WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1987



ENROLLED Com. SUB. for

HOUSE BILL No. 2255

(By BOTOGONE MR. Speaker Mr. Chambers + Delegate Swann By Request of the Executive] - • -

Passed	March	14,	
In Effect	From		Passage
3 E			

ENROLLED

COMMITTEE SUBSTITUTE

FOR

H. B. 2255

(By Mr. Speaker, Mr. Chambers and Delegate Swann) [By request of the Executive]

[Passed March 14, 1987; in effect from passage.]

AN ACT to repeal section six-c. article nine, chapter fifty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended: to amend and reenact sections three, four, five, six, six-b, eight and sixteen of said article nine: and to further amend said article nine by adding thereto two new sections, designated sections one-a and one-b, all relating to the judges' retirement system; providing for the definition of certain terms relating thereto; providing a statement of legislative intent, policy and findings with respect to certain decisions of the West Virginia supreme court of appeals with respect to the expansion of eligibility for and payments of benefits under such system; declaring the necessity of certain legislative amendments having retrospective and prospective application in such retirement system and a statement of compelling state interest in the preservation of legislative constitutional powers and responsibilities to legislate and to establish judicial compensation and preserving the financial integrity of the system: enlarging permissible investments for fund moneys; reaffirming that state auditor be primary fiscal officer and administrator of judges' retirement system with required independent review and final determination by the state auditor with

respect to eligibility for and amount of benefit payments; directing the state auditor to refund certain moneys, with interest, in respect of payments made to acquire service pursuant to certain decisions of the West Virginia supreme court of appeals: requiring contributions be made so long as members of the system sit as judges, irrespective of whether or not such persons would otherwise qualify for benefits under said article: providing for credits toward eligibility: granting certain credits for military service without requiring payment therefor; granting certain credits for services as prosecuting attorney in certain cases, requiring payment therefor and establishing the rate of such pavment; providing for the transfer of credits between the judges retirement system and the public employees retirement system; limiting the use of the same retirement credits in both systems: deleting obsolete provisions, including any required payments by county commissions into judges' retirement system trust fund; specifying military service credits allowable up to five vears maximum: allowing retirement at earlier age through use of acturially reduced percentage for pension benefit determination, receivable throughout retirement; providing for increase in retirement benefits due to increases in judicial salaries occurring during retirement: authorizing state auditor to determine reasonable rate of interest for judicial members acquiring service credit periods and payments therefor; providing for spousal annuities to be payable from all trust fund moneys, including appropriations made thereto; establishing certain benefits for surviving orphans of judges in certain cases: establishing certain new criteria for eligibility for receipt of retirement benefits by judges; requiring of minimum of twelve years actual service as a judge as a condition of eligibility of benefits; providing for shorter service period for entitlement to disability retirement for judges; revising disability retirement benefit applicable to new judge members retiring upon disability subsequent to specified date; specifying certain effective dates; and providing for severability of the provisions of said article and of the amendments thereto.

Be it enacted by the Legislature of West Virginia:

That section six-c, article nine, chapter fifty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be repealed; that sections three, four, five, six, sixb, eight and sixteen of said article nine, as amended, be amended and reenacted, and that said article nine be further amended by adding thereto two new sections, designated sections one-a and one-b, all to read as follows:

ARTICLE 9. RETIREMENT SYSTEM FOR JUDGES OF COURT OF RECORD.

§51-9-1a. Definitions.

1 As used in this article the term "judge" or "judge of

2 any court of record" or "judge of any court of record of

3 this state" shall mean, refer to and include judges of the

4 several circuit courts and justices of the supreme court

5 of appeals.

§51-9-1b. Statement of legislative intent, policy and finding.

