

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 2423

FISCAL
NOTE

2015 Carryover

(BY DELEGATES HAMILTON, ROMINE, AZINGER,
SPONAUGLE, LYNCH, CANTERBURY, BORDER, AMBLER,
GUTHRIE AND MORGAN)

[Introduced January 13, 2016; referred to the
Committee on Pensions and Retirement then
Finance.]

1 A BILL to amend and reenact §5-10-18 of the Code of West Virginia, 1931, as amended, relating
 2 to providing an eleven month window to permit members of the public employees
 3 retirement system to purchase credited service that had been previously forfeited.

Be it enacted by the Legislature of West Virginia:

1 That §5-10-18 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

ARTICLE 10. WEST VIRGINIA PUBLIC EMPLOYEES RETIREMENT ACT.

§5-10-18. Termination of membership; reentry.

1 (a) When a member of the retirement system retires, withdraws his or her accumulated
 2 contributions, or dies, he or she ceases to be a member. When a member leaves the employ of
 3 a participating public employer for any reason other than retirement or death, and withdraws his
 4 or her accumulated contributions from the system, he or she ceases to be a member and forfeits
 5 service credited to him or her at that time. If he or she becomes reemployed by a participating
 6 public employer he or she shall be reinstated as a member of the retirement system and his or
 7 her credited service last forfeited by him or her shall be restored to his or her credit: *Provided,*
 8 That he or she must be reemployed for a period of one year or longer to have the service restored:
 9 *Provided, however,* That he or she returns to the members' deposit fund the amount, if any, he or
 10 she withdrew from the fund, together with reinstatement interest as set forth in the Board's Rule,
 11 Refund, Reinstatement, Retroactive Service, Loan And Employer Error Interest Factors, 162 C.
 12 S. R. 7, on the withdrawn amount from the date of withdrawal to the date of repayment, and that
 13 the repayment begins within two years of the return to employment and that the full amount is
 14 repaid within five years of the return to employment. Any failure to repay the full amount in
 15 accordance with this section shall be treated as an overpayment or excess contribution subject
 16 to section forty-four of this article.

17 (b) The Prestera Center for Mental Health Services, Valley Comprehensive Mental Health
18 Center, Westbrook Health Services and Eastern Panhandle Mental Health Center, and their
19 successors in interest, shall provide for their employees a pension plan in lieu of the Public
20 Employees Retirement System during the existence of the named mental health centers and their
21 successors in interest.

22 (c) The administrative bodies of the Prestera Center for Mental Health Services, Valley
23 Comprehensive Mental Health Center, Westbrook Health Services and Eastern Panhandle
24 Mental Health Center shall, on or before May 1, 1997, give written notice to each employee who
25 is a member of the Public Employees Retirement System of the option to withdraw from or remain
26 in the system. The notice shall include a copy of this section and a statement explaining the
27 member's options regarding membership. The notice shall include a statement in plain language
28 giving a full explanation and actuarial projection figures in support of the explanation regarding
29 the individual member's current account balance, vested and nonvested, and his or her projected
30 return upon remaining in the Public Employees Retirement System until retirement, disability or
31 death, in comparison with the projected return upon withdrawing from the Public Employees
32 Retirement System and joining a private pension plan provided by the Community Mental Health
33 Center and remaining in the private pension plan until retirement, disability or death. The
34 administrative bodies shall keep in their respective records a permanent record of each
35 employee's signature confirming receipt of the notice.

36 (d) Effective ~~March 1, 2003~~ July 1, 2015, and ending ~~December 31, 2004~~ June 1, 2016,
37 any member may purchase credited service previously forfeited by him or her and the credited
38 service shall be restored to his or her credit: *Provided*, That he or she returns to the members'
39 deposit fund the amount, if any, he or she withdrew from the fund, together with interest on the
40 withdrawn amount from the date of withdrawal to the date of repayment at a rate to be determined

41 by the board. The repayment under this section may be made by lump sum or repaid over a
42 period of time not to exceed sixty months. Where the member elects to repay the required
43 amount other than by lump sum, the member is required to pay interest at the rate determined by
44 the board until all sums are fully repaid.

45 (e) Effective July 1, 2005, and ending December 31, 2006, any emergency services
46 personnel may purchase service credit for the time period beginning January 1, 1990, and ending
47 December 31, 1995: *Provided*, That the person was employed as an emergency service person
48 in this state for that time period: *Provided, however*, That any person obtaining service credit
49 under this subsection is required to pay the employee's share and the employer's share upon his
50 or her actual salary for the years in question plus interest at the assumed actuarial rate of return
51 for the plan year being repurchased.

52 (f) Jobs for West Virginia's graduates and their successors in interest shall provide a
53 pension plan in lieu of the Public Employees Retirement System for employees hired on or after
54 July 1, 2005.

55 (g) Wetzel County Hospital and their successors in interest shall provide a pension plan
56 in lieu of the Public Employees Retirement System for employees hired on or after July 1, 2005.

NOTE: The purpose of this bill is open an enrollment period of eleven months in which certain members of the Public Employees Retirement System may purchase previously forfeited service credit.

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