

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 2981

**FISCAL
NOTE**

2015 Carryover

(BY DELEGATE ELDRIDGE)

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

1 A BILL to amend and reenact §18-7D-6 of the Code of West Virginia, 1931, as amended, relating
2 to purchase of service credit following transfer to the State Teachers Retirement System.

Be it enacted by the Legislature of West Virginia:

1 That §18-7D-6 of the Code of West Virginia, 1931, as amended, be amended and
2 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.**

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

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

11 (c) More than seventy-five percent of actively contributing members of the Teachers'
12 Defined Contribution Retirement System affirmatively elected to transfer to the state Teachers
13 Retirement System within the period provided in section seven of this article. Therefore, any

14 member of the Defined Contribution Retirement System who decides to transfer to the State
15 Teachers Retirement System, calculates his or her service credit in the State Teachers
16 Retirement System as follows:

17 (1) For any member affirmatively electing to transfer, the member's State Teachers
18 Retirement System credit shall be seventy-five percent of the member's Teachers' Defined
19 Contribution Retirement System service credit, less any service previously withdrawn by the
20 member or due to a qualified domestic relations order and not repaid;

21 (2) To receive full credit in the State Teachers Retirement System for service in the
22 Teachers' Defined Contribution Retirement System for which assets are transferred, members
23 who affirmatively elected to transfer and who provided to the board a signed verification of cost
24 for service credit purchase form by the effective date of the amendments to this section enacted
25 in the 2009 regular legislative session shall pay into the State Teachers Retirement System a one
26 and one-half percent contribution by no later than ~~June 30, 2009~~ July 1, 2015, or no later than
27 ninety days after the postmarked date on a final and definitive contribution calculation from the
28 board, whichever is later. This contribution shall be calculated as one and one-half percent of
29 the member's estimated total earnings for which assets are transferred, plus interest of four
30 percent per annum accumulated from the date of the member's initial participation in the Defined
31 Contribution Retirement System through June 30, 2009: *Provided*, That any member who
32 transferred and provided to the board a signed verification of cost for service credit purchase form
33 by June 30, 2009, but was unable to complete the purchase of the one and one-half percent
34 contribution, or any member who did not request a verification of cost letter but attempted to
35 purchase the one and one-half percent contribution and was denied in writing by the board on or
36 before December 31, 2009, may request the board on or before ~~April 15, 2010~~ April 15, 2015, to
37 recalculate the contribution for ~~2010~~ 2015. To receive full credit, the member shall pay into the

38 State Teachers Retirement System the recalculated purchase amount by ~~June 30, 2010~~ July 1,
39 2015, or no later than sixty days after the postmarked date on a contribution recalculation from
40 the board, whichever is later. The recalculated contribution shall include the interest loss at the
41 actuarial rate of seven and one-half percent. The board's executive director may correct clerical
42 errors.

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

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

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

50 (B) The calculations in paragraph (A) of this subdivision are based upon the salary scale
51 assumption applied in the West Virginia Teachers Retirement System actuarial valuation as of
52 July 1, 2007, prepared for the Consolidated Public Retirement Board. This salary scale shall be
53 applied regardless of breaks in service.

54 (d) All service previously transferred from the State Teachers Retirement System to the
55 Teachers' Defined Contribution Retirement System is considered Teachers' Defined Contribution
56 Retirement System service for the purposes of this article.

57 (e) Notwithstanding any provision of this code to the contrary, the retirement of a member
58 who becomes eligible to retire after the member's assets are transferred to the State Teachers
59 Retirement System pursuant to the provisions of this article may not commence before September
60 1, 2008: *Provided*, That the Consolidated Public Retirement Board may not retire any member
61 who is eligible to retire during the calendar year 2008 unless the member has provided a written

62 notice to his or her county board of education by July 1, 2008, of his or her intent to retire.

63 (f) The provisions of section twenty-eight-e, article seven-a of this chapter do not apply to

64 the amendments to this section enacted during the 2009 regular legislative session.

NOTE: The purpose of this bill is to extend the time for teachers in the defined contribution retirement plan to purchase service credit in the State Teachers Retirement System.

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