

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1955



ENROLLED

HOUSE BILL No. 345

(By Mr. McCormick - Leap.)



PASSED Mar 12 1955

In Effect July 1 5-5- Passage



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ON WEST VIRGINIA MAR 17 1955
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House Bill No. 345

(By MR. McCORMICK and MR. LOOP)

[Passed March 12, 1955; in effect July 1, 1955.]

AN ACT to amend and reenact sections thirteen, fourteen, eighteen and twenty-three, article seven-a, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the state teachers' retirement system.

Be it enacted by the Legislature of West Virginia:

That sections thirteen, fourteen, eighteen and twenty-three, article seven-a, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

Section 13. *Membership in System; Payments for*

2 *Membership Rights.*—The membership of the retirement
3 system shall consist of the following:

4 (a) All persons, except new entrants, employed as
5 teachers at the time they become eligible for member-

6 ship who, within a year after becoming eligible for
7 membership, notify the retirement board in writing of
8 their decision to become members. Any such persons
9 who fail to notify the board shall automatically be con-
10 stituted members one year after they become eligible,
11 unless the retirement board receives written notice from
12 them declining membership in the system.

13 (b) New entrants, whose membership in the system
14 shall be compulsory upon employment as teachers.

15 The membership of any person in the retirement sys-
16 tem shall cease:

17 (1) Upon the withdrawal of his accumulated contri-
18 butions after the cessation of teaching service, or (2) upon
19 retirement, or (3) at death, or (4) if service amounts to
20 less than five years in any period of ten consecutive
21 years. For the sole purpose of preventing loss of mem-
22 bership under subsection four, a deposit by the member
23 to his individual account in the teachers accumulation
24 fund of an amount equalling his last annual contribution
25 shall be deemed the equivalent of one year of service.

26 Any former member of the retirement system who has

27 withdrawn his accumulated contributions but subse-
28 quently reenters the retirement system shall be permitted
29 to repay to the retirement fund the amount withdrawn,
30 plus payment for absence as provided herein, and shall
31 be accorded all the rights to prior service and experience
32 as he held at the time of withdrawal of such accumulated
33 contributions.

34 Any person in subsection (a) of this section who elects
35 to become a member after having declined to accept
36 membership, shall be permitted to enter the retirement
37 system, but shall be accorded only the rights of a new
38 entrant, unless he deposits in the reserve fund twenty-
39 five dollars for each year of his prior service. After
40 making such a deposit, he shall be deemed a **present**
41 teacher, and may elect to contribute retroactively to re-
42 tirement account for those years, if any, during which he
43 served as a teacher but elected not to contribute. **No**
44 member shall be eligible for prior service credit unless
45 he is eligible for prior service pension, as prescribed by
46 section twenty-two of this article; however, a new en-
47 trant who becomes a present teacher as provided in this

48 paragraph shall be deemed eligible for prior service pen-
49 sion upon retirement.

Sec. 14. *Contributions by Members.*—At the end of
2 each month, every member of the retirement system shall
3 contribute six per cent of his monthly earnable compensa-
4 tion to the retirement board, but in no case shall such con-
5 tributions by any member exceed one hundred eighty-
6 four dollars in any fiscal year. Such contributions shall
7 be deemed to include the annual supplementary fee of the
8 contributor, determined as hereinafter provided, which
9 fee shall be used to help finance the additional retirement
10 benefit provided for in subsection (e), section twenty-six
11 of this article. Annually, the contributions of each mem-
12 ber, minus his supplementary fee, shall be credited to
13 his account in the teachers accumulation fund. The con-
14 tributions shall be deducted from the salaries of the mem-
15 bers as herein prescribed, and every member shall be
16 deemed to have given his consent to such deductions.
17 No deductions, however, shall be made from the earnable
18 compensation of any teacher who retired because of age
19 or service, and then resumed service as a teacher.

20 The retirement board shall each year determine to the
21 nearest dollar the amount of the supplementary fee to be
22 paid by each member, so that the sum of such fees paid
23 by all members shall be sufficient to defray one-half of
24 the cost of the retirement benefit provided for in subsec-
25 tion (e), section twenty-six of this article. The amount
26 so fixed shall not exceed twenty dollars, nor shall it in
27 any case exceed one per cent of the annual earnable com-
28 pensation of the member. All supplementary fees shall
29 be deposited in the benefit fund.

30 The aggregate of employer contributions, due and pay-
31 able under this article, shall equal annually the total de-
32 ductions from the earnable compensation of members re-
33 quired by this section. All employer contributions shall
34 be credited to the employer's accumulation fund, from
35 which fund an amount equalling annually the supple-
36 mentary fees of members, shall be transferred to the
37 benefit fund.

38 Payment by an employer to a member of the sum
39 specified in the employment contract minus the amount
40 of the employee's contributions shall be deemed to be

41 a full discharge of the employer's contractual obligations
42 as to earnable compensation.

43 Each contributor shall file with the retirement board or
44 with the employer to be forwarded to the retirement
45 board an enrollment form showing his date of birth and
46 other data needed by the retirement board. Upon notice
47 from the retirement board to the employer that a con-
48 tributor has failed to file such form as prescribed, the em-
49 ployer shall withhold the salary of the contributor until
50 the needed form is filed with the retirement board.

Sec. 18. *Funds Created; Uses and Purposes.*—The funds
2 created are the teachers accumulation fund, the em-
3 ployers accumulation fund, the benefit fund, the reserve
4 fund, and the expense fund. Each fund shall constitute
5 a separate trust.