1 The decision and opinion of the state supreme court 2 of appeals in the case of *In re Judge Dostert*, which was 3 rendered on the seventh day of November, in the year 4 one thousand nine hundred eighty-four and other 5decisions and opinions of that court based upon the 6 Dostert decision have served to make substantial and 7 fundamental changes in the retirement system for 8 judges as established by the Legislature under the 9 provisions of this article. These substantial and funda-10 mental changes have served to or resulted in (i) 11 expanding and greatly easing the requirements neces-12sary to qualify to receive retirement annuity benefits 13from the system, (ii) making many persons eligible for 14retirement annuity benefits from the system at an 15earlier date than would have been the case under the 16provisions of the article, (iii) unjustly increasing the 17 amount of retirement annuity benefits to be received by 18 certain judges or justices would or will receive and (iv) 19 altering or reducing the authority of the state auditor 20as the primary administrator of the judges retirement 21fund and of the Governor to determine the eligibility of 22persons seeking to claim retirement annuity benefits

from the fund and placed these functions within the provence of the court administrator; thus removing the statutory authority of public officers outside the judicial branch of state government to determine the eligibility of judges and justices to receive such benefits or to see to the financial stability and soundness of the fund or to insure fiscal accountability with respect thereto.

30 The Legislature hereby declares that the Dostert 31 decision and the subsequent decisions of the supreme 32 court of appeals which were based upon the Dostert 33 decision were not and do not constitute sound legal 34principles, in that they have served to rewrite contrac-35 tual arrangements found to exist by the supreme court 36 of appeals in the case of Wagoner v. Gainer decided on 37 the fifteenth day of June, one thousand nine hundred 38 eighty-one and, further, usurped the authority of the 39 Legislature to determine or formulate the public policy 40of this state as required by article V. section 1 and 41 article VI. section 1 of the Constitution of West Virginia 42 and further usurped the authority of the Legislature to 43 set judicial compensation.

44 The Legislature hereby states and finds that its intent 45and policy recognizes a compelling state interest is 46 present in carrying out its constitutional responsibilities 47 of establishing, determining and setting reasonable 48 compensation guidelines and amounts for judicial 49 officers, by law, and of protecting the fiscal responsibil-50ity and soundness of the moneys required for payment into the trust fund, as a part of the judicial branch 5152budget request, which is determined by benefits payable 53from the judicial retirement system, and which judicial 54 budget request may not be reduced by the Legislature, 55constitutionally.

56The amendments now made to the provisions of this 57retirement system by the Legislature are made within 58the original and continuing framework of such system 59and with the benefits hereunder being directed toward 60 those meeting the strict and fundamental requirements 61 of career judicial service on the bench, of military 62 service and service as a prosecuting attorney as granted 63 by this article.

§51-9-3. Custody, permissible investment and administration of retirement system trust fund; state auditor's authority as administrator and trust fund fiduciary; refunds required, including interest.

The state treasurer shall be the custodian of the fund 1 2 and of any investment securities of the retirement 3 system and shall give a separate and additional bond for 4 the faithful performance of his or her duties as such 5 custodian. The governor shall fix the amount of such 6 bond which shall be approved as to sufficiency and form 7 by the attorney general and shall be filed in the office 8 of the secretary of state. The premium on such bond 9 shall be paid from the fund.

10 In a manner and to an extent consonant with sound 11 administrative principles, the state board of investments 12shall have authority to invest such fund in interest-13 bearing securities of the United States of America, of 14 the state of West Virginia and of any political subdivi-15 sion thereof or such other investments as may be 16authorized or permitted by the provisions of article six, 17 chapter twelve of this code.

18 The state auditor shall be the primary fiscal officer, 19 responsible for the records and administration of the 20trust fund, including budgetary matters incident to the 21authority vested in him or her with respect to judicial 22 department appropriations under article VI, section 51 23of the Constitution of West Virginia. The state auditor 24 shall also, as trust fund fiduciary, independently 25determine anew, in a substantive sense and as a check 26and balance, any information concerning eligible service 27years, required money contributions, computation of 28judge's retirement benefit or spousal benefit or any 29other substantive element of qualification supplied or 30 certified to the state auditor by any other public officer, 31including the supreme court administrator or the chief 32 executive, toward proper final review before issuance of 33 a state warrant in payment of any benefit under the 34 judges' retirement system.

