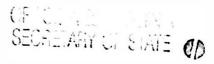
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## **WEST VIRGINIA LEGISLATURE**

**SECOND REGULAR SESSION, 2008** 

## ENROLLED

# FOR House Bill No. 4471

(By Delegates Spencer, DeLong, Caputo, Perry, Boggs, Stemple and Crosier)

Passed March 8, 2008

In Effect Ninety Days from Passage

## ENROLLED

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**COMMITTEE SUBSTITUTE** 

**FOR** 

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## H. B. 4471

(By Delegates Spencer, Delong, Caputo, Perry, Boggs, Stemple and Crosier)

[Passed March 8, 2008; in effect ninety days from passage.]

AN ACT to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §15-2-24b; and to amend and reenact §15-2A-2, §15-2A-3, §15-2A-4, §15-2A-5, §15-2A-6, §15-2A-6a, §15-2A-6c, §15-2A-6d, §15-2A-7, §15-2A-8, §15-2A-9, §15-2A-10, §15-2A-11, §15-2A-11a, §15-2A-11b, §15-2A-12, §15-2A-13, §15-2A-14, §15-2A-15, §15-2A-17 and §15-2A-19 of said code, all relating to the West Virginia State Police Retirement Fund; requiring the State Police to collect a fee for certain fingerprinting services and deposit the fees into the retirement system; adding, deleting and modifying definitions; specifying the title of West Virginia State Police Retirement System; clarifying the usage of the terms "employee", "member" and "retirant or retiree" as defined; clarifying the usage of the terms "fund", "plan", "system" or "retirement system" as defined; clarifying the usage of the term "base salary" as defined; clarifying the usage of the term "agency" as defined; authorizing the board to increase or decrease the employee's contribution rate under specified circumstances; reducing the normal retirement age for

members: eliminating minimum required eligible direct rollover distributions paid directly to an eligible retirement plan; allowing distributions totaling less than two hundred dollars within the definition of "eligible rollover distribution"; clarifying the usage of the term "surviving spouse" as defined; clarifying surviving spouse payments when calculating the pro rata share of annuity adjustments; specifying the time frame that a retirant may receive deferred annuity payments; clarifying the age requirement for a retirant receiving a duty disability annuity; requiring the base salary of a member receiving a duty disability annuity to be annualized until the member has worked twelve months; specifying the title of the West Virginia Insurance Commission; clarifying the time frame for which a duty disability retirant receives a retirement benefit; specifying that disability petitions certify the job description of an employee applying for a disability retirement; specifying the time frame for receipt of awards and benefits to dependents of deceased employees; clarifying that death awards and benefits be calculated for the last full twelve-month employment period; requiring that death awards and benefits be paid to a named beneficiary or to the estate of the deceased member if there is no surviving spouse or dependents; eliminating duplicate language referring to a single receipt of state retirement benefits; and adding provisions specifying the time frame for receipt of beneficiary payments.

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

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §15-2-24b; and that §15-2A-2, §15-2A-3, §15-2A-4, §15-2A-5, §15-2A-6, §15-2A-6a, §15-2A-6c, §15-2A-6d, §15-2A-7, §15-2A-8, §15-2A-9, §15-2A-10, §15-2A-11, §15-2A-11a, §15-2A-11b, §15-2A-12, §15-2A-13, §15-2A-14, §15-2A-15, §15-2A-17 and §15-2A-19 of said code be amended and reenacted, all to read as follows:

#### ARTICLE 2. WEST VIRGINIA STATE POLICE.

## §15-2-24b. Fees for certain fingerprinting services; dedication of fees.

- In addition to any fees that may be established or
- 2 collected by the State Police under any other provision of this
- 3 article or rule promulgated pursuant thereto, the State Police
- 4 shall collect a fee of twenty dollars for performing adult
- 5 private employment fingerprinting or fingerprinting for
- 6 federal firearm permits: *Provided*, That all state entities are
- 7 exempt from the fee. Fees collected pursuant to this section
- 8 shall be deposited into the West Virginia State Police
- 9 Retirement System and shall be in addition to employer
- 10 percent-of-payroll contribution.

## ARTICLE 2A. WEST VIRGINIA STATE POLICE RETIREMENT SYSTEM.

#### §15-2A-2. Definitions.

- 1 As used in this article, unless the context clearly requires
- 2 a different meaning:
- 3 (1) "Accumulated contributions" means the sum of all
- 4 amounts deducted from base salary, together with four
- 5 percent interest compounded annually.
- 6 (2) "Active military duty" means full-time active duty
- 7 with the armed forces of the United States, namely, the
- 8 United States Air Force, Army, Coast Guard, Marines or
- 9 Navy; and service with the National Guard or reserve military
- 10 forces of any of the armed forces when the employee has
- 11 been called to active full-time duty.
- 12 (3) "Agency" means the West Virginia State Police.
- 13 (4) "Base salary" means compensation paid to an
- 14 employee without regard to any overtime pay.

the agency, including compensation paid for overtime

- service, received by the employee during any five calendar years within the employee's last ten years of service.
- 45 (11) "Fund", "plan", "system" or "retirement system" 46 means the West Virginia State Police Retirement Fund 47 created and established by this article.
- 48 (12) "Internal Revenue Code" means the Internal 49 Revenue Code of 1986, as amended.
- 50 (13) "Law-enforcement officer" means an individual employed or otherwise engaged in either a public or private 51 position which involves the rendition of services relating to 52 enforcement of federal, state or local laws for the protection 53 of public or private safety, including, but not limited to, 54 55 positions as deputy sheriffs, police officers, marshals, bailiffs, court security officers or any other law-enforcement 56 57 position which requires certification, but excluding positions held by elected sheriffs or appointed chiefs of police whose 58 59 duties are purely administrative in nature.
  - (14) "Member" means any person who has contributions standing to his or her credit in the fund and who has not yet entered into retirement status.

