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OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

Regular Session, 2002

ENROLLED

Committee Substitute for
SENATE BILL NO. 601

(By Senator Plymale et al)

PASSED March 9, 2002

In Effect 90 days from **Passage**

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COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 601

(SENATORS PLYMALE, FANNING, EDGELL, JACKSON,
MCCABE, PREZIOSO AND SPROUSE, *original sponsors*)

[Passed March 9, 2002; in effect ninety days from passage.]

AN ACT to amend article twenty-two, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section twenty-a, relating to municipal police and firemen's pension and relief funds; setting forth legislative findings; requiring the treasurer to select and contract with a single qualified actuary to serve as a consultant with respect to the funds; requiring annual valuations of the funds; specifying requirements for reporting the valuations; and providing that the funds are not a responsibility or obligation of this state.

Be it enacted by the Legislature of West Virginia:

That article twenty-two, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be

amended by adding thereto a new section, designated section twenty-a, to read as follows:

ARTICLE 22. RETIREMENT BENEFITS GENERALLY; POLICEMEN'S PENSION AND RELIEF FUND; FIREMEN'S PENSION AND RELIEF FUND; PENSION PLANS FOR EMPLOYEES OF WATERWORKS SYSTEM, SEWERAGE SYSTEM OR COMBINED WATERWORKS AND SEWERAGE SYSTEM.

§8-22-20a. Hiring of actuary; preparation of actuarial valuations.

1 (a) (1) The Legislature finds that it is in the best interests
2 of the state and its municipalities to have accurate data
3 regarding the various municipal police and firemen's
4 pension and relief funds. The Legislature finds that data
5 received from the funds is not always reliable due to
6 inconsistent methods of reporting. The Legislature also
7 finds that the municipalities need to know if the data they
8 are basing their decisions on regarding pensions for their
9 police and firemen is accurate and that they can depend on
10 it.

11 (2) The Legislature finds that the state treasurer should
12 contract with an actuary as a consultant for the municipal
13 police and firemen's pension and relief funds and that
14 among other duties the actuary should determine if there
15 is consistent reporting from the various funds. The
16 Legislature further finds that the state treasurer should
17 share the results of the actuary's annual valuation with the
18 appropriate municipality.

19 (b) Notwithstanding any other provision of this code to
20 the contrary, beginning the first day of July, two thousand
21 two, the state treasurer shall select by competitive bid and
22 contract with a single qualified actuary. The actuary shall
23 serve as a consultant to the treasurer with regard to the
24 operation of the municipal police and firemen's pension
25 and relief funds and shall report annually to the treasurer
26 with regard to all funds existing in this state by virtue of
27 this article. The treasurer may pay for costs associated

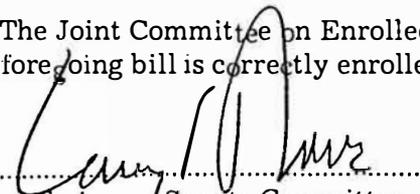
28 with the actuary's work out of the fund established
29 pursuant to section fourteen-d, article three, chapter
30 thirty-three of this code.

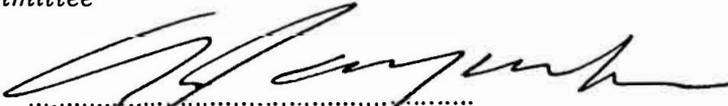
31 (c) With respect to each municipal police or firemen's
32 pension and relief fund, the actuary shall complete an
33 annual valuation in accordance with actuarial standards
34 of practice promulgated by the actuarial standards board
35 of the American academy of actuaries. The report of the
36 valuation shall include: (1) A summary of the benefit
37 provisions evaluated; (2) a summary of the census data and
38 financial information used in the valuation; (3) a descrip-
39 tion of the actuarial assumptions, actuarial costs method
40 and asset valuation method used in the valuation, includ-
41 ing a statement of the assumed rate of payroll growth and
42 assumed rate of growth or decline in the number of the
43 fund members' contribution to the pension fund; (4) a
44 summary of findings that includes a statement of the
45 actuarially accrued pension liabilities and unfunded
46 actuarial accrued pension liabilities; (5) a schedule show-
47 ing the effect of any changes in the benefit provisions,
48 actuarial assumptions or cost methods since the last
49 annual actuarial valuation; (6) a statement of whether
50 contributions to the pension fund are in accordance with
51 the provisions of this chapter and whether they are
52 expected to be sufficient; and (7) any other matters
53 determined by the treasurer to be necessary or appropri-
54 ate. The treasurer shall forward a copy of the annual
55 valuation to the municipality for which it was completed.

56 (d) (1) The hiring of an actuary under the provisions of
57 this section shall not be construed to make the municipal
58 police and firemen's pension and relief funds the responsi-
59 bility or obligation of the state of West Virginia.

60 (2) Any actuarial deficiency identified by the actuary
61 under this section or this article is not an obligation of the
62 state of West Virginia.

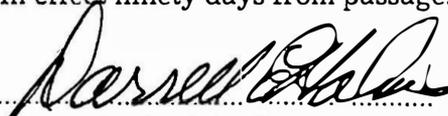
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.


.....
Chairman Senate Committee

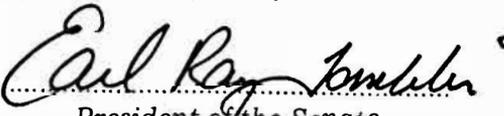

.....
Chairman House Committee

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 3rd

Day of April, 2002.


.....
Governor

PRESENTED TO ME

COVER BY

Date 3/25/02

Time 11:30am