35 In respect of any credited service heretofore acquired

36 under the *Dostert* decision and subsequent related 37 decisions, the state auditor shall make refund to any person heretofore making payment to acquire such 38 39 service credit, primary or derivative, in the amount so 40 earlier paid, together with interest at the same rate such 41 sum actually earned because of its investment by the auditor or treasurer, as the case may be, in the 42 43 consolidated pension pool or with the interest such sum 44 would have earned if timely invested in such pool, 45whichever amount of interest be greater.

§51-9-4. Required percentage contributions from salaries; any termination of required contributions prior to actual retirement disallowed; military service credit and maximum allowable; qualifiable prosecutorial service.

1 Every person who is now serving or shall hereafter 2 serve as a judge of any court of record of this State shall 3 pay into the judges' retirement fund six percent of the 4 salary received by such person out of the state treasury: 5 *Provided*. That when a judge becomes eligible to receive 6 benefits from such trust fund by actual retirement, no 7 further payment by him or her shall be required, since 8 such employee contribution, in an equal treatment sense, 9 ceases to be required in the other retirement systems of 10 the state, also, only after actual retirement. Any prior 11 occurrence or practice to the contrary, in any way 12 allowing discontinuance of required employee contribu-13tions prior to actual retirement under this retirement 14 system, is rejected, as erroneous and contrary to 15legislative intent, and as violative of required equal 16 treatment and is hereby nullified and discontinued fully, 17 with the state auditor to require such contribution in 18 every instance hereafter, except where no contributions 19 are required to be made any of the provisions of this 20article.

In drawing warrants for the salary checks of judges,
the state auditor shall deduct from the amount of each
such salary check six percent thereof, which amount so
deducted shall be credited by the state treasurer to the
trust fund.

26Any judge seeking to qualify military service to be 27claimed as credited service, in allowable aggregate 28maximum amount up to five years, shall be entitled to 29be awarded the same without any required payment in 30 respect thereof to the judges' retirement fund. Any 31 judge holding office as such on the effective date of the 32 amendments to this article adopted by the Legislature 33 at its regular session in the year one thousand nine hundred eighty-seven, who seeks to qualify service as a 3435 prosecuting attorney as credited service, which service 36 credit must have been earned prior to the year one 37 thousand nine hundred eighty-seven, shall be required to pay into the judges' retirement fund six percent of 38 39the annual salary which was actually received by such 40 person as prosecuting attorney during the time such prosecutorial service was rendered prior to the year one 41 42 thousand nine hundred eighty-seven, and for which 43credited service is being sought, together with applicable interest. No judge whose term of office shall 44 45 commence after the effective date of such amendments 46 to this article, shall be eligible to claim any credit for 47 service rendered as a prosecuting attorney as eligible 48 service for retirement benefits under this article, nor 49shall any time served as a prosecutor after the year one 50thousand nine hundred eighty-eight, be considered as 51eligible service for any purposes of this article.

§51-9-5. Election not to participate, contribute, or be a member; authorized transfers of service credit by a judge; duplicate use of service credit prohibited.

(a) Notwithstanding any provisions of this article, any 1 2 judge may in writing notify the auditor within thirty 3 days after he or she takes office, or, if he or she is in 4 office, on the date this article becomes effective, then 5within thirty days from such latter date, that such judge 6 elects not to become a member or make any payments 7 or contributions to the trust fund. in which event every 8 judge, so electing, shall not thereafter at any time be 9 entitled to receive any retirement pay or benefits under 10 provisions of this article, and any deduction that may 11 have theretofore been made from the salary of such

judge and paid into the fund shall be refunded without 12 13 interest, to him or her by the auditor by warrant drawn 14 on the trust fund. Any judge who has so elected not to 15become a member or not to contribute, shall neverthe-16 less thereafter be permitted to become such member, 17contribute and become eligible for retirement benefits 18 by paying into the judges' retirement fund all contribu-19 tions such judge would have been required to pay into 20the fund, together with interest thereon at a rate to be 21determined by the state auditor as reasonable for such 22 prior periods, as if such judge had not previously elected 23not to be a member and not to contribute.

