

**REPORT OF THE
VIRGINIA RETIREMENT SYSTEM ON**

**Retirement Benefits
for Part Time
Instructional Personnel**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 7

**COMMONWEALTH OF VIRGINIA
RICHMOND
1991**

PREFACE

The following study was conducted under the authority of House Joint Resolution 182 which was approved by the 1990 Session of the Virginia General Assembly.

The study group was composed of the following staff of the Virginia Retirement System (VRS), the Virginia School Board Association (VSBA), and the Virginia Education Association (VEA):

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The study group acknowledges the support, guidance and assistance provided by The Honorable Glenn B. McClanan, Member of the House of Delegates and Chief Patron of House Joint Resolution 182.

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EXECUTIVE SUMMARY

House Joint Resolution 182 directed the VRS to study the effectiveness and appropriateness of extending retirement benefits to part time teachers.

The extension of such benefits would be for teachers who interrupted a career to begin a family or to care for family members who would otherwise be deprived of familial care.

The study revealed that strong support and/or demand for benefits for part time teachers was not evident from either teachers or local school divisions. As a result of those findings and the current fiscal limitations at both the State and local levels, the extension of retirement benefits to part time teachers at this time would not be appropriate.

INTRODUCTION

House Joint Resolution 182 was approved by the 1990 General Assembly for the purpose of studying the efficacy and appropriateness of providing benefits under the Virginia Retirement System (VRS) to part time instructional personnel.

The resolution directed the VRS, in cooperation with the Virginia School Board Association (VSBA) and the Virginia Education Association (VEA) to conduct the study and to report the results to the General Assembly.

The scope of the study resulting from HJR 182 consisted of allowing comments through a public meeting, an examination of the participation eligibility of other states, a survey of public school boards in the Commonwealth, discussions with officials in various capacities, and discussions with the VRS' consulting actuary.

BACKGROUND

Currently, full time, permanent, and salaried employees of participating employers are included in VRS membership as a condition of employment. Although many employers have elected to cover their employees, teachers employed by public school boards must, by law, be included in VRS membership.

In introducing HJR 182, the Chief Patron's major concern was related to strengthening the core family and family values as a means to enhance societal values. The Patron expressed an interest in providing retirement benefits to those teachers who interrupted a teaching career to begin a family and then returned to teaching on a part time basis while continuing to care for their children as well as being able to devote more time to strengthening the family as a whole.

CURRENT LEGAL ENVIRONMENT

Section 51.1-125 of the Code of Virginia identifies persons composing membership in the Retirement System. One category of members is identified as "All persons who become employees (emphasis added) after March 1, 1952...." Section 51.1-101 of the Code defines "employee" as "...any teacher (emphasis added)...." "Teacher" is defined as "...any person who is regularly employed full time on a salaried basis (emphasis added) as a professional or clerical employee of a county, city, or other local public school board."

By Statute, part time instructional personnel, as well as all other part time personnel, are excluded from membership in the System. Any inclusion of part time instructional personnel in the Retirement System would require an amendment of the Code.

STUDY RESULTS

As stated above, the study resulting from HJR 182 included a public meeting, a review of surveys of other States and a survey of public school boards in Virginia. A summary of the findings of the public meeting and the surveys follows:

Public Meeting: A public meeting was held on August 2, 1990 at the State Capitol. Several speakers indicated their support for including part time teachers in the membership of the VRS. The primary emphasis was on teachers who were previously full time, but who had interrupted their careers to begin families. In those cases, the teachers had returned to work part time while continuing to raise their children. Two teachers who work in job sharing arrangements cited the advantages of such arrangements and the benefits of promoting those arrangements by providing incentives such as retirement coverage. There were no speakers in opposition to providing retirement coverage to part time teachers although one school board did comment in writing in opposition to such coverage. The one school board that submitted written comments in lieu of speaking at the public meeting indicated that the school board had addressed the needs of part time personnel through a locally sponsored annuity program. Those comments also indicated that until retirement benefits become the critical determinant in meeting staffing requirements, a state mandated retirement program is not in the best interests of the school division.

State Surveys: Surveys of state retirement systems participating in the National Association of State Retirement Administrators and the National Conference on Teacher Retirement revealed that several states provided coverage to part time teachers. A sampling of those states by telephone revealed the following:

Delaware--Part time instructional personnel are covered but must be employed in a "regular" position.

Maryland--Covers "permanent" part time teachers.

Ohio--Covers part time teachers with no restrictions.

Pennsylvania--Covers part time teachers who have 500 hours or 80 days.

South Carolina--Covers part time teachers with no restrictions.

Tennessee--Covers "regular" part time, but not temporary part time.

School Board Surveys: Surveys (Appendix A) were sent to 149 city and county school boards and vocational-technical centers. Of those, 85 responded (57%). Of the 85 school boards responding, 15 indicated that they did not employ part time instructional personnel. When asked if they used job sharing arrangements, 16 of the 85 responded positively.

