

1 **H. B. 4450**

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3 (By Delegates Walker, Young and Guthrie)
4 [Introduced February 10, 2014; referred to the
5 Committee on Pensions & Retirement then Finance.]
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10 A BILL to amend and reenact §5-10-18 of the Code of West Virginia,
11 1931, as amended, relating to permitting any employee hired on
12 or before February 1, 2004, to repurchase prior service credit
13 in the Public Employees Retirement System, under certain
14 conditions.

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

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

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

19 **§5-10-18. Termination of membership; reentry.**

20 (a) When a member of the retirement system retires, withdraws
21 his or her accumulated contributions, or dies, he or she ceases to
22 be a member. When a member leaves the employ of a participating
23 public employer for any reason other than retirement or death, and

1 withdraws his or her accumulated contributions from the system, he
2 or she ceases to be a member and forfeits service credited to him
3 or her at that time. If he or she becomes reemployed by a
4 participating public employer he or she shall be reinstated as a
5 member of the retirement system and his or her credited service
6 last forfeited by him or her shall be restored to his or her
7 credit: *Provided*, That he or she must be reemployed for a period of
8 one year or longer to have the service restored: *Provided, however*,
9 That he or she returns to the members' deposit fund the amount, if
10 any, he or she withdrew from the fund, together with reinstatement
11 interest as set forth in the Board's Rule, Refund, Reinstatement,
12 Retroactive Service, Loan And Employer Error Interest Factors, 162
13 C. S. R. 7, on the withdrawn amount from the date of withdrawal to
14 the date of repayment, and that the repayment begins within two
15 years of the return to employment and that the full amount is
16 repaid within five years of the return to employment. However,
17 notwithstanding the foregoing, any employee hired on or before
18 February 1, 2004, who has failed, by reason of excusable neglect or
19 misunderstanding, to repurchase prior years of service consistent
20 herewith shall have an additional opportunity to do so provided the
21 employee has worked for a period of not less than ten consecutive
22 years with a participating agency and has attained the age of 68
23 years, by making all payments consistent herewith within ninety
24 days of the employee's tenth year anniversary of employment. Any

1 failure to repay the full amount in accordance with this section
2 shall be treated as an overpayment or excess contribution subject
3 to section forty-four of this article.

4 (b) The Prestera Center for Mental Health Services, Valley
5 Comprehensive Mental Health Center, Westbrook Health Services and
6 Eastern Panhandle Mental Health Center, and their successors in
7 interest, shall provide for their employees a pension plan in lieu
8 of the Public Employees Retirement System during the existence of
9 the named mental health centers and their successors in interest.

10 (c) The administrative bodies of the Prestera Center for
11 Mental Health Services, Valley Comprehensive Mental Health Center,
12 Westbrook Health Services and Eastern Panhandle Mental Health
13 Center shall, on or before May 1, 1997, give written notice to each
14 employee who is a member of the Public Employees Retirement System
15 of the option to withdraw from or remain in the system. The notice
16 shall include a copy of this section and a statement explaining the
17 member's options regarding membership. The notice shall include a
18 statement in plain language giving a full explanation and actuarial
19 projection figures in support of the explanation regarding the
20 individual member's current account balance, vested and nonvested,
21 and his or her projected return upon remaining in the Public
22 Employees Retirement System until retirement, disability or death,
23 in comparison with the projected return upon withdrawing from the
24 Public Employees Retirement System and joining a private pension

1 plan provided by the Community Mental Health Center and remaining
2 in the private pension plan until retirement, disability or death.
3 The administrative bodies shall keep in their respective records a
4 permanent record of each employee's signature confirming receipt of
5 the notice.

6 (d) Effective March 1, 2003, and ending December 31, 2004, any
7 member may purchase credited service previously forfeited by him or
8 her and the credited service shall be restored to his or her
9 credit: *Provided*, That he or she returns to the members' deposit
10 fund the amount, if any, he or she withdrew from the fund, together
11 with interest on the withdrawn amount from the date of withdrawal
12 to the date of repayment at a rate to be determined by the board.
13 The repayment under this section may be made by lump sum or repaid
14 over a period of time not to exceed sixty months. Where the member
15 elects to repay the required amount other than by lump sum, the
16 member is required to pay interest at the rate determined by the
17 board until all sums are fully repaid.

18 (e) Effective July 1, 2005, and ending December 31, 2006, any
19 emergency services personnel may purchase service credit for the
20 time period beginning January 1, 1990, and ending December 31,
21 1995: *Provided*, That the person was employed as an emergency
22 service person in this state for that time period: *Provided*,
23 *however*, That any person obtaining service credit under this
24 subsection is required to pay the employee's share and the

1 employer's share upon his or her actual salary for the years in
2 question plus interest at the assumed actuarial rate of return for
3 the plan year being repurchased.

4 (f) Jobs for West Virginia's graduates and their successors in
5 interest shall provide a pension plan in lieu of the Public
6 Employees Retirement System for employees hired on or after July 1,
7 2005.

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

NOTE: The purpose of this bill is to permit any employee hired on or before February 1, 2004, who has failed, by reason of excusable neglect or misunderstanding, to repurchase prior years of service consistent herewith shall have an additional opportunity to do so provided the employee has worked for a period of not less than ten consecutive years with a participating agency and has attained the age of 68 years, by making all payments consistent herewith within ninety (90) days of the employee's tenth year anniversary of employment.

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