24(b) There may be transfers of service credit on proper 25basis between the judges' retirement system and the 26public employees retirement system, where such service 27credit constitutes qualified and eligible credit under the 28 recipient system's statutes, in order to allow full 29flexibility of choice of option by a judge or judicial 30 member; but in no case shall benefits be receivable from 31 more than one of such state retirement systems, nor 32 shall any service credit be usable more than once and 33 then only in the finally chosen state retirement system.

§51-9-6. Eligibility for and payment of benefits.

1 (a) Except as otherwise provided in sections five, 2 twelve and thirteen of this article, and subject to the 3 provisions of subsection (e) of this section, any person 4 who is now serving, or who shall hereafter serve, as a 5judge of any court of record of this State and shall have 6 served as such judge for a period of not less than sixteen 7 full years and shall have reached the age of sixty-five 8 years, or who has served as judge of such court or of 9 that court and other courts of record of the State for a 10 period of sixteen full years or more (whether continu-11 ously or not and whether said service be entirely before 12 or after this article became effective, or partly before 13and partly after said date, and whether or not said judge 14 shall be in office on the date he or she shall become 15eligible to benefits hereunder) and shall have reached 16 the age of sixty-five years, or who is now serving, or who 17 shall hereafter serve, as a judge of any court of record 18 of this State and shall have served as such judge for a

19 period of not less than twenty-four full years, regardless 20of age, shall, upon a determination and certification of 21his or her eligibility as provided in section nine hereof, 22be paid from the fund annual retirement benefits, so 23long as he or she shall live, in an amount equal to 24seventy-five percent of the annual salary of the office 25from which he or she has retired based upon such salary 26of such office and as such salary may be changed from 27time to time during the period of his or her retirement 28and the amount of his or her retirement benefits shall 29be based upon and be equal to seventy-five percent of 30 the highest annual salary of such office for any one 31 calendar year during the period of his or her retirement, 32 and shall be payable in monthly installments: *Provided*, 33 That such retirement benefits shall be paid only after 34 such judge has resigned as such or, for any reason other 35 than his or her impeachment, his or her service as such 36 has ended: Provided, however, That every such person 37 seeking to retire and to receive the annual retirement 38 benefits provided by this subsection must have served 39 a minimum of twelve years as a sitting judge of any such 40 court of record.

41 (b) Notwithstanding any other provisions of this 42article, any person who is now serving or who shall 43hereafter serve as a judge of any court of record of this 44 state and who shall have accumulated sixteen years or 45more of credited service, at least twelve years of which 46 is as a sitting judge of a court of record, and who has 47 attained the age of sixty-two years or more but less than 48 the age of sixty-five years, may elect to retire from his 49or her office and to receive the pension to which he or 50she would otherwise be entitled to receive at age sixty-51five, but with an acturial reduction of pension benefit 52 to be established as a reduced annuity receivable 53throughout retirement. The reduced percentage (less 54than seventy-five percent) acturially computed, deter-55mined and established at time of retirement in respect 56of this reduced pension benefit shall also continue and 57be applicable to any subsequent new annual salary set 58for the office from which such judge has retired and as 59such salary may be changed from time to time during 60 the period of his or her retirement.

61 (c) In determining eligibility for the benefits provided 62 by this section, active full time duty (including leaves 63 and furloughs) in the armed forces of the United States 64 shall be eligible for qualification as credited military 65 service for the purposes of this article by any judge with 66 twelve or more years actual service as a sitting judge of a court of record, such awardable military service to 67 68 not exceed five years.

