

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1970

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ENROLLED

HOUSE BILL No. 678

(By Mr. Speaker, Mr. Boiarosky and
Mr. Lohr)

PASSED February 12, 1970

In Effect July 1, 1970 Passage



FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE
THIS DATE 2-18-70

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House Bill No. 678

(By MR. SPEAKER, MR. BOIARSKY, and MR. LOHR)

[Passed February 12, 1970; in effect July 1, 1970.]

AN ACT to amend and reenact sections three, fourteen, sixteen and twenty-six, article seven-a, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to definitions, contributions taken from members, transfer of appropriations and computation of retirement allowance for certain annuitants.

Be it enacted by the Legislature of West Virginia:

That sections three, fourteen, sixteen and twenty-six, 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:

ARTICLE 7A. STATE TEACHERS' RETIREMENT SYSTEM.**§18-7A-3. Definitions.**

1 "Teacher" shall include the following persons, if reg-
2 ularly employed for at least half-time service: (a) Any
3 person employed for instructional service in the public
4 schools of West Virginia; (b) principals; (c) public
5 school librarians; (d) county superintendents of schools
6 and assistant county superintendents of schools; (e) any
7 county school attendance director holding a West Vir-
8 ginia teacher's certificate; (f) the executive secretary
9 of the retirement board; (g) members of the research,
10 extension, administrative, or library staffs of the public
11 schools; (h) the State superintendent of schools, heads,
12 and assistant heads of the divisions under his supervision,
13 or any other employee thereunder performing services
14 of an educational nature; (i) employees of the state board
15 of education who are performing services of an educa-
16 tional nature; (j) any person employed in a nonteaching
17 capacity by the state board of education, the board of
18 governors of West Virginia University, any county board
19 of education, the state department of education or the

20 teachers' retirement board, if such person was formerly
21 employed as a teacher in the public schools; (k) all class-
22 room teachers, principals and educational administrators
23 in schools under the supervision of the state commis-
24 sioner of public institutions; (l) employees of the state
25 board of school finance if such person was formerly em-
26 ployed as a teacher in the public schools.

27 "Members of the administrative staff of the public
28 schools" shall include deans of instruction, deans of men,
29 deans of women, and financial and administrative sec-
30 retaries.

31 "Members of the extension staff" of the public schools
32 shall include every agricultural agent, boys' and girls'
33 club agent, and every member of the agricultural ex-
34 tension staff whose work is not primarily stenographic,
35 clerical, or secretarial.

36 "Retirement system" shall mean the state teachers'
37 retirement system provided for in this article.

38 "Present teacher" shall mean any person who was a
39 teacher within the twenty-seven years beginning July
40 first, one thousand nine hundred thirty-four, and whose

41 membership in the retirement system has been con-
42 tinuous.

43 "New entrant" shall mean a teacher who is not a pres-
44 ent teacher.

45 "Present member" shall mean a present teacher who
46 is a member of the retirement system.

47 "Total service" shall mean all service as a teacher
48 while a member of the retirement system since last
49 becoming a member and, in addition thereto, his credit
50 for prior service, if any.

51 "Prior service" shall mean all service as a teacher
52 completed prior to July first, one thousand nine hundred
53 forty-one, and all service of a present member who was
54 employed as a teacher, and did not contribute to retire-
55 ment account because he was legally ineligible for mem-
56 bership during such service.

57 "Average final salary" shall mean the average annual
58 salary earned as a teacher during the last fifteen years
59 of prior service, including military service, as provided
60 herein, or if prior service is less than fifteen years, the
61 average annual salary for that period. If the records for

62 determining each annual salary needed cannot reason-
63 ably be established by the retirement board, then the
64 term shall mean the average annual salary of the teacher
65 for years for which records are available.

66 "Accumulated contributions" shall mean all deposits
67 and all deductions from the earnable compensation of
68 a contributor minus the total of all supplemental fees
69 deducted from his compensation.

70 "Regular interest" shall mean interest at three per-
71 cent compounded annually, or a higher earnable rate
72 if approved by the retirement board.

73 "Refund interest" shall mean the interest on refunds
74 of the accumulated contributions and deposits payable
75 to former members or to the beneficiaries of deceased
76 members, as provided in this article. The rate for re-
77 fund interest shall be the average annual rate of interest,
78 calculated to one decimal place, earned on retirement
79 board investments in effect at the end of the fiscal year
80 for which the interest is due, according to the sworn
81 statement of the fund custodian required by section
82 nineteen of this article.

83 "Employer" shall mean the agency of and within the
84 state which has employed or employs a member.

85 "Contributor" shall mean a member of the retirement
86 system who has an account in the teachers accumula-
87 tion fund.

