WEST VIRGINIA LEGISLATURE
Regular Session, 2002

ENROLLED
Committee Substitute for
SENATE BILL NO. (01)

(By Senator Plymale, et al)

PASSED March 9, 2002

In Effect 90 days from Passage
ENROLLED

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.

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

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

(b) Notwithstanding any other provision of this code to the contrary, beginning the first day of July, two thousand two, the state treasurer shall select by competitive bid and contract with a single qualified actuary. The actuary shall serve as a consultant to the treasurer with regard to the operation of the municipal police and firemen's pension and relief funds and shall report annually to the treasurer with regard to all funds existing in this state by virtue of this article. The treasurer may pay for costs associated
with the actuary's work out of the fund established pursuant to section fourteen-d, article three, chapter thirty-three of this code.

(c) With respect to each municipal police or firemen's pension and relief fund, the actuary shall complete an annual valuation in accordance with actuarial standards of practice promulgated by the actuarial standards board of the American academy of actuaries. The report of the valuation shall include: (1) A summary of the benefit provisions evaluated; (2) a summary of the census data and financial information used in the valuation; (3) a description of the actuarial assumptions, actuarial costs method and asset valuation method used in the valuation, including a statement of the assumed rate of payroll growth and assumed rate of growth or decline in the number of the fund members' contribution to the pension fund; (4) a summary of findings that includes a statement of the actuarially accrued pension liabilities and unfunded actuarial accrued pension liabilities; (5) a schedule showing the effect of any changes in the benefit provisions, actuarial assumptions or cost methods since the last annual actuarial valuation; (6) a statement of whether contributions to the pension fund are in accordance with the provisions of this chapter and whether they are expected to be sufficient; and (7) any other matters determined by the treasurer to be necessary or appropriate. The treasurer shall forward a copy of the annual valuation to the municipality for which it was completed.

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

(2) Any actuarial deficiency identified by the actuary under this section or this article is not an obligation of the 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.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within is approved this the 3rd Day of August, 2002.

Governor