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- (15) "Month of service" means each month for which an
  employee is paid or entitled to payment for at least one hour
  of service for which contributions were remitted to the fund.
  These months shall be credited to the member for the
  calendar year in which the duties are performed.
- (16) "Partially disabled" means an employee's inability, on a probable permanent basis, to perform the essential duties of a law-enforcement officer by reason of any medically determinable physical or mental impairment which has lasted or can be expected to last for a continuous period of not less than twelve months, but which impairment does not preclude

- the employee from engaging in other types of nonlaw-74 75 enforcement employment.
- 76 (17) "Physical or mental impairment" means an 77 impairment that results from an anatomical, physiological or psychological abnormality that is demonstrated by medically 78 79 accepted clinical and laboratory diagnostic techniques.
- 80 (18) "Plan year" means the twelve-month period 81 commencing on the first day of July of any designated year 82 and ending the following thirtieth day of June.
- 83 (19) "Required beginning date" means the first day of April of the calendar year following the later of: (a) The 84 85 calendar year in which the member attains age seventy and one-half years; or (b) the calendar year in which he or she 86 87 retires or otherwise separates from service with the agency 88 after having attained the age of seventy and one-half years.
- 89 (20) "Retirant" or "retiree" means any member who 90 commences an annuity payable by the retirement system.
- 91 (21) "Salary" means the compensation of an employee, 92 excluding any overtime payments.
- 93 (22) "Surviving spouse" means the person to whom the 94 member or retirant was legally married at the time of the 95 member's or retirant's death and who survived the member 96 or retirant.
- 97 (23) "Totally disabled" means an employee's probable 98 permanent inability to engage in substantial gainful activity 99 by reason of any medically determined physical or mental 100 impairment that can be expected to result in death or that has 101 lasted or can be expected to last for a continuous period of 102 not less than twelve months. For purposes of this 103 subdivision, an employee is totally disabled only if his or her

104 physical or mental impairments are so severe that he or she 105 is not only unable to perform his or her previous work as an employee of the agency, but also cannot, considering his or 106 107 her age, education and work experience, engage in any other kind of substantial gainful employment which exists in the 108 109 state regardless of whether: (A) The work exists in the 110 immediate area in which the employee lives; (B) a specific 111 job vacancy exists; or (C) the employee would be hired if he 112 or she applied for work.

113 (24) "Years of service" means the months of service acquired by a member while in active employment with the 114 115 agency divided by twelve. Years of service shall be 116 calculated in years and fraction of a year from the date of 117 active employment of the member with the agency through 118 the date of termination of employment or retirement from the 119 agency. If a member returns to active employment with the 120 agency following a previous termination of employment with 121 the agency and the member has not received a refund of 122 contributions plus interest for the previous employment under 123 section eight of this article, service shall be calculated 124 separately for each period of continuous employment and 125 years of service shall be the total service for all periods of 126 employment. Years of service shall exclude any periods of 127 employment with the agency for which a refund of 128 contributions plus interest has been paid to the member 129 unless the employee repays the previous withdrawal, as 130 provided in section eight of this article, to reinstate the years 131 of service.

### §15-2A-3. Continuation and administration of West Virginia State Police Retirement System; leased employees; federal qualification requirements.

- 1 (a) The West Virginia State PoliceRetirement System is 2 continued. Any West Virginia state trooper employed by the
- 3 agency on or after the effective date of this article shall be a

- 4 member of this retirement system and may not qualify for
- 5 membership in any other retirement system administered by
- 6 the board so long as he or she remains employed by the State
- 7 Police.
- 8 (b) Any individual who is a leased employee shall not be 9 eligible to participate in the system. For purposes of this 10 system, a "leased employee" means any individual who performs services as an independent contractor or pursuant to 11 12 an agreement with an employee leasing organization or other 13 similar organization. If a question arises regarding the status 14 of an individual as a leased employee, the board has final 15 power to decide the question.
- 16 (c) The board created pursuant to article ten-d, chapter 17 five of this code shall administer the retirement system. The 18 board may sue and be sued, contract and be contracted with 19 and conduct all the business of the system in the name of the 20 West Virginia State Police Retirement System.
- 21 (d) This fund is intended to meet the federal qualification 22 requirements of Section 401(a) and related sections of the 23 Internal Revenue Code as applicable to governmental plans. 24 Notwithstanding any other provision of state law, the board 25 shall administer the retirement system to fulfill this intent for 26 the exclusive benefit of the employees, members, retirants 27 and their beneficiaries. Any provision of this article 28 referencing or relating to these federal qualification 29 requirements shall be effective as of the date required by 30 federal law. The board may promulgate rules and amend or 31 repeal conflicting rules in accordance with the authority 32 granted to the board pursuant to section one, article ten-d, 33 chapter five of this code to assure compliance with this 34 section.

### §15-2A-4. Participation in system; continuation of fund.

The West Virginia State Police Retirement Fund is 1 2 continued for the benefit of the members and retirants of the system created pursuant to this article and the dependents of 3 4 any deceased or retired member of the system. All moneys 5 paid into and accumulated in the fund, except any amounts 6 designated or set aside by the board for payments of benefits 7 as provided in this article, shall be invested by the West 8 Virginia Investment Management Board as provided by law.

## §15-2A-5. Employee contributions; employer contributions; forfeitures.

- 1 (a) There shall be deducted from the monthly payroll of 2 each employee and paid into the fund created pursuant to 3 section four of this article twelve percent of the amount of his 4 or her salary: *Provided*. That after the first day of July, two 5 thousand eight, if the unfunded liability of the Fund falls 6 below the ninety percent threshold, then the employee rate of contribution shall be increased to thirteen percent of the 7 8 amount of the employee's salary until the ninety percent or 9 better funding level is again achieved. Once that funding 10 level is achieved the employee contribution rate will be reduced to twelve percent. 11
- 12 (b) The State of West Virginia's contributions to the 13 retirement system, as determined by the board by legislative 14 rule promulgated in accordance with the provisions of article three, chapter twenty-nine-a of this code, shall be a percent 15 of the employees' total annual base salary related to benefits 16 under this retirement system. In determining the amount, the 17 18 board shall give consideration to setting the amount at a sum 19 equal to an amount which, if paid annually by the state, will 20 be sufficient to provide for the total normal cost of the 21 benefits expected to become payable to all members and 22 retirants and to amortize any unfunded liability found by 23 application of the actuarial funding method chosen for that 24 purpose by the board over a period of years determined

- 25 actuarially appropriate. When proposing a rule for 26 promulgation which relates to the amount of employer 27 contribution, the board may promulgate emergency rules pursuant to the provisions of article three, chapter 28 29 twenty-nine-a of this code if the inability of the board to 30 increase state contributions will detrimentally affect the 31 actuarial soundness of the retirement system. A signed 32 statement from the state actuary shall accompany the 33 statement of facts and circumstances constituting an 34 emergency which shall be filed in the State Register. For 35 purposes of this section, subdivision (2), subsection (b), 36 section fifteen-a, article three, chapter twenty-nine-a of this 37 code is not applicable to the Secretary of State's 38 determination of whether an emergency rule should be 39 approved. The state's contributions shall be paid monthly 40 into the fund created pursuant to section four of this article 41 out of the annual appropriation for the agency.
- (c) Notwithstanding any other provisions of this article, forfeitures under the system shall not be applied to increase the benefits any member or retirant would otherwise receive under the system.