88 "Beneficiary" shall mean the recipient of annuity pay-
89 ments made under the retirement system.

90 "Refund beneficiary" shall mean the estate of a de-
91 ceased contributor, or such person as he shall have
92 nominated as beneficiary of his contributions by written
93 designation duly executed and filed with the retirement
94 board.

95 "Earnable compensation" shall mean the full com-
96 pensation actually received by members for service as
97 teachers whether or not a part of such compensation
98 is received from other funds, federal or otherwise, than
99 those provided by the State or its subdivisions. Allow-
100 ances from employers from maintenance of members
101 shall be deemed a part of earnable compensation of such
102 members.

103 "Annuities" shall mean the annual retirement pay-
104 ments for life granted beneficiaries in accordance with
105 this article.

106 "Member" shall mean a member of the retirement
107 system.

108 "Public schools" shall mean all publicly supported
109 schools, including normal schools, colleges, and univer-
110 sities in this state.

111 "Deposit" shall mean a voluntary payment to his ac-
112 count by a member. The masculine gender shall be
113 construed so as to include the feminine. Age in excess
114 of seventy years shall be deemed to be seventy years.

§18-7A-14. Contributions by members.

1 At the end of each month every member of the re-
2 tirement system shall contribute six percent of his
3 monthly earnable compensation to the retirement board:
4 *Provided*, That in no case shall the contribution of any
5 member employed by the West Virginia board of regents
6 at an institution of higher education under its control,
7 exceed two hundred eighty-eight dollars in any fiscal
8 year.

9 Such contributions shall be deemed to include the
10 annual supplementary fee of the contributor, determined
11 as hereinafter provided, which fee shall be used to help
12 finance the additional retirement benefit provided for
13 in subdivision (e) of Plan A of section twenty-six of
14 this article. Annually, the contributions of each mem-
15 ber, minus his supplementary fee, shall be credited to
16 his account in the teachers accumulation fund. The
17 contributions shall be deducted from the salaries of the
18 members as herein prescribed, and every member shall
19 be deemed to have given his consent to such deduc-
20 tions. No deductions, however, shall be made from
21 the earnable compensation of any teacher who retired
22 because of age or service, and then resumed service as
23 a teacher.

24 The retirement board shall each year determine to
25 the nearest dollar the amount of the supplementary fee
26 to be paid by each member, so that the sum of such
27 fees paid by all members shall be sufficient to defray
28 one half of the cost of the retirement benefit provided

29 for in subdivision (e) of Plan A of section twenty-six
30 of this article. The amount so fixed shall not exceed
31 twenty dollars, nor shall it in any case exceed one sixth
32 of the annual contribution of the member. All supple-
33 mentary fees shall be deposited in the benefit fund.

34 The aggregate of employer contributions, due and pay-
35 able under this article, shall equal annually the total
36 deductions from the earnable compensation of members
37 required by this section. All employer contributions
38 shall be credited to the employers accumulation fund,
39 from which fund an amount equaling annually the
40 supplementary fees of members shall be transferred to
41 the benefit fund.

42 Payment by an employer to a member of the sum
43 specified in the employment contract minus the amount
44 of the employee's deductions shall be deemed to be a
45 full discharge of the employer's contractual obligation
46 as earnable compensation.

47 Each contributor shall file with the retirement board
48 or with the employer to be forwarded to the retirement
49 board an enrollment form showing his date of birth

50 and other data needed by the retirement board. Upon
51 notice from the retirement board to the employer that
52 a contributor has failed to file such forms as prescribed,
53 the employer shall withhold the salary of the contrib-
54 utor until the needed form is filed with the retirement
55 board.

§18-7A-16. Transfer of appropriations.

1 The retirement board, on receipt of contributions from
2 teachers deducted and remitted by employers as pro-
3 vided in the preceding section, shall make requisition
4 on the state auditor for an amount equaling seventy-
5 five percent of such contributions. On receipt of the
6 requisitions duly certified, the state auditor shall transfer
7 the amount so requisitioned from the general state reve-
8 nue fund to the employers' accumulation fund, such
9 transfers not to exceed the amount appropriated for the
10 employers' accumulation fund.

11 At the beginning of each quarter the governor shall
12 transfer to the benefit fund one-fourth of the annual
13 appropriations therefor.

§18-7A-26. Computations of annuities.

1 Annuitants whose annuities were approved by the re-
2 tirement board prior to July first, one thousand nine
3 hundred sixty-three shall be paid the annuities which
4 were approved by the retirement board. Annuities ap-
5 proved by the board after the effective date of this
6 article shall be computed as provided herein.

