

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 2417

FISCAL
NOTE

2015 Carryover

(BY DELEGATES P. SMITH, HARTMAN, MOYE,
RODIGHIERO, TRECOST, ELDRIDGE AND LYNCH)

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

1 A BILL to amend and reenact §18-7A-28 of the Code of West Virginia, 1931, as amended, relating
 2 to the State Teachers Retirement System; options to beneficiaries; and authorizing a
 3 change of options because of death of beneficiary with a joint life annuity, within the first
 4 five years of retirement.

Be it enacted by the Legislature of West Virginia:

1 That §18-7A-28 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

ARTICLE 7A. STATE TEACHERS RETIREMENT SYSTEM.

§18-7A-28. Options to beneficiaries; change of certain options because of divorce or annulment; limitation on recalculated monthly benefits.

1 The retirement board is hereby authorized to offer plans, optional with the beneficiary, for
 2 the payment of allowances due such beneficiary for retirement, withdrawal or prior service
 3 pensions under the retirement system. No plans shall be offered, however, which are not
 4 approved by competent actuaries.

5 When a beneficiary and his or her spouse have been approved for a retirement plan which
 6 provides for them a joint life annuity and: (1) Their marriage is subsequently dissolved; or (2)
 7 the spouse dies during the first five years of the beneficiary's retirement, the board shall permit
 8 ~~such~~ the beneficiary to convert to the maximum life annuity plan approved by the board:

9 *Provided*, That the beneficiary shall furnish to the board: (1) Proof of entry of a final decree of
 10 divorce or annulment; or (2) proof of the spouse's death: *Provided, however*, That a beneficiary
 11 who qualifies for the change of retirement plans afforded by this section shall be permitted only
 12 one such change: *Provided further*, That the recalculated monthly benefits, independently of

13 increases granted by law after the beneficiary's retirement, shall not exceed the monthly benefits
 14 which would have been applicable under the maximum life annuity plan at the time the beneficiary

15 retired; and with such recalculation to be effective on the first day of the month following
16 submission to the board by the beneficiary of proof of entry of a final decree of divorce or
17 annulment.

18 Upon remarriage, a retirant may name the new spouse as an annuitant for any of the
19 survivorship retirement benefit options offered by the provisions of this section: *Provided*, That
20 the beneficiary shall furnish to the retirement board satisfactory proof of the marriage: *Provided*,
21 *however*, That the retirant certifies under penalty of perjury that no qualified domestic relations
22 order that would restrict such a designation is in effect: *Provided further*, That no cause or action
23 against the board may then arise or be maintained on the basis of having permitted the retirant to
24 name a new spouse as annuitant for any of the survivorship retirement benefit options. The
25 value of the new survivorship annuity shall be the actuarial equivalent of the retirant's benefit
26 prospectively in effect at the time the new annuity is elected.

NOTE: The purpose of this bill is to permit a beneficiary under the State Teachers Retirement System who has been approved for a retirement with a joint life annuity to convert to the maximum life annuity if the spouse dies within the first five years of the beneficiary's retirement.

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