

SB 42

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STATE OF WEST VIRGINIA  
SECRETARY OF STATE

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1996



## ENROLLED

SENATE BILL NO. 42

(By Senator CRAIGO, ET AL)



PASSED MARCH 8, 1996

In Effect NINETY DAYS FROM Passage

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OFFICE OF THE CLERK  
SENATE, WEST VIRGINIA

**ENROLLED**

**Senate Bill No. 42**

(BY SENATORS CRAIGO, ROSS, SHARPE, WALKER, PLYMALE,  
OLIVERIO, KIMBLE, LOVE AND SCHOONOVER)

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[Passed March 8, 1996; in effect ninety days from passage.]

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AN ACT to amend and reenact section one, article twenty-five, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to authorizing county boards of education, the teachers retirement board, the West Virginia board of education and the department of education and the arts to allow its employees to participate in certain tax deferred investments; specifying the terms of the investment and the amount of the reduction; and providing that the transaction of making an investment imposes no liability or responsibility on the state agencies.

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

That section one, article twenty-five, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

**ARTICLE 25. TAX DEFERRED INVESTMENTS FOR TEACHERS AND OTHER EMPLOYEES.****§18-25-1. Authority to make tax deferred investments for teachers and other employees.**

1 A county board of education, the teachers retirement  
2 board, the West Virginia board of education and the  
3 department of education and the arts and their agencies  
4 may provide by written agreement between the depart-  
5 ment, any such board or agency and any teacher or other  
6 employee to reduce the cash salary payable to the  
7 teacher or other employee, and, in consideration thereof,  
8 to pay an amount equal to the amount of the reduction as  
9 premiums on an annuity contract or investments into a  
10 custodial account or other investment owned by the  
11 teacher or other employee. The annuity contract,  
12 custodial account or other investment shall be in such  
13 form and upon such terms as will qualify the payments  
14 thereon for tax deferment under the United States  
15 Internal Revenue Code. The amount of the reduction  
16 may not exceed the amount excludable from income  
17 under Section 403(b) of the United States Internal  
18 Revenue Code, and amendments and successor provi-  
19 sions thereto, and shall be considered a part of the  
20 teacher's or employee's salary for all purposes other than  
21 federal and state income tax.

22 The transaction of making the tax deferred investment  
23 for a teacher or other employee by a board of education,  
24 the teachers retirement board, the West Virginia board  
25 of education and the department of education and the  
26 arts and their agencies imposes no liability nor responsi-  
27 bility whatsoever on the boards, department or members  
28 thereof except to show that the payments have been  
29 remitted for the purposes for which deducted.

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*Randy Johnson*  
.....  
Chairman Senate Committee

*Rudy Deaut*  
.....  
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

*Carol Adams*  
.....  
Clerk of the Senate

*Bryant M. Boy*  
.....  
Clerk of the House of Delegates

*Earl Ray Tomblin*  
.....  
President of the Senate

*Chas. Calves*  
.....  
Speaker House of Delegates

The within is approved this the 25<sup>th</sup>  
day of March, 1996.

*Gaston Caputo*  
.....  
Governor

PRESENTED TO THE

GOVERNOR

Date 3/21/46

Time 9:41 am