WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1996

ENROLLED

SENATE BILL NO. 42

(By Senator CRAIGO, ET AL.)

PASSED March 8, 1996
In Effect NINETY DAYS FROM PASSAGE
ENROLLED

Senate Bill No. 42

(BY SENATORS CRAIGO, ROSS, SHARPE, WALKER, PLYMALE,
OLIVERIO, KIMBLE, LOVE AND SCHOONOVER)

[Passed March 8, 1996; 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, relating to authorizing county boards of education, the teachers retirement board, the West Virginia board of education and the department of education and the arts to allow its employees to participate in certain tax deferred investments; specifying the terms of the investment and the amount of the reduction; and providing that the transaction of making an investment imposes no liability or responsibility on the state agencies.

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 to read as follows:
ARTICLE 25. TAX DEFERRED INVESTMENTS FOR TEACHERS AND OTHER EMPLOYEES.

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

1 A county board of education, the teachers retirement board, the West Virginia board of education and the department of education and the arts and their agencies may provide by written agreement between the department, any such board or agency and any teacher or other employee to reduce the cash salary payable to the teacher or other employee, and, in consideration thereof, to pay an amount equal to the amount of the reduction as premiums on an annuity contract or investments into a custodial account or other investment owned by the teacher or other employee. The annuity contract, custodial account or other investment shall be 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 the reduction may 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.

2 The transaction of making the 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 department of education and the arts and their agencies imposes no liability nor responsibility whatsoever on the boards, department or members thereof except to show that the payments have been remitted for the purposes for which deducted.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

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Chairman Senate Committee

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Chairman House Committee

Originated in the Senate.
In effect ninety days from passage.

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Clerk of the Senate

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Clerk of the House of Delegates

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President of the Senate

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Speaker House of Delegates

The within is approved this the 25th day of March, 1996.

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Governor

[Signature]