
JPM EMBI Global Diversified				-0.9	-10.0	-11.0	-7.4	0.0	1.7	3.0	3.7	5.2
Risk Parity	83,587,581	649,773	0.0	0.0	-3.7	-0.6	7.4	6.5	6.4	4.8		
60% MSCI World (Gross) / 40% FTSE WGBI				0.3	-5.6	-1.9	3.0	9.4	8.5	7.2	7.1	5.8
Custom Risk Parity Benchmark				0.0	-1.0	5.8	14.0	11.7	9.3	7.8	7.5	7.0
Absolute Return	321,126,143	309,755,414	14.6	1.8	1.2	-0.9	0.4	8.1	6.4	4.0	5.7	
91 Day T-Bill + 3%				0.3	0.8	2.3	3.1	3.8	4.2	3.9	3.6	3.8
HFRI Fund of Funds Composite Index				0.6	-2.6	-1.5	1.3	5.9	4.6	3.3	3.9	2.4
Real Assets	60,910,847	70,455,429	3.3	3.1	9.0	13.6	19.1	9.9	6.2	3.6	0.0	
Bloomberg Commodity Index				8.6	25.5	31.7	49.3	16.1	9.0	4.3	-0.7	
Real Estate	184,388,229	191,699,535	9.0	4.0	0.5	8.6	15.9	6.3	7.4	7.1	8.2	4.8
50% FTSE EPRA NAREIT/50% NCREIF ODCE				6.3	3.0	16.6	23.5	9.6	9.0	8.3	9.6	5.8
Private Debt	118,668,887	112,176,552	5.3	0.1	0.0	2.6	6.2	6.9	8.1			
50% S&P/LSTA Lev. Loan/50% S&P European Lev. Loan				0.1	-0.3	1.6	2.9	3.8	3.6	3.7	4.4	4.1
Private Equity	163,084,017	164,836,998	7.8	0.0	0.0	7.4	18.1	23.1	20.3	16.7	15.2	11.6
CIA US All PE				0.0	0.0	11.4	25.9	22.2	19.1	16.4	15.8	12.8
Cash Accounts	32,580,579	30,648,777	1.4									