

H. B. 2847

(By Delegates Smith, M. Poling, White, Williams, Stowers, Lawrence, L. Phillips, Pethtel, Martin, Perry and Shaver)

[Introduced January 25, 2011; referred to the Committee on Pensions and Retirement then Finance.]

FISCAL NOTE

A BILL to amend and reenact §18-7A-28 of the Code of West Virginia, 1931, as amended, relating to the State Teachers Retirement System; options to beneficiaries; and authorizing a change of options because of death of beneficiary with a joint life annuity, within the first five years of retirement.

Be it enacted by the Legislature of West Virginia:

That §18-7A-28 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 7A. STATE TEACHERS RETIREMENT SYSTEM.

§18-7A-28. Options to beneficiaries; change of certain options because of divorce or annulment; limitation on recalculated monthly benefits.

The retirement board is hereby authorized to offer plans, optional with the beneficiary, for the payment of allowances due such beneficiary for retirement, withdrawal or prior service pensions under the retirement system. No plans shall be offered, however, which are not approved by competent actuaries.

1 When a beneficiary and his or her spouse have been approved
2 for a retirement plan which provides for them a joint life annuity,
3 and (1) their marriage is subsequently dissolved or (2), the spouse
4 dies during the first five years of the beneficiary's retirement,
5 the board shall permit such beneficiary to convert to the maximum
6 life annuity plan approved by the board: *Provided,* That the
7 beneficiary shall furnish to the board: (1) Proof of entry of a
8 final decree of divorce or annulment; or (2) proof of the spouse's
9 death: *Provided, however,* That a beneficiary who qualifies for the
10 change of retirement plans afforded by this section shall be
11 permitted only one such change: *Provided further,* That the
12 recalculated monthly benefits, independently of increases granted
13 by law after the beneficiary's retirement, shall not exceed the
14 monthly benefits which would have been applicable under the maximum
15 life annuity plan at the time the beneficiary retired; and with
16 such recalculation to be effective on the first day of the month
17 following submission to the board by the beneficiary of proof of
18 entry of a final decree of divorce or annulment.

19 Upon remarriage, a retirant may name the new spouse as an
20 annuitant for any of the survivorship retirement benefit options
21 offered by the provisions of this section: *Provided,* That the
22 beneficiary shall furnish to the retirement board satisfactory
23 proof of the marriage: *Provided, however,* That the retirant
24 certifies under penalty of perjury that no qualified domestic
25 relations order that would restrict such a designation is in

1 effect: *Provided further,* That no cause or action against the
2 board may then arise or be maintained on the basis of having
3 permitted the retirant to name a new spouse as annuitant for any of
4 the survivorship retirement benefit options. The value of the new
5 survivorship annuity shall be the actuarial equivalent of the
6 retirant's benefit prospectively in effect at the time the new
7 annuity is elected.

NOTE: The purpose of this bill is to permit a beneficiary under the State Teachers Retirement System who has been approved for a retirement with a joint life annuity to convert to the maximum life annuity if the spouse dies within the first five years of the beneficiary's retirement.

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