WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1955

ENROLLED

HOUSE BILL No. 345

(By Mr. McCasnick - Loop.)

PASSED Mar 12 1955

In Effect July 1 5-5 Passage
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 Membership Rights.—The membership of the retirement system shall consist of the following:

(a) All persons, except new entrants, employed as teachers at the time they become eligible for member-
ship who, within a year after becoming eligible for membership, notify the retirement board in writing of their decision to become members. Any such persons who fail to notify the board shall automatically be constituted members one year after they become eligible, unless the retirement board receives written notice from them declining membership in the system.

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

The membership of any person in the retirement system shall cease:

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

Any former member of the retirement system who has
withdrawn his accumulated contributions but subsequently reenters the retirement system shall be permitted to repay to the retirement fund the amount withdrawn, plus payment for absence as provided herein, and shall be accorded all the rights to prior service and experience as he held at the time of withdrawal of such accumulated contributions.

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

Sec. 14. Contributions by Members.—At the end of each month, every member of the retirement system shall contribute six per cent of his monthly earnable compensation to the retirement board, but in no case shall such contributions by any member exceed one hundred eighty-four dollars in any fiscal year. Such contributions shall be deemed to include the annual supplementary fee of the contributor, determined as hereinafter provided, which fee shall be used to help finance the additional retirement benefit provided for in subsection (e), section twenty-six of this article. Annually, the contributions of each member, minus his supplementary fee, shall be credited to his account in the teachers accumulation fund. The contributions shall be deducted from the salaries of the members as herein prescribed, and every member shall be deemed to have given his consent to such deductions. No deductions, however, shall be made from the earnable compensation of any teacher who retired because of age or service, and then resumed service as a teacher.
20 The retirement board shall each year determine to the nearest dollar the amount of the supplementary fee to be paid by each member, so that the sum of such fees paid by all members shall be sufficient to defray one-half of the cost of the retirement benefit provided for in subsection (e), section twenty-six of this article. The amount so fixed shall not exceed twenty dollars, nor shall it in any case exceed one per cent of the annual earnable compensation of the member. All supplementary fees shall be deposited in the benefit fund.

30 The aggregate of employer contributions, due and payable under this article, shall equal annually the total deductions from the earnable compensation of members required by this section. All employer contributions shall be credited to the employer's accumulation fund, from which fund an amount equalling annually the supplementary fees of members, shall be transferred to the benefit fund.

38 Payment by an employer to a member of the sum specified in the employment contract minus the amount of the employee's contributions shall be deemed to be
a full discharge of the employer's contractual obligations as to earnable compensation.

Each contributor shall file with the retirement board or with the employer to be forwarded to the retirement board an enrollment form showing his date of birth and other data needed by the retirement board. Upon notice from the retirement board to the employer that a contributor has failed to file such form as prescribed, the employer shall withhold the salary of the contributor until the needed form is filed with the retirement board.

Sec. 18. Funds Created; Uses and Purposes.—The funds created are the teachers accumulation fund, the employers accumulation fund, the benefit fund, the reserve fund, and the expense fund. Each fund shall constitute a separate trust.

(a) The teachers accumulation fund shall be the fund in which the contributions of members shall be accumulated. The accumulated contributions of a member returned to him upon his withdrawal, or paid to his estate or designated beneficiary in the event of death, shall be paid from the teachers accumulation fund. Any accumu-
lated contributions forfeited by failure to claim such contributions shall be transferred from the teachers accumulation fund to the reserve fund.

Any member or any employer is hereby authorized and shall be permitted to deposit in the teachers accumulation fund for the account of any member any amounts in multiples of fifty dollars.

(b) Contributions of employers, equalling annually the members contributions, shall be accumulated in the employers accumulation fund through state appropriations. Upon the retirement of a member, the employers contributions shall be transferred from the employers accumulation fund to the benefit fund.

(c) The benefit fund shall be the fund from which annuities shall be paid. Upon the retirement of a member, his accumulated contributions shall be transferred from the teachers accumulation fund to the benefit fund; the accumulated employers contribution shall be transferred from the employers accumulation fund to the benefit fund; and annually a sum for prior service pension
and disability credits, if needed, shall be transferred from the reserve fund to the benefit fund.

(d) The retirement board is hereby authorized to accept gifts and bequests. Any funds that may come into possession of the retirement system in this manner or which may be transferred from the teachers accumulation fund by reason of the lack of a claimant or because of a surplus in any of the funds; or any other moneys the disposition of which is not otherwise provided for shall be credited to the reserve fund. The retirement board shall allow interest on the contributions in the teachers accumulation fund. Such interest shall be paid from the reserve fund and credited to the teachers accumulation fund. Any deficit occurring in any fund which would not be automatically covered by the payments to that fund as otherwise provided by this article shall be met by transfers from the reserve fund to such fund. In the reserve fund shall be accumulated moneys from retirement board appropriations to pay the accrued liabilities of the system, caused by the granting of prior service and disability pensions. Costs associated with board investments such as
premiums, accrued interest, and commissions, shall be paid from the reserve fund.

(e) The expense fund shall be the fund from which shall be paid the expense incurred in the administration of the retirement system. The retirement board is here-with authorized to pay, from the expense fund, membership fees in such voluntary organizations as the National Council on Teacher Retirement, anything in this code to the contrary notwithstanding. Interest earned on loans to members shall be deposited in the expense fund.

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

Sec. 23. Withdrawal and Death Benefits.—Benefits upon withdrawal from service prior to retirement under the provisions of this article shall be as follows:

(a) A contributor who withdraws from service as a teacher for any cause other than death or retirement shall, on demand, be paid his accumulated contributions
plus refund interest up to but not including the date of
his last contribution, if he is then no longer under contract,
verbal or otherwise, to serve as a teacher; however, if
such member has withdrawn from membership in the
past, then he will not be eligible for withdrawal again
until six months after last quitting service; or
(b) If such contributor has completed twenty years
of total service he may elect to receive at retirement age
an annuity which shall be computed as provided in this
article. The contributor must notify the retirement
board in writing concerning such election.

Benefits upon the death of a contributor prior to re-
tirement under the provisions of this article shall be as
follows:
(1) If the contributor was at least fifty years old, and
if his total service as a teacher was at least twenty-five
years at the time of his death, then the surviving spouse
of the deceased shall be deemed eligible for an annuity
which shall be computed as though the deceased were
actually a retired teacher at the time of death, and had
selected a survivorship option which pays such spouse
the same monthly amount which would have been re-
ceived by the deceased; or

(2) If the facts do not permit payment under the
preceding paragraph (1), then the following sum shall
be paid to the refund beneficiary of the contributor: his
accumulated contributions with refund interest up to the
year of his death plus one-half of the amount of his ac-
cumulated contributions. The latter sum shall emanate
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, 1955, passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

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

Governor

Filed in the Office of the Secretary of State of West Virginia MAR 17 1955

Secretary of State