69 (d) If a judge of a court of record has who is presently 70 sitting as such on the effective date of the amendments 71 to this section enacted by the Legislature at its regular 72 session held in the year one thousand nine hundred 73 eighty-seven, and who has served for a period of not less 74 than twelve full years and has made payments into the 75 judges' retirement fund as provided in this article for 76 each month during which he served as judge, following 77 the effective date of this section, any portion of time 78 which he or she had served as prosecuting attorney in 79 any county in this state shall qualify as years of service, 80 if such judge shall pay those sums required to be paid pursuant to the provisions of section four of this article: 81 82 *Provided*, That any term of office as prosecuting 83 attorney, or part thereof, commencing after the thirty-84 first day of December, one thousand nine hundred eighty-eight, shall not hereafter in any way qualify as 85 86 eligible years of service under this retirement system.

(e) Any retirement benefit accruing under the provisions of this section shall not be paid if otherwise barred
under the provisions of article ten-a, chapter five of this
code.

§51-9-6b. Annuities for surviving spouses and surviving dependent children of judges; automatic escalation and increase of annuity benefit; proration designation by judge permitted.

1 (a) There shall be paid, from the fund created or 2 continued by section two of this article, or from such 3 funds as may be appropriated by the Legislature for 4 such purpose, an annuity to the surviving spouse of a 5 judge, if such judge at the time of his or her death is 6 eligible for the retirement benefits provided by any of

7 the provisions of this article, or who has, at death, 8 actually served five years or more as a sitting judge of 9 any court of record of this state, exclusive of any other 10 service credit to which such judge may otherwise be 11 entitled, and who dies either while in office or after 12resignation or retirement from office pursuant to the 13 provisions of this article. Said annuity shall amount to 14 forty percent of the annual salary of the office which 15said judge held at his or her death or from which he 16 or she resigned or retired. In the event said salary is 17increased or decreased while an annuitant is receiving 18 the benefits hereunder, his or her annuity shall amount 19 to forty percent of the new salary. The annuity granted 20hereunder shall accrue monthly and shall be due and 21payable in monthly installments on the first business 22 day of the month following the month for which the 23annuity shall have accrued. Such annuity shall com-24mence on the first day of the month in which said judge 25dies and shall, subject to the provisions of subsection (b) 26of this section, terminate upon the death of the annuitant 27or shall terminate upon the remarriage of the annuitant.

28(b) If there be no surviving spouse at the time of death 29of a judge who dies after serving five years or more as 30 a sitting judge of any court of record and such judge 31 leaves surviving him any dependent child or children 32 such dependent child or children shall receive an amount equal to twenty percent of the annual salary of 3334the office which said judge held at the time of his or 35her death: Provided. That the total of all such annuities 36 payable to each such child shall not exceed in the 37 aggregate an amount equal to forty percent of such 38 salary. Such annuity shall continue as to each such child 39 until (i) he or she attains the age of eighteen years or 40 (ii) attains the age of twenty-three years so long as such 41 child remains a full-time student. The auditor shall by 42legislative rule establish the criteria for determining a 43 person's status as a full-time student within the meaning 44 and intent of this subsection. In the event there are 45surviving any such judge three or more dependent 46children, then each such child's annuity shall be 47proratably reduced in order that the aggregate annuity 48 received by all such dependent children does not exceed

49 forty percent of such salary and the amount to be so 50received by any such child shall continue throughout the 51entire period during which each such child is eligible 52to receive such annuity. The provisions of this subsection 53shall also apply to those circumstances and situations 54wherein a surviving spouse of a deceased judge shall die 55 while receiving benefits pursuant to subsection (a) of 56 this section and who shall leave surviving dependant 57children of such deceased judge who would be entitled 58to benefits under this subsection as if they had suc-59ceeded to such annuity benefits upon the death of such 60 judge in the first instance. In the event the salary of 61 judges is increased or decreased while an annuitant is 62 receiving benefits pursuant to this subsection, the 63 annuities payable shall be likewise increased or de-64 creased proportionately to reflect such change in salary. 65 The annuities granted hereunder shall accrue monthly 66 and shall be due and payable in monthly installments 67 on the same day as surviving spouses benefits are 68 required to be paid. Such annuities shall commence on 69 the first day of the month in which any such dependent 70child becomes eligible for benefits hereunder and shall 71terminate on the last day of the month during which 72such eligibility ceases.

§51-9-8. Retirement upon disability.