#### §15-2A-6. Retirement; commencement of benefits.

1 (a) A member may retire with full benefits upon attaining 2 the age of fifty and completing twenty-five or more years of 3 service or attaining the age of fifty-two and completing 4 twenty years or more of service by filing with the board his 5 or her voluntary application in writing for retirement. A 6 member who is less than age fifty-two may retire upon 7 completing twenty years or more of service: Provided, That 8 he or she will receive a reduced benefit that is of equal 9 actuarial value to the benefit the member would have received if the member deferred commencement of his or her 10 11 accrued retirement benefit to the age of fifty-two.

- 12 (b) When the board retires a member with full benefits 13 under the provisions of this section, the board, by order in 14 writing, shall make a determination that the member is entitled to receive an annuity equal to two and three-fourths 15 percent of his or her final average salary multiplied by the 16 17 number of years, and fraction of a year, of his or her service at the time of retirement. The retirant's annuity shall begin 18 19 the first day of the calendar month following the month in which the member's application for the annuity is filed with 20 21 the board on or after his or her attaining age and service 22 requirements and termination of employment.
- (c) In no event may the provisions of section thirteen, article sixteen, chapter five of this code be applied in determining eligibility to retire with either a deferred or immediate commencement of benefit.

#### §15-2A-6a. Federal law maximum benefit limitations.

1 Notwithstanding any other provision of this article or 2 state law, the board shall administer the retirement system in compliance with the limitations of Section 415 of the Internal 3 4 Revenue Code and Treasury regulations under that section to 5 the extent applicable to governmental plans so that no 6 annuity or other benefit provided under this system shall 7 exceed those limitations. The extent to which any annuity or 8 other benefit payable under this retirement system shall be 9 reduced as compared with the extent to which an annuity, contributions or other benefits under any other defined 10 11 benefit plans or defined contribution plans required to be taken into consideration under Section 415 of the Internal 12 Revenue Code shall be determined by the board in a manner 13 14 that shall maximize the aggregate benefits payable to the member. If the reduction is under this retirement system, the 15 board shall advise affected members or retirants of any 16 17 additional limitation on the annuities required by this section.

#### §15-2A-6c. Direct rollovers.

- 1 (a) This section applies to distributions made on or after 2 the first day of January, one thousand nine hundred ninety-3 three. Notwithstanding any provision of this article to the 4 contrary that would otherwise limit a distributee's election 5 under this system, a distributee may elect, at the time and in the manner prescribed by the board, to have any portion of an 6 7 eligible rollover distribution paid directly to an eligible 8 retirement plan specified by the distributee in a direct 9 rollover. For purposes of this section, the following definitions apply: 10
- 11 (1) "Eligible rollover distribution" means any distribution 12 of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does 13 14 not include any of the following: (i) Any distribution that is 15 one of a series of substantially equal periodic payments not 16 less frequently than annually made for the life or life 17 expectancy of the distributee or the joint lives or the joint life 18 expectancies of the distributee and the distributee's 19 designated beneficiary or for a specified period of ten years 20 or more; (ii) any distribution to the extent the distribution is 21 required under Section 401(a)(9) of the Internal Revenue 22 Code; (iii) the portion of any distribution that is not 23 includable in gross income determined without regard to the 24 exclusion for net unrealized appreciation with respect to 25 employer securities; and (iv) any hardship distribution 26 described in Section 401(k)(2)(B)(i)(iv) of the Internal 27 Revenue Code. For distributions after the thirty-first day of 28 December, two thousand one, a portion of a distribution shall 29 not fail to be an eligible rollover distribution merely because 30 the portion consists of after-tax employee contributions 31 which are not includable in gross income. However, this 32 portion may be paid only to an individual retirement account or annuity described in Section 408(a) or (b) of the Internal 33 34 Revenue Code or to a qualified defined contribution plan

- described in Section 401(a) or 403(a) of the Internal Revenue
- 36 Code that agrees to separately account for amounts
- 37 transferred, including separately accounting for the portion of
- 38 the distribution which is includable in gross income and the
- 39 portion of the distribution which is not includable.
- 40 (2) "Eligible retirement plan" means an individual 41 retirement account described in Section 408(a) of the Internal 42 Revenue Code, an individual retirement annuity described in 43 Section 408(b) of the Internal Revenue Code, an annuity plan 44 described in Section 403(a) of the Internal Revenue Code or 45 a qualified plan described in Section 401(a) of the Internal 46 Revenue Code that accepts the distributee's eligible rollover 47 distribution: *Provided*, That in the case of an eligible 48 rollover distribution to the surviving spouse, an eligible 49 retirement plan is an individual retirement account or 50 individual retirement annuity. For distributions after the 51 thirty-first day of December, two thousand one, an eligible 52 retirement plan also means an annuity contract described in 53 Section 403(b) of the Internal Revenue Code and an eligible 54 plan under Section 457(b) of the Internal Revenue Code 55 which is maintained by a state, political subdivision of a state 56 or any agency or instrumentality of a state or political 57 subdivision of a state and which agrees to separately account 58 for amounts transferred into the plan from this system.
  - (3) "Distributee" means an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code with respect to governmental plans, are distributees with regard to the interest of the spouse or former spouse.

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(4) "Direct rollover" means a payment by the system to the eligible retirement plan.

- 69 (b) Nothing in this section may be construed as 70 permitting rollovers into this system or any other retirement
- 71 system administered by the board.