7 Upon establishment of eligibility for a retirement al-
8 lowance, a member shall be granted an annuity which
9 shall be the sum of either Plan A or Plan B, whichever
10 provides the larger annuity.

11 Plan A shall be computed as follows:

12 (a) The actuarial equivalent of the contributions and
13 deposits of the member in his individual account up
14 to the time of his retirement, with regular interest;

15 The actuarial equivalent of the contributions of the
16 employer up to the time of the member's retirement,
17 which shall equal the sum in subdivision (a) of Plan A
18 minus deposits with regular interest on such deposits;

19 (c) Where prior service credit has been granted,
20 an allowance of one and one-half percent of the mem-

21 ber's average final salary multiplied by the number of
22 years of prior service credited to him;

23 (d) The actuarial equivalent of the amounts that would
24 have accumulated under subdivisions (a) and (b) of
25 Plan A, if the member had contributed to his individual
26 account until he was fifty years old, at the annual rate
27 of his past actual contributions, but this subdivision shall
28 apply only as additional income to members who qual-
29 ify for disability retirement before they are fifty years
30 old;

31 (e) Twelve dollars multiplied by his total service
32 credit as a teacher;

33 (f) The member shall receive in addition to the
34 allowances under subdivisions (c) and (d) an amount
35 equal to six dollars multiplied by his total service credit:
36 *Provided*, That the maximum allowance under this sub-
37 division shall be one hundred and ninety-two dollars:
38 *Provided, however*, That this subdivision shall be effec-
39 tive on and after July first, one thousand nine hundred
40 fifty-seven;

41 (g) Twelve dollars multiplied by the member's total
42 service credit as a teacher.

43 For the purpose of subdivision (c) in Plan A:

44 (1) An allowance for prior service shall in no case
45 exceed three fifths of the member's average final sal-
46 ary;

47 (2) Average final salary for this purpose shall in
48 no case exceed two thousand five hundred dollars, nor
49 shall it be less than twelve hundred dollars.

50 Plan B shall be computed as follows:

51 (a) Two percent of the member's average salary mul-
52 tiplied by his total service credit as a teacher. In this
53 paragraph "average salary" shall mean the average of
54 the highest annual salaries received by the member dur-
55 ing any five years contained within his last fifteen years
56 of total service credit: *Provided*, That the highest an-
57 nual salary used in this calculation for members em-
58 ployed by the West Virginia board of regents at insti-
59 tutions of higher education under its control, shall be
60 four thousand eight hundred dollars;

61 (b) The actuarial equivalent of the deposits of the

62 member in his individual account up to the time of
63 his retirement, with regular interest.

64 The disability annuities of all teachers retired for
65 disability shall be based upon a disability table prepared
66 by a competent actuary approved by the retirement
67 board.

68 Upon the death of an annuitant who qualified for an
69 annuity as a surviving spouse or because of permanent
70 disability, the estate of the deceased or beneficiary desig-
71 nated for such purpose, shall be paid the difference, if
72 any, between the member's contributions with regular
73 interest thereon, and the sum of the annuity payments.

74 All annuities shall be paid in twelve monthly pay-
75 ments. In computing such monthly payments, frac-
76 tions of a cent shall be deemed a cent. Such monthly
77 payments shall cease with the payment for the month
78 within which the beneficiary dies, and shall begin with
79 the payment for the month succeeding the month with-
80 in which the annuitant became eligible under this arti-
81 cle for the annuity granted; in no case, however, shall
82 an annuitant receive more than four monthly payments

83 which are retroactive after the board receives his appli-
84 cation for annuity.

85 In case the retirement board receives data affecting
86 the approved annuity of a retired teacher, the annuity
87 shall be changed in accordance with such data, the
88 change being effective with the payment for the month
89 within which the board received the new data.

90 An annuity application shall be canceled immedi-
91 ately if the applicant dies before the retirement board
92 approves such application.

93 Any person who has attained the age of sixty-five and
94 who has served at least twenty-five years as a teacher
95 prior to July one, one thousand nine hundred forty-one,
96 shall be eligible for prior service credit and for prior
97 service pensions as prescribed in this section.

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

William Tynes
Chairman Senate Committee

Clayton C. Davidson
Chairman House Committee

Originated in the House.

Takes effect July 1, 1970.

Thomas M. ...
Clerk of the Senate

C. Blankenship
Clerk of the House of Delegates

Charles B. Jackson
President of the Senate

Sam F. Bunnick
Speaker House of Delegates

The within approved this the 18th
day of February, 1970.

Archie Shouse Jr.
Governor



PRESENTED TO THE
GOVERNOR

Date 2/16/70

Time 2:40 p.m.