

1 **H. B. 4482**

2
3 (By Delegates Hatfield, Skaff and Brown)
4 [Introduced February 9, 2012; referred to the
5 Committee on Pensions and Retirement then Finance.]
6

**FISCAL
NOTE**

7
8
9
10 A BILL to amend and reenact §5-10-31 of the Code of West Virginia,
11 1931, as amended, relating to the maximum contribution rate to
12 be paid by a participating public employer under the West
13 Virginia Public Employees Retirement System.

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

15 That §5-10-31 of the Code of West Virginia, 1931, as amended,
16 be amended and reenacted to read as follows:

17 **ARTICLE 10. WEST VIRGINIA PUBLIC EMPLOYEES RETIREMENT ACT.**

18 **§5-10-31. Employers Accumulation Fund; employers contributions.**

19 (a) The Employers Accumulation Fund is hereby continued. It
20 ~~shall be~~ is the fund in which ~~shall be accumulated~~ the
21 contributions made by the participating public employers to the
22 retirement system are accumulated, and from which transfers ~~shall~~
23 ~~be~~ are made as provided in this section.

1 (b) Each participating public employer shall contribute to the
2 fund an amount determined by the board. However, in no year may
3 the total of the contributions provided in this section, to be paid
4 by any participating public employer, exceed fourteen and five-
5 tenths percent of the total payroll for the members in the employ
6 of the participating public employer for the preceding fiscal year.
7 If the board finds that the benefits provided by this article can
8 be actuarially funded with a lesser contribution, then the board
9 shall reduce the required employer contribution.

10 ~~(b)~~ (c) Based upon the provisions of section thirteen of this
11 article, the participating public employers' contributions to the
12 retirement system, as determined by the Consolidated Public
13 Retirement Board by legislative rule promulgated in accordance with
14 the provisions of article three, chapter twenty-nine-a of this
15 code, shall be a percent of the members' total annual compensation
16 related to benefits under this retirement system. In determining
17 the amount, the board shall give consideration to setting the
18 amount at a sum equal to an amount which, if paid annually by the
19 participating public employers, will be sufficient to provide for
20 the total normal cost of the benefits expected to become payable to
21 all members and to amortize any unfunded liability found by
22 application of the actuarial funding method chosen for that purpose
23 by the Consolidated Public Retirement Board, over a period of years
24 determined actuarially appropriate. When proposing a rule for

1 promulgation which relates to the amount of employer contribution,
2 the board may promulgate emergency rules pursuant to the provisions
3 of article three, chapter twenty-nine-a of this code, if the
4 inability of the board to increase employer contributions will
5 detrimentally affect the actuarial soundness of the retirement
6 system. A signed statement from the state actuary shall accompany
7 the statement of facts and circumstances constituting an emergency
8 which shall be filed in the State Register. For purposes of this
9 section, subdivision (2), subsection (b), section fifteen-a,
10 article three, chapter twenty-nine-a of this code is not applicable
11 to the Secretary of State's determination of whether an emergency
12 rule should be approved.

NOTE: The purpose of this bill is to clarify the authority of the West Virginia Consolidated Public Retirement Board to determine the participating public employer contribution rate under the provisions of the Public Employees Retirement System and to cap the total contribution paid by participating public employers.

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