## §15-2A-6d. Rollovers and transfers to purchase service credit or repay withdrawn contributions.

I (a) This section applies to rollovers and transfers as 2 specified in this section made on or after the first day of 3 January, two thousand two. Notwithstanding any provision 4 of this article to the contrary that would otherwise prohibit or 5 limit rollovers and plan transfers to this system, the 6 retirement system shall accept the following rollovers and 7 plan transfers on behalf of an employee solely for the purpose 8 of purchasing permissive service credit, in whole and in part, 9 as otherwise provided in this article or for the repayment of 10 withdrawn or refunded contributions, in whole and in part, with respect to a previous forfeiture of service credit as 11 12 otherwise provided in this article: (i) One or more rollovers 13 within the meaning of Section 408(d)(3) of the Internal 14 Revenue Code from an individual retirement account described in Section 408(a) of the Internal Revenue Code or 15 16 from an individual retirement annuity described in Section 17 408(b) of the Internal Revenue Code; (ii) one or more 18 rollovers described in Section 402 (c) of the Internal Revenue 19 Code from a retirement plan that is qualified under Section 20 401(a) of the Internal Revenue Code or from a plan described 21 in Section 403(b) of the Internal Revenue Code; (iii) one or 22 more rollovers described in Section 457(e)(16) of the Internal 23 Revenue Code from a governmental plan described in 24 Section 457 of the Internal Revenue Code; or (iv) direct 25 trustee-to-trustee transfers or rollovers from a plan that is 26 qualified under Section 401(a) of the Internal Revenue Code 27 from a plan described in Section 403(b) of the Internal Revenue Code or from a governmental plan described in 28 29 Section 457 of the Internal Revenue Code: *Provided*. That 30 any rollovers or transfers pursuant to this section shall be

- 31 accepted by the system only if made in cash or other asset
- 32 permitted by the board and only in accordance with the
- 33 policies, practices and procedures established by the board
- 34 from time to time. For purposes of this section, the following
- 35 definitions apply:

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- (1) "Permissive service credit" means service credit
  which is permitted to be purchased under the terms of the
  retirement system by voluntary contributions in an amount
  which does not exceed the amount necessary to fund the
  benefit attributable to the period of service for which the
  service credit is being purchased, all as defined in Section
- 42 415(n)(3)(A) of the Internal Revenue Code.
- (2) "Repayment of withdrawn or refunded contributions"
  means the payment into the retirement system of the funds
  required pursuant to this article for the reinstatement of
  service credit previously forfeited on account of any refund
  or withdrawal of contributions permitted in this article, as set
  forth in Section 415(k)(3) of the Internal Revenue Code.
  - (b) Nothing in this section shall be construed as permitting rollovers or transfers into this system or any other system administered by the board other than as specified in this section and no rollover or transfer shall be accepted into the system in an amount greater than the amount required for the purchase of permissive service credit or repayment of withdrawn or refunded contributions.
- 56 (c) Nothing in this section shall be construed as 57 permitting the purchase of service credit or repayment of 58 withdrawn or refunded contributions except as otherwise 59 permitted in this article.

### §15-2A-7. Annual annuity adjustment.

- (a) Every retirant of the fund who is sixty-three years of 1 2 age or older and who is retired by the board under the 3 provisions of section six of this article; every retirant who is retired under the provisions of section nine or ten of this 4 article; and every surviving spouse receiving a benefit 5 pursuant to section twelve, thirteen or fourteen of this article 7 is eligible to receive an annual retirement annuity adjustment 8 equal to one percent of his or her retirement award or surviving spouse award. The adjustments may not be retroactive. Yearly adjustments shall begin upon the first day 10 11 of July of each year. The annuity adjustments shall be paid 12 to the retirant or surviving spouse from the fund in equal 13 monthly installments while the retirant or surviving spouse 14 are receiving annuity payments. The annuity adjustments shall supplement the retirement awards and benefits provided 15 16 in this article.
- 17 (b) Any retirant or surviving spouse who receives a 18 benefit pursuant to the provisions of section nine, ten, twelve, 19 thirteen or fourteen of this article shall begin to receive the 20 annual annuity adjustment one year after the commencement 21 of the benefit on the next July first: Provided, That if the 22 retirant has been retired for less than one year or if the 23 surviving spouse has been in receipt of surviving spouse 24 payments for less than one year when the first annuity 25 adjustment is given on that July first, that first annuity 26 adjustment will be a pro rata share of the full year's annuity 27 adjustment.

## §15-2A-8. Refunds to certain members upon discharge of resignation; deferred retirement.

1 (a) Any employee who is discharged by order of the 2 superintendent or otherwise terminates employment with the 3 agency is, at the written request of the member to the board, 4 entitled to receive from the fund a sum equal to the aggregate 5 of the principal amount of moneys deducted from his or her

- base salary and paid into the fund plus four percent interest
   compounded thereon calculated annually as provided and
   required by this article.
- 9 (b) Any member withdrawing contributions who may 10 thereafter be reemployed by the agency shall not receive any prior service credit in the fund on account of former service. 11 The employee may redeposit in the fund established by this 12 article the amount of the refund, together with interest 13 14 thereon at the rate of seven and one-half percent per annum 15 from the date of withdrawal to the date of redeposit, in which 16 case he or she shall receive the same credit on account of his or her former service as if no refund had been made. 17

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(c) Every employee who completes ten years of service with the agency is eligible, upon separation of employment, to either withdraw his or her contributions in accordance with subsection (a) of this section or to choose not to withdraw his or her accumulated contributions. Upon attainment of age sixty-two, a member who chooses not to withdraw his or her contributions is eligible to receive a retirement annuity. The annuity shall be payable during the lifetime of the retirant and shall be in the amount of his or her accrued retirement benefit as determined under section six of this article. The retirant may choose, in lieu of a life annuity, an annuity in a reduced amount payable during the retirant's lifetime, with one half of the reduced monthly amount paid to his or her surviving spouse for the spouse's remaining lifetime after the death of the retirant. Reduction of the monthly benefit amount shall be calculated to be of equal actuarial value to the life annuity the retirant could otherwise have chosen. Any retirant choosing to receive the deferred annuity under this subsection is not eligible to receive the annual annuity adjustment provided in section seven of this article. A retiring member under the provisions of this section may receive retirement annuity payments on the first day of the month following his or her attaining age sixty-two and upon receipt of the

- 41 application for retirement. The board shall promptly provide
- 42 the member with an explanation of his or her optional forms
- 43 of retirement benefits and, upon receipt of properly executed
- 44 forms from the agency and member, the board shall process
- 45 the member's request for and commence payments as soon
- 46 as administratively feasible.

