

No: 1164

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1986

— ● —

ENROLLED

Com. Sub. for
HOUSE BILL No. 1164

(By Mr. Del. Lott)

— ● —

Passed March 6, 1986

In Effect Ninety Days From Passage

ENROLLED
COMMITTEE 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.

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

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

CHAPTER 18A. SCHOOL PERSONNEL.

ARTICLE 4. SALARIES, WAGES, AND OTHER BENEFITS.

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

1 For the purpose of this section, when an employee shall
2 have attained the age of eighteen years the said employee
3 may be eligible to participate in the defined group plans.

4 A county board of education, the teachers retirement
5 board, the West Virginia board of education and the
6 board of regents of West Virginia and their agencies

7 may provide by written agreement between any such
8 board or agency and any teacher or other employee to
9 reduce the cash salary payable to such teacher or other
10 employee, and, in consideration thereof, to pay an
11 amount equal to the amount of such reduction as
12 premiums on an annuity contract or payments on a
13 custodial account or other investment owned by such
14 teacher or other employee, which annuity contract,
15 custodial account or other investment is in such form and
16 upon such terms as will qualify the payments thereon for
17 tax deferment under the United States Internal Revenue
18 Code. The amount of such reduction shall not exceed the
19 amount excludable from income under section 403(b) of
20 the United States Internal Revenue Code, and amend-
21 ments and successor provisions thereto, and shall be
22 considered a part of the teacher's or employee's salary
23 for all purposes other than federal and state income tax.

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

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

Bruce O. Williams
.....
Chairman Senate Committee

Floyd Full
.....
Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Isabel C. Hutch
.....
Clerk of the Senate

Donald L. Hoop
.....
Clerk of the House of Delegates

Don Tomkins
.....
President of the Senate

Joseph P. Allright
.....
Speaker of the House of Delegates

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

Archa. Prance
.....
Governor

PRESENTED TO THE

GOVERNOR

Date 3/21/86

Time 4:39 p.m.

RECEIVED

1986 MAR 23 AM 11: 01

OFFICE OF THE SECRETARY
GOVERNMENT OF STATE

FILED IN THE OFFICE OF
SECRETARY OF STATE OF
WEST VIRGINIA

THIS DATE 3/26/86