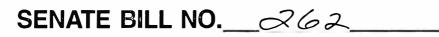
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## **WEST VIRGINIA LEGISLATURE**

**REGULAR SESSION, 1995** 

# ENROLLED





PASSED <u><u>HAKCH</u> 1995 In Effect <u>90 clars</u> FRey Passage</u>

### ENROLLED Senate Bill No. 262

#### (By Senators Plymale, Helmick, Jackson, Manchin, Walker, Boley and Kimble)

[Passed March 7, 1995; in effect ninety days from passage.]

AN ACT to amend and reenact section four, article ten-c, chapter five of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the tax-deferral of federal and state income tax of all employee contributions into the West Virginia public employees' retirement system.

#### Be it enacted by the Legislature of West Virginia:

That section four, article ten-c, chapter five of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

#### ARTICLE 10C. GOVERNMENT EMPLOYEES RETIREMENT PLANS. §5-10C-4. Pick-up of members' contributions by participating public employers.

1 (a) The state of West Virginia for its public employees 2 and county board of education for its teachers shall 3 pick-up and pay the contributions which such employees are required by law to make to the retirement system in 4 5 which they are a member for all compensation earned by 6 its member employees after the thirtieth day of June, one thousand nine hundred eighty-six. Any political subdi-7 vision that is a participating public employer in the West 8 9 Virginia public employees retirement system shall pick-10 up and pay the contributions which such employees are required by law to make to the retirement system in 11 which they are members for all compensation earned by 12 13 its member employees after the first day of January, one thousand nine hundred ninety-five. Any election made 14 15 by a political subdivision to pick-up and pay employee 16 contributions prior to the first day of January, one 17 thousand nine hundred ninety-five, shall remain in effect 18 and not be altered or amended by the amendments made 19 to this section during the regular legislative session, one 20 thousand nine hundred ninety-five.

(b) When the participating public employer picks up
and pays the contributions of its member employees, the
contributions shall be treated as employer contributions
in determining the tax treatment thereof under article
twenty-one, chapter eleven of this code, and the federal
Internal Revenue Code of 1986, as amended, and the

27 contributions shall not be included in the gross income 28 of the employee in determining his or her tax treatment 29 under said article, and the federal Internal Revenue Code 30 of 1986, as amended, until they are distributed or made 31 available to the employee or his or her beneficiary. The 32 participating public employer shall pay these employee 33 contributions from the same source of funds used in 34 paying compensation to the employee, by effecting an 35 equal cash reduction in the gross salary of the employee, 36 or by an off-set against future salary increases, or by a 37 combination of reduction in gross salary and off-set against future salary increases. 38

39 (c) When employee contributions are picked up and
40 paid by the participating public employer, they shall be
41 treated by the board of trustees in the same manner and
42 to the same extent as employee contributions made prior
43 to the date on which employee contributions are picked
44 up by the participating public employer.

(d) The amount of employee contributions picked up by 45 the participating public employer shall be paid to the 46 47 retirement system in such manner and form, and in such frequency, as the board of trustees may require and shall 48 49 be accompanied by such supporting data as the board of trustees shall from time to time prescribe. When paid to 50 51 the retirement system, each of said amounts shall be credited to the deposit fund account of the member for 52 53 whom the contribution was picked up and paid by the 54 participating public employer.

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Enr. S. B. No. 262]

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

4

WORL Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect ninety days from passage. Clerk of the Senate

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Speaker House of Delegates

..... this the Meth The within .... day of . Governor

PRESENTED TO THE GOVERNOR Date  $\frac{3/0/95}{12:06}$ Time  $\frac{12:06}{2}$