## §15-2A-9. Awards and benefits for disability — Incurred in performance of duty.

- 1 (a) Any employee of the agency who has not yet entered
- 2 retirement status on the basis of age and service and who
- 3 becomes partially disabled by injury, illness or disease
- 4 resulting from any occupational risk or hazard inherent in or
- 5 peculiar to the services required of employees of the agency
- 6 or incurred pursuant to or while the employee was engaged
- 7 in the performance of his or her duties as an employee of the
- 8 agency shall, if, in the opinion of the board, he or she is, by
- 9 reason of that cause, unable to perform adequately the duties
- 10 required of him or her as an employee of the agency, but is
- 11 able to engage in other gainful employment in a field other
- 12 than law enforcement, be retired from active service by the
- 13 board. The retirant thereafter is entitled to receive annually
- 14 from the fund in equal monthly installments during his or her
- 15 lifetime, or until the retirant attains the age of fifty-five or
- 16 until the disability eligibility sooner terminates, one or the
- 17 other of two amounts, whichever is greater:
- 18 (1) An amount equal to six tenths of the base salary
- 19 received in the preceding twelve-month employment period:
- 20 Provided, That if the member had not been employed with
- 21 the agency for twelve months prior to the disability, the
- amount of monthly salary shall be annualized for the purpose
- of determining the benefit; or
- 24 (2) The sum of six thousand dollars. The first day of the
- 25 month following the date in which the retirant attains age

26 fifty-five, the retirant shall receive the benefit provided in 27 section six of this article as it would apply to his or her final 28 average salary based on earnings from the agency through the 29 day immediately preceding his or her disability. 30 recalculation of benefit upon a retirant attaining age fifty-five shall be considered to be a retirement under the provisions of 31 32 section six of this article for purposes of determining the amount of annual annuity adjustment and for all other 33 34 purposes of this article: *Provided*, That a retirant who is 35 partially disabled under this article may not, while in receipt of benefits for partial disability, be employed as a law-36 37 enforcement officer: Provided, however, That a retirant on 38 a partial disability under this article may serve as an elected 39 sheriff or appointed chief of police in the state without a loss 40 of disability retirement benefits as long as the elected or 41 appointed position is shown, to the satisfaction of the board, 42 to require the performance of administrative duties and 43 functions only, as opposed to the full range of duties of a law-enforcement officer. 44

(b) Any member who has not yet entered retirement status on the basis of age and service and who becomes physically or mentally disabled by injury, illness or disease on a probable permanent basis resulting from any occupational risk or hazard inherent in or peculiar to the services required of employees of the agency or incurred pursuant to or while the employee was or is engaged in the performance of his or her duties as an employee of the agency to the extent that the employee is incapacitated ever to engage in any gainful employment, the employee is entitled to receive annually, and there shall be paid from the fund in equal monthly installments during his or her lifetime or until the disability sooner terminates, an amount equal to the base salary received by the employee in the preceding full twelve-month employment period. Until a member has worked twelve months, the amount of monthly base salary shall be annualized for the purpose of determining the benefit.

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62 (c) The superintendent of the agency may expend moneys 63 from funds appropriated for the agency in payment of medical, surgical, laboratory, X-ray, hospital, ambulance and 64 65 dental expenses and fees and reasonable costs and expenses 66 incurred in the purchase of artificial limbs and other 67 approved appliances which may be reasonably necessary for 68 any retirant who is temporarily, permanently or totally 69 disabled by injury, illness or disease resulting from any 70 occupational risk or hazard inherent in or peculiar to the 71 service required of employees of the agency or incurred 72 pursuant to or while the employee was or shall be engaged in 73 the performance of duties as an employee of the agency. 74 Whenever the superintendent determines that any disabled 75 retirant is ineligible to receive any of the benefits in this 76 section at public expense, the superintendent shall, at the 77 request of the disabled retirant, refer the matter to the board 78 for hearing and final decision. In no case will the 79 compensation rendered to health care providers for medical 80 and hospital services exceed the then current rate schedule 81 approved by the West Virginia Insurance Commission. Upon 82 termination of employment and receipt of properly executed 83 forms from the agency and the member, the board shall 84 process the member's disability retirement benefit and 85 commence annuity payments as soon as administratively 86 feasible.

#### §15-2A-10. Same – Due to other causes.

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- 1 (a) If any employee while in active service of the agency
- 2 becomes partially or totally disabled on a probable permanent
  - basis to the extent that the employee cannot adequately
- 4 perform the duties required of an employee of the agency
- 5 from any cause other than those set forth in the preceding
- 6 section and not due to vicious habits, intemperance or willful
- 7 misconduct on his or her part, the employee shall be retired
- 8 by the board. There shall be paid annually to the retirant
- 9 from the fund in equal monthly installments, commencing on

- 10 the date the retirant is retired and continuing during the
- 11 lifetime of the retirant or until the retirant attains the age of
- 12 fifty-five; while in status of retirement an amount equal to
- 13 one half the base salary received by the retirant in the
- 14 preceding full twelve-month period: Provided, That if the
- 15 retirant had not been employed with the agency for twelve
- 16 full months prior to the disability, the amount of monthly
- 17 base salary shall be annualized for the purpose of
- 18 determining the benefit.
- 19 (b) The first day of the month following the date in which
- 20 the retirant attains age fifty-five, the retirant shall receive the
- 21 benefit provided in section six of this article as it would apply
- 22 to his or her final average salary based on earnings from the
- 23 agency through the day immediately preceding his or her
- 24 disability. The recalculation of benefit upon a retirant
- 25 attaining age fifty-five shall be considered to be a retirement
- 26 under the provisions of section six of this article for purposes
- of determining the amount of annual annuity adjustment and
- 28 for all other purposes of this article.

