# WEST VIRGINIA CODE CHAPTER 5 ARTICLE 10C

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## §5-10C-1. Legislative purpose.

The legislative purpose of this enactment is to enable this state, its agencies and political subdivisions, and political subdivisions of counties and municipalities to pick-up and pay the contributions which their employees are by law required to make to the respective retirement system in which the public employee is a member.

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## §5-10C-2. Construction and effect of article.

This article shall apply to all retirement plans for employees sponsored by any public employer in this state. This article shall, on and after July 1, 1986, be read in pari materia and harmonized with the provisions of this code creating any retirement system for public employees.

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**§5-10C-3. Definitions.**

The following words and phrases as used in this article, unless a different meaning is clearly indicated by the context, have the following meanings:

(1) "Accumulated contributions" means the sum of all amounts credited to a member's individual account in the member's deposit fund and includes both contributions deducted from the compensation of a member and contributions of a member picked up and paid by the member's participating public employer, plus applicable interest thereon.

(2) "Board of trustees" means, as appropriate: The Consolidated Public Retirement Board created in article ten-d of this chapter; the Higher Education Policy Commission; the West Virginia Council for Community and Technical College Education; the institutional governing boards responsible for the higher education retirement plan and supplemental retirement plan; or the boards of trustees of the firemen's and policemen's pension and relief funds created in §8-22-1 *et seq*. of this code.

(3) "Employee" means any person, whether appointed, elected or under contract, providing services for a public employer for which compensation is paid and who is a member of the applicable retirement system.

(4) "Member" means any person who has accumulated contributions standing to his or her credit in a retirement system.

(5) "Member contributions" means, as appropriate: The contributions required by §5-10-29 of this code from employees who are members of the West Virginia Public Employees Retirement System; the contributions required by §15-2-26 of this code from employees who are members of the West Virginia State Police Death, Disability and Retirement Fund; the contributions required by §7-14D-7 of this code from employees who are members of the Deputy Sheriff Retirement System; the contributions required by §18-7A-14 of this code from employees who are members of the State Teachers Retirement System; the contributions authorized or required by §18-7A-14a of said chapter or by §18-23-4a of said chapter from employees who are members of the West Virginia higher education retirement plan and supplemental retirement plan; the contributions required by §51-9-4 of this code from employees who are members of the Judges' Retirement System; the contributions required by §8-22-19 of this code from employees who are members of municipal firemen's and policemen's pension and relief funds; the contributions required by §8-22A-8 of this code from employees who are members of the Municipal Police Officers and Firefighters Retirement System; the contributions required by §18-7B-9 of this code from employees who are members of the Teachers' Defined Contribution Retirement System; the contributions required by §15-2A-5 of this code from the employees who are members of the West Virginia State Police Retirement System; the contributions required by §16-5V-8 of this code from employees who are members of the West Virginia Emergency Medical Services Retirement System; or the contributions required by §20-18-8 of this code from employees who are members of the West Virginia Natural Resources Police Officers Retirement System.

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(6) "Participating public employer" means the State of West Virginia, any board, commission, department, institution or spending unit and includes any agency with full-time employees, created by rule of the Supreme Court of Appeals, which for the purpose of this article shall be considered a department of state government and county boards of education with respect to teachers and nonteachers employed by them; any political subdivision in the state which has elected to cover its employees, as defined in this article, under the West Virginia Public Employees Retirement System; any political subdivision in the state which has elected to cover its employees, as defined in this article, under the Deputy Sheriff Retirement System; any political subdivision in the state which has elected to cover its employees, as defined in this article, under the West Virginia Emergency Medical Services Retirement System; any political subdivision in this state which is subject to the provisions of articles twenty-two and twenty-two-a, chapter eight of this code; and any public charter school established pursuant to §18-5G-1 *et seq*. of this code which has elected to participate in, and cover its employees under, either the State Teachers Retirement System or the Teachers' Defined Contribution Retirement System.

(7) "Political subdivision" means the State of West Virginia, a county, city or town in the state; a school corporation or corporate unit; any separate corporation or instrumentality established by one or more counties, cities or towns, as permitted by law; any corporation or instrumentality supported in most part by counties, cities or towns; any public corporation charged by law with the performance of a governmental function and whose jurisdiction is coextensive with one or more counties, cities or towns, any agency or organization established by or approved by the Department of Human Services for the provision of community or mental health services and which is supported in part by state, county or municipal funds.