1 (a) Whenever a judge of a court of record of this state. 2 who is not disgualified from participation herein as 3 provided in section five of this article, who shall have 4 served for ten full years, or if over the age of sixty-five 5 years, who shall have served at least six years as a judge 6 of a court of record, shall become physically or mentally 7incapacitated to perform the duties of his or her office 8 as judge during the remainder of his or her term and 9 shall make a written application to the governor for his or her retirement, setting forth the nature and extent 10 11 of his or her disability and tendering his or her 12resignation as such judge upon condition that upon its 13 acceptance he or she be retired with pay under the 14 provisions of this article, the governor shall make such 15investigation as the governor shall deem advisable and, 16if the governor shall determine that such disability

17 exists and that the public service is suffering and will 18 continue to suffer by reason of such disability, the 19 governor shall thereupon accept the resignation and, by 20written order filed in the office of the secretary of state. 21 direct the retirement of the judge for the unexpired 22 portion of the term for which such judge was elected or 23 appointed. The secretary of state shall thereupon file a 24certified copy of such order with the state auditor. When 25so accepted, said resignation shall create a vacancy in 26such office of judge, which shall be filled by appoint-27ment or election as provided by law. The retired judge 28shall thereupon be paid annual retirement pay during 29the remainder of his or her unexpired term in an 30amount equal to the annual salary he or she was 31receiving at the time of his or her disability retirement, 32 which annual retirement pay, so long as it shall be paid 33to him or her, shall be in lieu of any and all retirement 34 benefits such judge may otherwise have received under 35 provisions of this article: *Provided*. That when the 36 payment of such full salary as disability retirement pay 37 shall have terminated with the close of his or her term 38 of office, such judge, even though he or she shall not 39 have arrived at the age of sixty-five years, shall, so long 40 as the disability determined by the governor continues 41 to exist, be paid the retirement benefits for which 42 provision is made in section six of this article: *Provided*. 43however, That in the event any such judge shall die 44 during the continuation of his or her disability, then 45such judge's surviving spouse shall receive the benefits 46 to which he or she would have been entitled pursuant 47 to the provisions of section six-b of this article and 48 subject to the limitations thereon: Provided further, That 49 any judge becoming a new member of this retirement 50system on or after the first day of April, one thousand 51nine hundred eighty-seven, and retiring upon disability 52retirement subsequent to such date shall be paid upon 53 the basis of seventy-five percent of highest annual 54salary, with allowable salary increase, as provided in 55section six of this article during all disability retirement 56receipt periods.

57 (b) Any other provision of this section to the contrary 58 notwithstanding, no judge shall be eligible pursuant to

59 this section unless such judge is also disabled to such an

60 extent so as to preclude such judge from engaging in

61 the practice of law during all of the period of such

62 disability.

§51-9-16. Severability of article and amendments thereto.

1 If any section, subsection, clause, phrase or require-2 ment of this article or if any section, subsection clause, 3 phrase or requirement of this article as amended by the 4 Legislature at its regular session held in the year one thousand nine hundred eighty-seven, if for any reason 5 6 held to be unconstitutional, such decision shall not affect 7 the validity of the remaining portions. The Legislature 8 hereby declares that it would have passed this article, 9 and each section, subsection, sentence, clause or phrase 10 and requirement thereof, including any amendments 11 thereto adopted by the Legislature at its regular session 12 held in the year one thousand nine hundred eighty-13 seven, irrespective of the fact that any one or more 14 sections, subsections, clauses, phrases or requirements be declared unconstitutional. 15

15 [Enr. Com. Sub. for. H. B. 2255

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

suce O. Usules Chairman Senate Committee

an House Committee embrer

Originating in the House.

Takes effect from passage.

Clerk of the Senate

Clerk of the House of Del

President of the Senate

Speaker of the House of Delegates

The within day of

Auha Maret Governor

® GCIU C-641

PRESENTED TO THE GOVERNOR Date <u>3/35/81</u> Time <u>4:36 p.m</u>. RECEIVED