#### §15-2A-11. Same -- Physical examinations; termination.

- 1 The board may require any disabled retirant to submit to
- 2 a physical or mental examination or both a physical and
- 3 mental examination by a physician or physicians selected or
- 4 approved by the board and cause all costs incident to the
- 5 examination, including hospital, laboratory, X-ray, medical
- 6 and physicians' fees, to be paid out of funds appropriated to
- 7 defray the current expenses of the agency, and the physician
- 8 or physicians shall submit a report of the findings of the
- 9 physician or physicians in writing to the board for its
- 10 consideration. If from the report, or from the report and
- 11 hearing on the report, the board is of the opinion and finds
- 12 that the disabled retirant has recovered from the disability to
- 13 the extent that he or she is able to perform adequately the
- 14 duties of a law-enforcement officer, the board shall order that

15 all payments from the fund to that disabled retirant be 16 terminated. If from the report, or the report and hearing on the report, the board is of the opinion and finds that the 17 18 disabled retirant has recovered from his or her previously 19 determined probable permanent disability to the extent that 20 he or she is able to engage in any gainful employment, but 21 unable to adequately perform the duties of a law-enforcement 22 officer, the board shall order, in the case of a disabled retirant 23 receiving benefits under the provisions of section nine of this 24 article, that the disabled retirant be paid annually from the 25 fund an amount equal to six tenths of the base salary paid to 26 the retirant in the last full twelve-month employment period. The board shall order, in the case of a disabled retirant 27 28 receiving benefits under the provisions of section ten of this 29 article, that the disabled retirant be paid from the fund an 30 amount equal to one fourth of the base salary paid to the 31 retirant in the last full twelve-month employment period: 32 *Provided.* That if the retirant had not been employed with the 33 agency for twelve full months prior to the disability, the 34 amount of monthly salary shall be annualized for the purpose 35 of determining the benefit.

## §15-2A-11a. Physical examinations of prospective members; application for disability benefit; determinations.

- 1 (a) Not later than thirty days after an employee becomes 2 a member of the fund, the employer shall forward to the 3 board a copy of the physician's report of a physical 4 examination which incorporates the standards or procedures 5 described in section seven, article two, chapter fifteen of this 6 code. A copy of the physicians's report shall be placed in the 7 employee's retirement system file maintained by the board.
- 8 (b) Application for a disability benefit may be made by 9 an employee or, if the employee is under an incapacity, by a 10 person acting with legal authority on the employee's behalf.

11 After receiving an application for a disability benefit, the 12 board shall notify the superintendent of the agency that an 13 application has been filed: *Provided*, That when, in the 14 judgment of the superintendent, an employee is no longer 15 physically or mentally fit for continued duty as an employee 16 of the agency and the employee has failed or refused to make 17 application for disability benefits under this article, the 18 superintendent may petition the board to retire the employee 19 on the basis of disability pursuant to legislative rules 20 proposed in accordance with article three, chapter 21 twenty-nine-a of this code. Within thirty days of the 22 superintendent's receipt of the notice from the board or the 23 filing of the superintendent's petition with the board, the 24 superintendent shall forward to the board a statement 25 certifying the duties of the employee's job description, 26 information relating to the superintendent's position on the 27 work relatedness of the employee's alleged disability, 28 complete copies of the employee's medical file and any other 29 information requested by the board in its processing of the 30 application.

(c) The board shall propose legislative rules in accordance with article three, chapter twenty-nine-a of this code relating to the processing of applications and petitions for disability retirement under this article.

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35 (d) The board shall notify an employee and the 36 superintendent of its final action on the disability application 37 or petition within ten days of the board's final action. The 38 notice shall be sent by certified mail, return receipt requested. 39 If either the employee or the superintendent is aggrieved by 40 the decision of the board and intends to pursue judicial 41 review of the board's decision as provided in section four, 42 article five, chapter twenty-nine-a of this code, the party 43 aggrieved shall notify the board within twenty days of the 44 employee's or superintendent's receipt of the board's notice that 45 they intend to pursue judicial review of the board's decision.

46 (e) The board may require a disabled retirant to file an 47 annual statement of earnings and any other information 48 required in rules which may be adopted by the board. The 49 board may waive the requirement that a disabled retirant file 50 the annual statement of earnings if the board's physician 51 certifies that the recipient's disability is ongoing. The board 52 shall annually examine the information submitted by the 53 disabled retirant. If a disabled retirant refuses to file the statement or information, the disability benefit shall be 54 55 suspended until the statement and information are filed.

## §15-2A-11b. Annual report on each employer's disability retirement experience.

1 Not later than the first day of January, two thousand six, 2 and each first day of January thereafter, the board shall 3 prepare a report for the preceding fiscal year of the disability 4 retirement experience of the West Virginia State Police 5 Retirement Fund. The report shall specify the total number 6 of disability applications submitted, the status of each 7 application as of the last day of the fiscal year, total 8 applications granted or denied and the percentage of 9 disability benefit recipients to the total number agency 10 employees who are members of the fund. The report shall be 11 submitted to the Governor and the chairpersons of the 12 standing committees of the Senate and House of Delegates 13 with primary responsibility for retirement legislation.

# §15-2A-12. Awards and benefits to dependents of employees or retirants - When employee dies in performance of duty, etc.; dependent child scholarship and amount.

The surviving spouse, the dependent child or children or dependent parent or parents of any employee who has lost or shall lose his or her life by reason of injury, illness or disease resulting from an occupational risk or hazard inherent in or

peculiar to the service required of employees while the employee was engaged in the performance of his or her duties as an employee of the agency, or the survivor of a retirant who dies from any cause after having been retired pursuant to the provisions of section nine of this article, is entitled to receive and shall be paid from the fund benefits as follows: To the surviving spouse annually, in equal monthly installments during his or her lifetime, one or the other of two amounts, which shall become payable the first day of the month following the employee's or retirant's death and which shall be the greater of:

- (1) An amount equal to nine tenths of the base salary received in the preceding full twelve-month employment period by the deceased employee: *Provided*, That if the employee had not been employed with the agency for twelve full months prior to his or her death, the amount of monthly salary shall be annualized for the purpose of determining the benefit; or
- (2) The sum of ten thousand dollars.

