

H. B. 4599

(By Delegate J. Miller, By Request)
[Introduced February 17, 2012; referred to the
Committee on Pensions and Retirement then Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §18-7D-6 of the Code of West Virginia, 1931, as amended, relating to the State Teachers Retirement System; and extending the time up until retirement for members to purchase additional service credit for teaching in West Virginia.

Be it enacted by the Legislature of West Virginia:

That §18-7D-6 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 7D. VOLUNTARY TRANSFER FROM TEACHERS' DEFINED CONTRIBUTION RETIREMENT SYSTEM TO STATE TEACHERS RETIREMENT SYSTEM.

§18-7D-6. Service credit in State Teachers Retirement System following transfer; conversion of assets; adjustments; exception.

1 (a) Any member who has affirmatively elected to transfer to
2 the State Teachers Retirement System within the period provided in
3 section seven of this article whose assets have been transferred
4 from the Teachers' Defined Contribution Retirement System to the
5 State Teachers Retirement System pursuant to the provisions of this
6 article and who has not made any withdrawals or cash-outs from his
7 or her assets is, depending upon the percentage of actively
8 contributing members affirmatively electing to transfer, entitled
9 to service credit in the State Teachers Retirement System in
10 accordance with the provisions of subsection (c) of this section.

11 (b) Any member who has made withdrawals or cash-outs will
12 receive service credit based upon the amounts transferred. The
13 board shall make the appropriate adjustment to the service credit
14 the member will receive.

15 (c) More than seventy-five percent of actively contributing
16 members of the Teachers' Defined Contribution Retirement System
17 affirmatively elected to transfer to the State Teachers Retirement
18 System within the period provided in section seven of this article.
19 Therefore, any member of the Defined Contribution Retirement System
20 who decides to transfer to the State Teachers Retirement System,
21 calculates his or her service credit in the State Teachers
22 Retirement System as follows:

23 (1) For any member affirmatively electing to transfer, the
24 member's State Teachers Retirement System credit shall be seventy-

1 five percent of the member's Teachers' Defined Contribution
2 Retirement System service credit, less any service previously
3 withdrawn by the member or due to a qualified domestic relations
4 order and not repaid;

5 (2) To receive full credit in the State Teachers Retirement
6 System for service in the Teachers' Defined Contribution Retirement
7 System for which assets are transferred, members who affirmatively
8 elected to transfer and who provided to the board a signed
9 verification of cost for service credit purchase form by the
10 effective date of the amendments to this section enacted in the
11 2009 regular legislative session shall pay into the State Teachers
12 Retirement System a one and one-half percent contribution by no
13 later than June 30, 2009, or no later than ninety days after the
14 postmarked date on a final and definitive contribution calculation
15 from the board, whichever is later. This contribution shall be
16 calculated as one and one-half percent of the member's estimated
17 total earnings for which assets are transferred, plus interest of
18 four percent per annum accumulated from the date of the member's
19 initial participation in the Defined Contribution Retirement System
20 through June 30, 2009: *Provided*, That any member who transferred
21 and provided to the board a signed verification of cost for service
22 credit purchase form by June 30, 2009 but was unable to complete
23 the purchase of the one and one-half percent contribution, or any
24 member who did not request a verification of cost letter but

1 attempted to purchase the one and one-half percent contribution and
2 was denied in writing by the board on or before December 31, 2009,
3 may request the board on or before April 15, ~~2010~~ 2012, to
4 recalculate the contribution for ~~2010~~ 2012. To receive full
5 credit, the member shall pay into the State Teachers Retirement
6 System the recalculated purchase amount by June 30, ~~2010~~ 2012, or
7 no later than sixty days after the postmarked date on a
8 contribution recalculation from the board, whichever is later. The
9 recalculated contribution shall include the interest loss at the
10 actuarial rate of seven and one-half percent. The board's
11 executive director may correct clerical errors.

12 (A) For a member contributing to the Defined Contribution
13 Retirement System at any time during the 2008 fiscal year and
14 commencing membership in the State Teachers Retirement System on
15 July 1, 2008, or August 1, 2008, as the case may be:

16 (i) The estimated total earnings shall be calculated based on
17 the member's salary and the member's age nearest birthday on June
18 30, 2008;

19 (ii) This calculation shall apply both an annual backward
20 salary scale from that date for prior years' salaries and a forward
21 salary scale for the salary for the 2008 fiscal year.

22 (B) The calculations in paragraph (A) of this subdivision are
23 based upon the salary scale assumption applied in the West Virginia
24 Teachers Retirement System actuarial valuation as of July 1, 2007,

1 prepared for the Consolidated Public Retirement Board. This salary
2 scale shall be applied regardless of breaks in service.

3 (d) All service previously transferred from the State Teachers
4 Retirement System to the Teachers' Defined Contribution Retirement
5 System is considered Teachers' Defined Contribution Retirement
6 System service for the purposes of this article.

7 (e) Notwithstanding any provision of this code to the
8 contrary, the retirement of a member who becomes eligible to retire
9 after the member's assets are transferred to the State Teachers
10 Retirement System pursuant to the provisions of this article may
11 not commence before September 1, 2008: *Provided*, That the
12 Consolidated Public Retirement Board may not retire any member who
13 is eligible to retire during the calendar year 2008 unless the
14 member has provided a written notice to his or her county board of
15 education by July 1, 2008, of his or her intent to retire.

16 (f) The provisions of section twenty-eight-e, article seven-a
17 of this chapter do not apply to the amendments to this section
18 enacted during the 2009 regular legislative session.

19 (g) Notwithstanding any other provision in this article, a
20 member of the Teachers Retirement System may purchase service
21 credit for public school teaching previously performed in West
22 Virginia, at any time up until the time of retirement: *Provided*,
23 That the prior service purchased shall not exceed the lesser of ten
24 years or fifty per cent of the member's total service at the time

1 of his or her retirement.

NOTE: The purpose of this bill is to permit members of the Teachers Retirement System to purchase service credit, for teaching previously performed in West Virginia, at any time up until the time of retirement. The amount of prior service to be purchased is limited to the lesser of 10 years or 50% of total service at the time of retirement.

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