Benefits provided to part time personnel included sick leave (46 school boards with 2 providing full sick leave and 44 providing prorated sick leave); personal/annual leave (36 school boards with 1 providing full leave and 35 providing prorated leave); and health insurance (33 school boards with 27 paying all or part of the premiums).

When asked if they thought part time personnel should be given retirement coverage, 28 responded "yes" and 54 responded "no." Of those responding "yes," 23 indicated that a minimum number of hours per week ranging from 15 to 20 should be required for participation. The definition of full time versus part time varied from school board to school board as one might expect.

CONCLUSIONS

From the information presented at the public meeting as well as the sentiments expressed by the patron and other speakers, there appears to be some merit in considering retirement coverage for a select group of part time instructional personnel under certain circumstances.

However, support for such action at this time is not overwhelming. Almost two-thirds of the school boards responding to the VRS survey did not support retirement coverage for part time teachers. The reasons for their lack of support were not indicated. The public meeting conducted relative to this issue was sparsely attended which could be construed as a lack of support on the part of all affected parties.

Given the uncertain fiscal climate facing the Commonwealth and its local governments currently and in the foreseeable future, the wisdom of expanding the eligibility for benefits at this time might be questioned.

The issue of providing retirement coverage for certain part-time teachers is one that bears future consideration and, if support for such coverage increases over time, further study of the issue would be warranted. However, there is currently no groundswell of support for that coverage among either employers or employees, nor are there surplus resources to finance additional

benefits. While retirement coverage for certain part time teachers appears to be appropriate and effective under certain conditions, the provision of coverage at this time would not appear to be a prudent departure from the long standing public policy of the Commonwealth to only provide retirement coverage to full time salaried permanent employees.

GENERAL ASSEMBLY OF VIRGINIA--1990 SESSION

HOUSE JOINT RESOLUTION NO. 182

Requesting the Board of the Virginia Supplemental Retirement System, in cooperation with the Virginia School Board Association and the Virginia Education Association, to study the efficacy and appropriateness of providing benefits under the Virginia Supplemental Retirement System to part-time instructional personnel.

Agreed to by the House of Delegates, February 7, 1990

Agreed to by the Senate, February 27, 1990

WHEREAS, the employment of highly qualified and motivated instructional personnel is essential to achieving and maintaining excellence in the public schools of the Commonwealth; and

WHEREAS, many valuable and experienced teachers may choose to serve in our public schools on a part-time basis in order to reserve time for family and child rearing; and

WHEREAS, while this commitment to both family life and a career in education may offer great challenges, it may also provide part-time instructors with a balanced perspective and a refreshed, invigorated approach in the classroom; and

WHEREAS, the need for part-time teachers may increase due to projected student enrollment growth and the retirement of other instructors; and

WHEREAS, under current law, the Commonwealth's retirement system provides benefits to teachers "employed full time on a salary basis"; and

WHEREAS, the lack of retirement benefits may discourage many valuable part-time instructors from remaining in the classroom; and

WHEREAS, employers often provide a system of proportionate benefits in order to recruit and retain the services of quality part-time personnel; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Board of the Virginia Supplemental Retirement System, in cooperation with the Virginia School Board Association and the Virginia Education Association, is requested to study the efficacy and appropriateness of providing benefits under the Virginia Supplemental Retirement System to part-time instructional personnel.

All agencies of the Commonwealth shall provide assistance upon request as the Board may deem appropriate.

The Board shall complete its study in time to submit its findings and recommendations to the Governor and the 1991 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

APPENDIX A

EMPLOYER QUESTIONNAIRE
HOUSE JOINT RESOLUTION 182
RETIREMENT COVERAGE FOR PART TIME INSTRUCTIONAL PERSONNEL

The following questions relate to retirement coverage for part time instructional personnel:

1. What is your definition of "full time" for instructional personnel?

2. Do you employ part time instructional personnel?

Yes _____ No _____

3. Several school boards allow position sharing whereby two teachers each share a full time position on a one half time basis. Do you allow such arrangements?

Yes _____ No _____

4. If yes on either question 2 or 3, which of the following benefits do you provide to part time personnel?

_____ Sick Leave Full or Prorated _____

_____ Personnel/Annual Leave Full or Prorated _____

_____ Health Insurance Who Pays? _____

_____ Other Benefits (Please summarize on reverse side.)

5. Do you think that part time instructional personnel should receive retirement coverage?

Yes _____ No _____

6. If yes, do you think a minimum number of hours should be taught before being covered?

Yes _____ How many per week? _____ No _____

Name of School Board _____

Name of Person Responding _____

Phone Number _____

Please return to: Mrs. Donna T. Browning, VRS, P.O. Box 3-X,
Richmond, VA 23207 before August 31, 1990.