

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

House Bill 2549

**FISCAL
NOTE**

BY DELEGATES ROHRBACH, LOVEJOY, MARCUM,

SOBONYA AND MILLER, C.

[Introduced February 20, 2017; Referred
to the Committee on Pensions and Retirement then
Finance.]

1 A BILL to amend and reenact §8-22-10 of the Code of West Virginia, 1931, as amended, relating
 2 to increases in the contributions by cities to pension and relief funds; requiring notice be
 3 given to cities of an increase to pension and relief funds; and providing that the increase
 4 does not take effect until July 1 of the affected year.

Be it enacted by the Legislature of West Virginia:

1 That §8-22-10 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

**ARTICLE 22. RETIREMENT BENEFITS GENERALLY; POLICEMEN'S PENSION AND
 RELIEF FUND; FIREMEN'S PENSION AND RELIEF FUND; PENSION PLANS
 FOR EMPLOYEES OF WATERWORKS SYSTEM, SEWERAGE SYSTEM OR
 COMBINED WATERWORKS AND SEWERAGE SYSTEM.**

§8-22-10. Contributions by city.

1 (a) Effective January 1, 1987, the financial objective of each municipality shall not be less
 2 than to contribute to the fund annually an amount which, together with the contributions from the
 3 members, will be sufficient to meet the normal cost of the fund including the cost of administration
 4 and amortize any actuarial deficiency over a period of not more than forty years, but for those
 5 funds in existence on January 1, 1987, its actuarial deficiency, if any, shall not be amortized over
 6 a period longer than that which remains under its current schedule. For purposes of determining
 7 this minimum financial objective (1) the value of the fund's assets shall be determined on the basis
 8 of any reasonable actuarial method of valuation which takes into account fair market value and
 9 (2) all costs, deficiencies, rate of interest and other factors under the fund shall be determined on
 10 the basis of actuarial assumptions and methods which in aggregate are reasonable, taking into
 11 account the experience of the fund and reasonable expectations, and which in combination offer
 12 the qualified actuary's best estimate of anticipated experience under the fund. If as a result of this
 13 legislation a municipality's financial commitment to the fund is materially increased, the

14 municipality may elect to phase in this increase over the five fiscal years commencing January 1,
15 1987.

16 (b) In the event it is determined that the contributions by the city to the fund should be
17 increased, the amount of that increase shall be communicated to the city no later than January 1
18 of a given year. Additionally, in order that the city may properly budget for the increase, the city
19 may not be required to contribute the increased amounts until July 1 of that year.

NOTE: The purpose of this bill is to requiring notice be given to cities of an increase to pension and relief funds. The bill provides that the increase does not take effect until July 1 of the affected year.

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