6 (a) The teachers accumulation fund shall be the fund
7 in which the contributions of members shall be accumu-
8 lated. The accumulated contributions of a member re-
9 turned to him upon his withdrawal, or paid to his estate
10 or designated beneficiary in the event of death, shall be
11 paid from the teachers accumulation fund. Any accumu-

12 lated contributions forfeited by failure to claim such
13 contributions shall be transferred from the teachers
14 accumulation fund to the reserve fund.

15 Any member or any employer is hereby authorized
16 and shall be permitted to deposit in the teachers accumu-
17 lation fund for the account of any member any amounts
18 in multiples of fifty dollars.

19 (b) Contributions of employers, equalling annually
20 the members contributions, shall be accumulated in the
21 employers accumulation fund through state appropria-
22 tions. Upon the retirement of a member, the employers
23 contributions shall be transferred from the employers ac-
24 cumulation fund to the benefit fund.

25 (c) The benefit fund shall be the fund from which
26 annuities shall be paid. Upon the retirement of a mem-
27 ber, his accumulated contributions shall be transferred
28 from the teachers accumulation fund to the benefit fund;
29 the accumulated employers contribution shall be trans-
30 ferred from the employers accumulation fund to the bene-
31 fit fund; and annually a sum for prior service pension

32 and disability credits, if needed, shall be transferred from
33 the reserve fund to the benefit fund.

34 (d) The retirement board is hereby authorized to
35 accept gifts and bequests. Any funds that may come into
36 possession of the retirement system in this manner or
37 which may be transferred from the teachers accumulation
38 fund by reason of the lack of a claimant or because of a
39 surplus in any of the funds; or any other moneys the
40 disposition of which is not otherwise provided for shall
41 be credited to the reserve fund. The retirement board
42 shall allow interest on the contributions in the teachers
43 accumulation fund. Such interest shall be paid from the
44 reserve fund and credited to the teachers accumulation
45 fund. Any deficit occurring in any fund which would not
46 be automatically covered by the payments to that fund
47 as otherwise provided by this article shall be met by trans-
48 fers from the reserve fund to such fund. In the reserve
49 fund shall be accumulated moneys from retirement board
50 appropriations to pay the accrued liabilities of the system,
51 caused by the granting of prior service and disability pen-
52 sions. Costs associated with board investments such as

53 premiums, accrued interest, and commissions, shall be
54 paid from the reserve fund.

55 (e) The expense fund shall be the fund from which
56 shall be paid the expense incurred in the administration
57 of the retirement system. The retirement board is here-
58 with authorized to pay, from the expense fund, mem-
59 bership fees in such voluntary organizations as the Na-
60 tional Council on Teacher Retirement, anything in this
61 code to the contrary notwithstanding. Interest earned
62 on loans to members shall be deposited in the expense
63 fund.

64 The retirement board is herewith given sole authority
65 to direct and approve the making of any and all fund
66 transfers as provided herein, anything in this code to the
67 contrary notwithstanding.

Sec. 23. *Withdrawal and Death Benefits.*—Benefits

2 upon withdrawal from service prior to retirement under
3 the provisions of this article shall be as follows:

4 (a) A contributor who withdraws from service as
5 a teacher for any cause other than death or retirement
6 shall, on demand, be paid his accumulated contributions

7 plus refund interest up to but not including the date of
8 his last contribution, if he is then no longer under contract,
9 verbal or otherwise, to serve as a teacher; however, if
10 such member has withdrawn from membership in the
11 past, then he will not be eligible for withdrawal again
12 until six months after last quitting service; or

13 (b) If such contributor has completed twenty years
14 of total service he may elect to receive at retirement age
15 an annuity which shall be computed as provided in this
16 article. The contributor must notify the retirement
17 board in writing concerning such election.

18 Benefits upon the death of a contributor prior to re-
19 tirement under the provisions of this article shall be as
20 follows:

21 (1) If the contributor was at least fifty years old, and
22 if his total service as a teacher was at least twenty-five
23 years at the time of his death, then the surviving spouse
24 of the deceased shall be deemed eligible for an annuity
25 which shall be computed as though the deceased were
26 actually a retired teacher at the time of death, and had
27 selected a survivorship option which pays such spouse

28 the same monthly amount which would have been re-
29 ceived by the deceased; or

30 (2) If the facts do not permit payment under the
31 preceding paragraph (1), then the following sum shall
32 be paid to the refund beneficiary of the contributor: his
33 accumulated contributions with refund interest up to the
34 year of his death plus one-half of the amount of his ac-
35 cumulated contributions. The latter sum shall emanate
36 from the employers accumulation fund.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.



Chairman Senate Committee



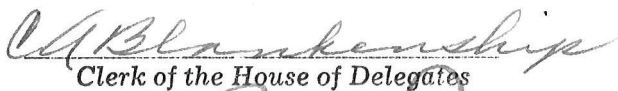
Chairman House Committee

Originated in the House of Delegates

Takes effect July 1 5-5 passage.



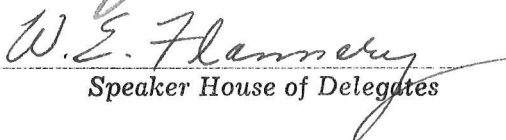
Clerk of the Senate



Clerk of the House of Delegates

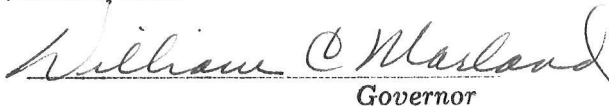


President of the Senate



Speaker House of Delegates

The within approved this the 16
day of March, 1955.



Governor



Filed in the Office of the Secretary of State
of West Virginia

MAR 17 1955
D. PITT O'BRIEN

SECRETARY OF STATE