

HB 2600

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WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1995

— ● —

ENROLLED

Com. Sub. for
HOUSE BILL No. 2600

(By Delegates Browning & Kiss)

— ● —

Passed March 10, 1995

In Effect From Passage



ENROLLED
COMMITTEE SUBSTITUTE
FOR

H. B. 2600

(BY DELEGATES BROWNING AND KISS)

[Passed March 10, 1995; in effect from passage.]

AN ACT to amend and reenact sections seven and nine, article seven-b, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating generally to teachers' retirement systems; providing for re-entry into the defined benefit plan; and authorizing a study of the feasibility of allowing members to make additional voluntary contributions to the teachers' defined benefit contribution retirement system.

Be it enacted by the Legislature of West Virginia:

That sections seven and nine, article seven-b, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, all to read as follows:

ARTICLE 7B. TEACHERS' DEFINED CONTRIBUTION RETIREMENT SYSTEM.

§18-7B-7. Participation in teachers' defined contribution retirement system; limiting participation in existing

teachers' retirement system.

1 Beginning the first day of July, one thousand nine
2 hundred ninety-one, the teachers' defined contribution
3 retirement system shall be the single retirement program
4 for all new employees whose employment commences on
5 or after that date. No additional new employees except as
6 may be provided herein may be admitted to the existing
7 retirement system. Members of the existing retirement
8 system whose employment continues beyond the first day
9 of July, one thousand nine hundred ninety-one, are not
10 affected by this article and shall continue to contribute
11 and participate in the existing system without change in
12 provisions or benefits.

13 Notwithstanding the provisions of section twenty-three,
14 article seven-a of this chapter, any employee whose em-
15 ployment terminates after the thirtieth day of June, one
16 thousand nine hundred ninety-one, who is later reem-
17 ployed by an employer shall be eligible for membership
18 only in the teachers' defined contribution system: *Provid-*
19 *ed*, That if such reemployment with an existing employer
20 occurs not more than six months after the employee's
21 previous employment, he or she shall be entitled to read-
22 mission to the existing retirement system in which he or
23 she was originally a member: *Provided, however*, That if
24 such employee has five or more years of credited service
25 in the existing retirement system, he or she shall be enti-
26 tled to readmission into the existing retirement system in
27 which he or she was originally a member so long as he or
28 she has not withdrawn his or her contributions from the
29 existing retirement system: *Provided further*, That if such
30 employee has withdrawn his or her contribution from the
31 existing retirement system, then readmission shall not be
32 permitted and the employee will be entitled only to the
33 defined contribution system.

34 An employee whose employment with an employer
35 was suspended or terminated while he or she served as an
36 officer with a statewide professional teaching association is

37 eligible for readmission to the existing retirement system
38 in which he or she was a member. Any employee reem-
39 ployed with an employer on or after the first day of July,
40 one thousand nine hundred ninety-one, who had five or
41 more years credited service in the teachers' defined benefit
42 retirement system may elect readmission to the teachers'
43 defined benefit retirement system in which he or she was
44 originally a member. Any employee reemployed between
45 the first day of July, one thousand nine hundred
46 ninety-one, and the first day of July, one thousand nine
47 hundred ninety-five, and who was required to participate
48 in the teachers' defined contribution system but now elects,
49 pursuant to the provisions of this section, readmission to
50 the teachers' defined benefit retirement system shall pay
51 an additional contribution to the teachers' defined benefit
52 retirement system equal to one and one-half percent of his
53 or her annual gross compensation earned for each year he
54 or she participated in the teachers' defined contribution
55 system and shall transfer all member and employer contri-
56 butions and investment earnings therefrom from the
57 teacher defined contribution system to the teachers' de-
58 fined benefit system and shall receive service credit for the
59 time the member participated in the defined contribution
60 system as if that participation had been in the teachers'
61 defined benefit retirement system. Any member making
62 an election under the provisions of this section to reenter
63 the teachers' defined benefit retirement system who is
64 currently a member of the defined contribution retirement
65 system must do so on or before the first day of January,
66 one thousand nine hundred ninety-six. Any other member
67 reemployed must make the election as to the retirement
68 system that he or she will be a member of at the time he or
69 she is reemployed.

70 An employee whose employment with an employer or
71 an existing employer is suspended as a result of an ap-
72 proved leave of absence, approved maternity or paternity
73 break in service, or any other approved break in service
74 authorized by the board, is eligible for readmission to the

75 existing retirement system in which he or she was a mem-
76 ber.

77 In all cases where a question exists as to readmission to
78 membership in the existing retirement system, the board
79 shall decide the question.

**§18-7B-9. Members' contributions; annuity account estab-
lished.**

1 Each employee who is a member of the defined con-
2 tribution system shall contribute four and one-half percent
3 of his or her gross compensation by salary reduction.
4 Such salary reductions shall be made by the employer at
5 the normal payroll intervals and shall be remitted within
6 five working days to the private pension, insurance, annu-
7 ity, mutual fund, or other qualified company or compa-
8 nies designated by the board to administer the day-to-day
9 operations of the system.

10 All member contributions shall be immediately depos-
11 ited to an account or accounts established in the name of
12 the member and held in trust for the benefit of the mem-
13 ber. An account agreement shall be issued to each mem-
14 ber setting forth the terms and conditions under which
15 contributions are received, and the investment and retire-
16 ment options available to the member. The board shall
17 promulgate by the thirtieth day of June, one thousand
18 nine hundred ninety-one, pursuant to section six of this
19 article, rules defining the minimum requirements for the
20 investment and retirement options to be provided to the
21 members.

22 The consolidated public employees retirement board
23 shall study the feasibility of employees making personal
24 contributions to the defined contribution system in addi-
25 tion to those required by this section and the impact of the
26 United States Internal Revenue Code of one thousand nine
27 hundred eighty-six, as amended, upon such contributions.
28 The results of said study and recommendations for legisla-
29 tion to authorize such additional payments shall be pre-

30 sented to the committee on pensions and retirement of
31 each house of the Legislature on or before the first day of
32 October, one thousand nine hundred ninety-six.

33 Such rules, to the extent not inconsistent with the ap-
34 plicable provisions of the Internal Revenue Code of the
35 United States, shall provide for varied retirement options
36 including, but not limited to:

37 (1) Lump sum distributions;

38 (2) Joint and survivor annuities;

39 (3) Other annuity forms in the discretion of the board;

40 (4) Variable annuities which gradually increase
41 monthly retirement payments: *Provided*, That said in-
42 creased payments are funded solely by the existing cur-
43 rent value of the member's account at the time the
44 member's retirement payments commencement and not, to
45 any extent, in a manner which would require additional
46 employer or employee contributions to any member's
47 account after retirement or after the cessation of employ-
48 ment; and

49 (5) The instances in which, if any, distributions or
50 loans can be made to members from their annuity account
51 balances prior to having attained the age of fifty-five.

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

Randy Schoonover
Chairman Senate Committee

Ernest C. Moore
Chairman House Committee

Originating in the House.

Takes effect from passage.

Darrell Robinson
Clerk of the Senate

Donald L. Haff
Clerk of the House of Delegates,

Earl Ray Tomblin
President of the Senate

Carl Albert
Speaker of the House of Delegates

The within _____ this the _____
day of _____, 1995.

Governor



PRESENTED TO THE

GOVERNOR

Date 3/28/95

Time 8:57 am