(8) "Retirement system" means, as appropriate: The West Virginia Public Employees Retirement System created in §5-10-1 *et seq*. of this code; the West Virginia State Police Death, Disability and Retirement Fund created in §15-2-26 through §15-2-39a of this code, inclusive; the West Virginia Deputy Sheriff Retirement System created in §7-14D-1 *et seq*. of this code; the state Teachers Retirement System created in §18-7A-1 *et seq*. of this code; the West Virginia higher education retirement plan and supplemental retirement plan created in §18-7A-14a of this code and §18-23-4a of this code; the Judges' Retirement System created in §51-9-1 *et seq*. of this code; the firemen's or policemen's pension and relief funds created in §8-22-16 of this code; the Municipal Police Officers and Firefighters Retirement System created in §8-22A-4 of this code; the Teachers' Defined Contribution Retirement System created in article seven-b, chapter eighteen of this code; the West Virginia State Police Retirement System created in article two-a, chapter fifteen of this code; the West Virginia Emergency Medical Services Retirement System created in §16-5V-1 *et seq*. of this code; or the West Virginia Natural Resources Police Officers Retirement System created in article eighteen, chapter twenty of this code.

(9) "Teacher" and "nonteacher" have the meanings ascribed to the terms "teacher member" and "nonteaching member" in §18-7A-3 of this code.

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## §5-10C-4. Pick-up of members' contributions by participating public employers.

(a) The State of West Virginia for its public employees and county boards of education for its teachers and nonteachers shall pick-up and pay the contributions which the employees are required by law to make to the retirement system in which they are a member for all compensation earned by its member employees after June 30, 1986. Any political subdivision that is a participating public employer in the West Virginia Public Employees Retirement System shall pick-up and pay the contributions which the employees are required by law to make to the retirement system in which they are members for all compensation earned by its member employees after January 1, 1995. Public employers participating in the Emergency Medical Services Retirement System shall pick-up and pay the contributions which the employees are required by law to make to the system in which they are members for all compensation earned by its member employees beginning January 1, 2008. Public employers participating in the Municipal Police Officers and Firefighters Retirement System shall pick-up and pay the contributions which the employees are required by law to make to the system in which they are members for all compensation earned by its member employees beginning January 1, 2010. Counties shall pick-up and pay the contributions which the employees are required by law to make to the Deputy Sheriff Retirement System in which they are members for all compensation earned by its member employees after June 30, 1998. Any election made by a political subdivision to pick-up and pay employee contributions prior to January 1, 1995, remains in effect and is not altered or amended by the amendments made to this section during the regular legislative session, 1995. Unless a different commencement date for pick-up is specifically stated in this section, all participating public employers under this article, with respect to retirement systems subject to this article, shall pick-up and pay the contributions which their employees are required by law to make to the retirement system in which they are a member from and after the commencement of the required employee contributions.

(b) When the participating public employer picks up and pays the contributions of its member employees, the contributions, although designated by statute as employee contributions, shall be treated as employer contributions in determining the tax treatment thereof under article twenty-one, chapter eleven of this code and the federal Internal Revenue Code of 1986, as amended, and the contributions shall not be included in the gross income of the employee in determining his or her tax treatment under those provisions until they are distributed or made available to the employee or his or her beneficiary. The participating public employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee, by effecting an equal cash reduction in the gross salary of the employee, or by an off-set against future salary increases, or by a combination of reduction in gross salary and off-set against future salary increases. In no event shall any employee of a participating public employer have the right to opt out of pick-up or to elect to receive the picked-up and contributed amounts directly instead of having them paid by the participating public employer into the retirement system pursuant to this article.

(c) When employee contributions are picked up and paid by the participating public



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employer, they shall be treated by the board of trustees in the same manner and to the same extent as employee contributions made prior to the date on which employee contributions are picked up by the participating public employer.

(d) The amount of employee contributions picked up by the participating public employer shall be paid to the retirement system in the manner and form and in the frequency required by the board of trustees and shall be accompanied by supporting data that the board of trustees may prescribe. When paid to the retirement system, each of these amounts shall be credited to the deposit fund account of the member for whom the contribution was picked up and paid by the participating public employer.

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## §5-10C-5. Savings clause.

In enacting this article, it is the intent of the Legislature that the retirement plan created pursuant to this article and those created pursuant to §5-10-1 *et seq.*; §7-14D-1 *et seq.*; §8-22A-1 *et seq.*; §15-2-1 *et seq.*; §18-7A-1 *et seq.*; §51-9-1 *et seq.*; §18-23-4a; §8-22-16; §18-7B-1 *et seq.*; §15-2A-1 *et seq.*; §16-5V-1 *et seq.*; and §20-18-1 *et seq*. of this code qualify under Section 401 of the Internal Revenue Code of 1986, as amended, and that the member contributions picked up by the participating public employer qualify under Subsection (h), Section 414 of the Internal Revenue Code of 1986, as amended. If the United States Internal Revenue Service does not approve of certain sections or phraseology of certain sections of this article as being in compliance with the statutes or regulations governing the Internal Revenue Service, the respective boards of trustees, in the adoption of the deferred compensation plan, shall adopt the terminology with respect to those sections that comply with the statutes or regulations governing the Internal Revenue Service.

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