In addition, the surviving spouse is entitled to receive and shall be paid one hundred fifty dollars monthly for each dependent child. If the surviving spouse dies or if there is no surviving spouse, there shall be paid monthly to each dependent child or children from the fund a sum equal to one third of the surviving spouse's entitlement. If there is no surviving spouse and no dependent child or children, there shall be paid annually in equal monthly installments from the fund to the dependent parents of the deceased member during their joint lifetimes a sum equal to the amount which a surviving spouse, without children, would have received: *Provided*, That when there is one dependent parent surviving, that parent is entitled to receive during his or her lifetime one half the amount which both parents, if living, would have been entitled to receive: *Provided*, *however*, That if there is

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39 no surviving spouse, dependent child, or dependent parent of 40 the deceased member, the accumulated contributions shall be 41 paid to a named beneficiary or beneficiaries: *Provided* 42 further, That if there is no surviving spouse, dependent child, 43 dependent parent of the deceased member or any named 44 beneficiary or beneficiaries, then the accumulated 45 contributions shall be paid to the estate of the deceased 46 member.

47 Any person qualifying as a surviving dependent child 48 under this section, in addition to any other benefits due under 49 this or other sections of this article, is entitled to receive a 50 scholarship to be applied to the career development education of that person. This sum, up to but not exceeding seven 52 thousand five hundred dollars, shall be paid from the fund to any university or college in this state or to any trade or vocational school or other entity in this state approved by the board to offset the expenses of tuition, room and board, books, fees or other costs incurred in a course of study at any of these institutions as long as the recipient makes application to the board on an approved form and under rules provided by the board and maintains scholastic eligibility as defined by the institution or the board. The board may by appropriate rules define age requirements, physical and mental requirements, scholastic eligibility, disbursement methods, institutional qualifications and other requirements as necessary and not inconsistent with this section.

A surviving spouse or dependent of an employee meeting the requirements of this section is entitled to receive beneficiary payments on the first day of the month following the date the deceased member is removed from payroll by the agency. A surviving spouse or dependent of a member who is not currently an employee meeting the requirements of this section is entitled to receive beneficiary payments on the first day of the month following the date of the deceased member's death. A surviving spouse or dependent of a

- 75 receive beneficiary payments on the first day of the month
- 76 following the date of the deceased retirant's death. Upon
- 77 receipt of properly executed forms from the agency and
- 78 surviving spouse or dependent, the board shall process the
- 79 surviving spouse or dependent benefit as soon as
- 80 administratively feasible.

81 It is the intent of the Legislature that the levels of benefits 82 provided by operation of this section from the effective date 83 of the enactment of this section during the regular session of 84 the Legislature, two thousand five, be the same levels of 85 benefits as provided by this section as amended and 86 reenacted during the fourth extraordinary session of the 87 Legislature, two thousand five. Accordingly, the effective 88 date of the operation of this section as amended and 89 reenacted during the fourth extraordinary session of the 90 Legislature, two thousand five, is expressly made 91 retrospective to the ninth day of April, two thousand five.

## §15-2A-13. Same — When member dies from nonservice-connected causes before serving twenty years.

1 (a) In any case where an employee while in active service 2 of the agency, before having completed twenty years of 3 service as an employee of the agency, dies from any cause 4 other than those specified in this article and not due to 5 vicious habits, intemperance or willful misconduct on his or 6 her part, there shall be paid annually in equal monthly 7 installments from the fund to the surviving spouse of the 8 member during his or her lifetime, or until the surviving 9 spouse remarries, a sum equal to one half of the base salary 10 received in the preceding full twelve-month employment 11 period by the deceased member: Provided, That if the 12 member had not been employed with the agency for twelve 13 full months prior to the disability, the amount of monthly 14 salary shall be annualized for the purpose of determining the

benefit. If there is no surviving spouse or the surviving spouse dies or remarries, there shall be paid monthly to each dependent child or children from the fund a sum equal to one fourth of the surviving spouse's entitlement. If there is no surviving spouse and no dependent child or children, there shall be paid annually in equal monthly installments from the fund to the dependent parents of the deceased member during their joint lifetimes a sum equal to the amount that a surviving spouse would have been entitled to receive: *Provided, however,* That when there is one dependent parent surviving, then that parent is entitled to receive during his or her lifetime one half the amount which both parents, if living, would have been entitled to receive: Provided further, That if there is no surviving spouse, dependent child or dependent parent of the deceased member, the accumulated contributions shall be paid to a named beneficiary or beneficiaries: And provided further, That if there is no surviving spouse, dependent child, dependent parent of the deceased member or any named beneficiary or beneficiaries, then the accumulated contributions shall be paid to the estate of the deceased member.

(b) A surviving spouse or dependent of an employee meeting the requirements of this section is entitled to receive beneficiary payments on the first day of the month following the date the deceased member is removed from payroll by the agency. A surviving spouse or dependent of a member who is not currently an employee meeting the requirements of this section is entitled to receive beneficiary payments on the first day of the month following the date of the deceased member's death. A surviving spouse or dependent of a retirant meeting the requirements of this section is entitled to receive beneficiary payments on the first day of the month following the date of the deceased retirant's death. Upon receipt of properly executed forms from the agency and surviving spouse or dependent, the board shall process the

50 surviving spouse or dependent benefit as soon as 51 administratively feasible.

## §15-2A-14. Awards and benefits to dependents of member — When member dies after retirement or after serving twenty years.

