WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1986

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ENROLLED

Com. Sub. for
HOUSE BILL No. 1164

(By Mr. Del. Lattes)

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Passed March 6, 1986

In Effect Ninety Days From Passage
ENROLLED
COMMITEE SUBSTITUTE
FOR
H. B. 1164
(By Delegate Sattes)

[Passed March 6, 1986; in effect ninety days from passage.]

AN ACT to amend and reenact section one, article twenty-five, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended; and to amend and reenact section twelve, article four, chapter eighteen-a of said code, relating to tax sheltered annuities for teachers and other education employees; broadening the authorization to include other investments which qualify for federal tax deferment; deleting the requirement that the payments be made to an insurance company; and deleting the obsolete reference to voluntary deposits to the teachers retirement board.

Be it enacted by the Legislature of West Virginia:

That section one, article twenty-five, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; and that section twelve, article four, chapter eighteen-a of said code be amended and reenacted, all to read as follows:

CHAPTER 18. EDUCATION.

ARTICLE 25. TAX DEFERRED INVESTMENTS FOR TEACHERS AND OTHER EMPLOYEES.

§18-25-1. Authority to purchase tax deferred investments
for teachers and other employees.

A county board of education, the teachers retirement board, the West Virginia board of education and the board of regents and their agencies may provide by written agreement between any such board or agency and any teacher or other employee to reduce the cash salary payable to such teacher or other employee, and, in consideration thereof, to pay an amount equal to the amount of such reduction as premiums on an annuity contract or payments on a custodial account or other investment owned by such teacher or other employee, which annuity contract, custodial account or other investment is in such form and upon such terms as will qualify the payments thereon for tax deferment under the United States Internal Revenue Code. The amount of such reduction shall not exceed the amount excludable from income under section 403(b) of the United States Internal Revenue Code, and amendments and successor provisions thereto, and shall be considered a part of the teacher's or employee's salary for all purposes other than federal and state income tax.

The purchase of such tax deferred investment for a teacher or other employee by a board of education, the teachers retirement board, the West Virginia board of education and the board of regents and their agencies shall impose no liability nor responsibility whatsoever on said boards or members thereof except to show that the payments have been remitted for the purposes for which deducted.

CHAPTER 18A. SCHOOL PERSONNEL.

ARTICLE 4. SALARIES, WAGES, AND OTHER BENEFITS.

§18A-4-12. Tax deferred investments for teachers and other employees.

For the purpose of this section, when an employee shall have attained the age of eighteen years the said employee may be eligible to participate in the defined group plans. A county board of education, the teachers retirement board, the West Virginia board of education and the board of regents of West Virginia and their agencies
may provide by written agreement between any such board or agency and any teacher or other employee to reduce the cash salary payable to such teacher or other employee, and, in consideration thereof, to pay an amount equal to the amount of such reduction as premiums on an annuity contract or payments on a custodial account or other investment owned by such teacher or other employee, which annuity contract, custodial account or other investment is in such form and upon such terms as will qualify the payments thereon for tax deferment under the United States Internal Revenue Code. The amount of such reduction shall not exceed the amount excludable from income under section 403(b) of the United States Internal Revenue Code, and amendments and successor provisions thereto, and shall be considered a part of the teacher’s or employee’s salary for all purposes other than federal and state income tax.

The purchase of such tax deferred investment for a teacher or other employee by a board of education, the teachers retirement board, the West Virginia board of education and the board of regents of West Virginia and their agencies shall impose no liability nor responsibility whatsoever on said boards or members thereof except to show that the payments have been remitted for the purposes for which deducted.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within .................. approved .................. this the 26th day of March .................., 1986.

Governor
PRESENTED TO THE GOVERNOR

Date 3/11/82
Time 4:39 p.m.