

H. B. 2342

(By Delegates Fleischauer, Kominar, Iaquina, Barker, Longstreth, Marshall, Manypenny and Manchin)

[Introduced January 12, 2011; referred to the Committee on Pensions and Retirement then Finance.]

**FISCAL NOTE**

A BILL to amend and reenact §8-22-6 of the Code of West Virginia, 1931, as amended, relating to providing that municipal employees may receive up to two years of retirement service credit for military service prior to, or during, their municipal employment.

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

That §8-22-6 of the Code of West Virginia, 1931, as amended, be amended and reenacted 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.**

**§8-22-6. Contributions; prior, earned and total service credits; service breaks.**

Until June 30, 1967, each member shall pay into the fund six percent of his or her monthly salary up to \$400 a month. After

1 June 30, 1967, each member shall contribute six percent of his or  
2 her monthly salary without any such maximum limitation. Effective  
3 January 1, 1987, a city may provide that contributions made by a  
4 member shall be before tax, as permitted by section 414(h)(2) of  
5 the Internal Revenue Code. Each member shall continue to make such  
6 contributions until such time as such member retires or until he or  
7 she has contributed to the fund for a period of thirty-five years,  
8 that is, has thirty-five years of "earned service credit."

9       For prior service, each participating employee, in the employ  
10 of the city on the effective date of the fund, shall be credited,  
11 as of such date, with a prior service credit equal to the period or  
12 periods of service that the member has rendered to the city prior  
13 to the effective date of the fund. Any employee who is in the  
14 employ of the city on the effective date of the fund and who  
15 becomes a member of the fund shall be entitled to prior service  
16 credit even though such prior service was not continuous. Any  
17 individual who is not in the employ of the city on the effective  
18 date of the fund but who has been employed by the city in the past  
19 shall be entitled to prior service credit if he or she returns to  
20 the service of the city within two years from the date of the  
21 termination of his or her service and becomes a member of the fund  
22 within such two-year period.

23       Effective January 1, 1987, a city may provide that members who  
24 have been honorably discharged from the military shall receive up

1 to two years ~~prior~~ service credit for military service prior to, or  
2 during, their employment with the city.

3 A member upon separation from the service shall be entitled to  
4 withdraw his or her contributions without interest in lieu of any  
5 benefits to which he or she may be entitled. A city may provide  
6 that contributions are credited with interest at the rate of six  
7 percent compounded annually from January 1, 1987. If such employee  
8 returns to the service of the city within two years and becomes a  
9 member of the fund, he or she shall be considered as a new employee  
10 and shall have forfeited all prior service credits unless he or she  
11 shall repay to the fund in cash at the time of reemployment the  
12 amount of money which he or she has withdrawn plus four percent  
13 interest compounded annually on said amount during the time he or  
14 she was separated from the service, but effective January 1, 1987,  
15 a city may require six percent interest. If, however, the break in  
16 service of such member is more than two years, he or she shall not  
17 be entitled to any prior service credit nor shall he or she be  
18 entitled to redeposit withdrawals but he or she shall reenter the  
19 fund as a new member.

NOTE: The purpose of this bill is to provide that municipal employees may receive up to two years of retirement service credit for military service prior to, or during, their municipal employment.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.