1 (a) When any employee of the agency has completed 2 twenty years of service or longer as an employee of the 3 agency and dies from any cause or causes other than those 4 specified in this article before having been retired by the board and when a retirant has died or dies after having been 5 6 retired by the board under the provisions of this article, there 7 shall be paid annually in equal monthly installments from the 8 fund to the surviving spouse of the member or retirant, during 9 the lifetime or until remarriage of the surviving spouse, an amount equal to two thirds of the retirement benefit which 10 11 the deceased retirant was receiving while in status of retirement or would have been entitled to receive to the same 12 13 effect as if the member had been retired under the provisions 14 of this article immediately prior to the time of his or her 15 death. In no event shall the annual benefit payable be less 16 than five thousand dollars. In addition, the surviving spouse 17 is entitled to receive and there shall be paid to the surviving 18 spouse from the fund the sum of one hundred dollars monthly 19 for each dependent child. If the surviving spouse dies or 20 remarties, or if there is no surviving spouse, there shall be 21 paid monthly from the fund to each dependent child or 22 children of the deceased member a sum equal to one fourth 23 of the surviving spouse's entitlement. If there is no surviving 24 spouse or no surviving spouse eligible to receive benefits and 25 no dependent child or children, there shall be paid annually 26 in equal monthly installments from the fund to the dependent 27 parents of the deceased member during their joint lifetimes a 28 sum equal to the amount which a surviving spouse without 29 children would have been entitled to receive: *Provided*. That 30 when there is one dependent parent surviving, that parent is

- 31 entitled to receive during his or her lifetime one-half the
- 32 amount which both parents, if living, would have been
- 33 entitled to receive: Provided, however. That if there is no
- 34 surviving spouse, dependent child or dependent parent of the
- 35 deceased member, the accumulated contributions shall be
- 36 paid to a named beneficiary or beneficiaries: Provided
- 37 further, That if there is no surviving spouse, dependent child,
- 38 dependent parent of the deceased member or any named
- 39 beneficiary or beneficiaries, then the accumulated
- 40 contributions shall be paid to the estate of the deceased
- 41 member.
- 42 (b) The retirant may choose a higher percentage of
- surviving spouse benefits by taking an actuarially determined 43
- 44 reduced initial benefit so that the chosen spouse benefit and
- initial benefit would be actuarially equivalent to the normal 45
- 46 spouse benefit and initial benefit. The board shall design
- 47 these benefit options and provide them as choices for the
- 48 retirant to select. For the purposes of this subsection, "initial
- benefit" means the benefit received by the retirant upon 49
- 50 retirement.

### §15-2A-15. Exemption from taxation, garnishment and other process; exception for certain qualified domestic relations orders.

- 1 The moneys in the fund and the right of a member or
- 2 retirant to a retirement allowance, to the return of
- 3 contributions or to any benefit under the provisions of this
- 4 article are hereby exempt from any state or municipal tax; are
- not subject to execution, garnishment, attachment or any 5
- 6 other process whatsoever except that the benefits or
- 7 contributions under this system are subject to "qualified
- domestic relations orders" as that term is defined in Section 8 9 414(p) of the Internal Revenue Code with respect to
- 10 governmental plans; and are unassignable except as is
- 11 provided in this article.

## §15-2A-17. Awards and benefits to dependents of member — Termination.

- 1 When any surviving spouse of a member or retirant dies 2 or remarries while receiving or being entitled to receive any 3 benefits under any section except section twelve of this 4 article, the surviving spouse may not from the date of his or her remarriage, nor may the estate from the date of death of 5 6 the deceased member's or retirant's surviving spouse, be 7 entitled to receive any benefits under this article whatsoever: Provided. That in any case where under the terms of this 8
- 9 article benefits are provided for a child or children surviving
- 10 the death or remarriage of the surviving spouse, payment of
- 11 benefits to that child or children shall be calculated for
- 12 payment from the date the surviving spouse dies or remarries.

# §15-2A-19. Credit toward retirement for member's prior military service; credit toward retirement when member has joined armed forces in time of armed conflict; qualified military service.

- 1 (a) Any member who has previously served on active 2 military duty is entitled to receive additional credited service
- 3 for the purpose of determining the amount of retirement
- 4 award under the provisions of this article for a period equal
- 5 to the active military duty not to exceed five years, subject to
- 6 the following:
- 7 (1) That he or she has been honorably discharged from 8 the armed forces:
- 9 (2) That he or she substantiates by appropriate 10 documentation or evidence his or her period of active 11 military duty;
- (3) That he or she is receiving no benefits from any other
   retirement system for his or her active military duty; and

- 14 (4) That, except with respect to disability retirement pay 15 awarded under this article, he or she has actually served with 16 the agency for twenty years exclusive of his or her active 17 military duty.
- 18 (b) In addition, any person who, while an employee of the 19 agency, was commissioned, enlisted or inducted into the 20 armed forces of the United States or, being a member of the reserve officers' corps, was called to active duty in the armed 21 22 forces between the first day of September, one thousand nine 23 hundred forty, and the close of hostilities in World War II, or 24 between the twenty-seventh day of June, one thousand nine 25 hundred fifty, and the close of the armed conflict in Korea on 26 the twenty-seventh day of July, one thousand nine hundred 27 fifty-three, between the first day of August, one thousand nine hundred sixty-four, and the close of the armed conflict 28 29 in Vietnam, or during any other period of armed conflict by 30 the United States whether sanctioned by a declaration of war 31 by Congress or by executive or other order of the President, 32 is entitled to and shall receive credit on the minimum period 33 of service required by law for retirement pay from the service of the agency, or its predecessor agency, for a period equal to 34 35 the full time that he or she has or, pursuant to that 36 commission, enlistment, induction or call, shall have served 37 with the armed forces subject to the following:
- 38 (1) That he or she has been honorably discharged from 39 the armed forces;
- 40 (2) That, within ninety days after honorable discharge 41 from the armed forces, he or she presented himself or herself 42 to the superintendent and offered to resume service as an 43 active member of the agency; and
- 44 (3) That he or she has made no voluntary act, whether by 45 reenlistment, waiver of discharge, acceptance of commission 46 or otherwise, to extend or participate in extension of the

- 47 period of service with the armed forces beyond the period of
- 48 service for which he or she was originally commissioned,
- 49 enlisted, inducted or called.
- 50 (c) The total amount of military service credit allowable 51 under this section may not exceed five years for any member 52 of the agency.
- 53 (d) Notwithstanding the preceding provisions of this 54 section, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance 55 56 with Section 414 (u) of the Internal Revenue Code. For purposes of this section, "qualified military service" has the 57 same meaning as in Section 414 (u) of the Internal Revenue 58 59 Code. The board shall determine all questions and make all 60 decisions relating to this section and, pursuant to the 61 authority granted to the board in section one, article ten-d, 62 chapter five of this code, may promulgate rules relating to 63 contributions, benefits and service credit to comply with 64 Section 414 (u) of the Internal Revenue Code.

PRESENTED TO THE GOVERNOR

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