WEST VIRGINIA LEGISLATURE 2023 REGULAR SESSION

Committee Substitute

for

Senate Bill 570

By Senators Stover, Hamilton, Deeds, Woodrum, and Nelson

[Originating in the Committee on Pensions; reported on February 16, 2023]

A BILL to amend and reenact §20-18-2, §20-18-5, and §20-18-6 of the Code of West Virginia,

1931, as amended, all relating to the Natural Resources Police Officers Retirement

System; including newly hired state correctional officers in the Natural Resources Police

Officers Retirement System; providing for supplemental funding of the Natural Resources

Police Officers Retirement System; and providing for additional recruitment and retention opportunities of Natural Resources Police Officers.

Be it enacted by the Legislature of West Virginia:

ARTICLE 18. WEST VIRGINIA DIVISION OF NATURAL RESOURCES POLICE OFFICER OFFICERS RETIREMENT SYSTEM.

§20-18-2. Definitions.

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As used in this article, unless a federal law or regulation or the context clearly requires a different meaning:

- (a) "Accrued benefit" means on behalf of any member two and one-quarter percent of the member's final average salary multiplied by the member's years of credited service: *Provided*, That members who retire after July 1, 2025, shall have an accrued benefit of two and one-half percent of the member's final average salary multiplied by the member's years of credited service.
- A member's accrued benefit may not exceed the limits of section Section 415 of the Internal Revenue Code and is subject to the provisions of §20-18-13 of this code.
 - (b) "Accumulated contributions" means the sum of all amounts deducted from the annual compensation of a member or paid on his or her behalf pursuant to §5-10C-1 *et seq*. of this code, either pursuant to §20-18-8(a) or §5-10-29 of this code as a result of covered employment together with regular interest on the deducted amounts.
 - (c) "Active member" means a member who is active and contributing to the plan.
 - (d) "Active military duty" means full-time active duty with any branch of the armed forces of the United States, including service with the National Guard or reserve military forces when the

member has been called to active full-time duty and has received no compensation during the period of that duty from any board or employer other than the armed forces.

- (e) "Actuarial equivalent" means a benefit of equal value computed upon the basis of the mortality table and interest rates as set and adopted by the retirement board in accordance with the provisions of this article: *Provided*, That when used in the context of compliance with the federal maximum benefit requirements of section Section 415 of the Internal Revenue Code, "actuarial equivalent" shall be computed using the mortality tables and interest rates required to comply with those requirements.
- (f) "Annual compensation" means the wages paid to the member during covered employment within the meaning of section Section 3401(a) of the Internal Revenue Code, but determined without regard to any rules that limit the remuneration included in wages based upon the nature or location of employment or services performed during the plan year plus amounts excluded under section Section 414(h)(2) of the Internal Revenue Code and less reimbursements or other expense allowances, cash or noncash fringe benefits or both, deferred compensation, and welfare benefits. Annual compensation for determining benefits during any determination period may not exceed the maximum compensation allowed as adjusted for cost of living in accordance with §5-10D-7 of this code and section Section 401(a)(17) of the Internal Revenue Code.
 - (g) "Annual leave service" means accrued annual leave.
- (h) "Annuity starting date" means the first day of the first calendar month following receipt of the retirement application by the board or the required beginning date, if earlier: *Provided*, That

- 37 the member has ceased covered employment and reached normal retirement age.
- 38 (i) "Beneficiary" means a natural person who is entitled to, or will be entitled to, an annuity 39 or other benefit payable by the plan.
 - (j) "Board" means the Consolidated Public Retirement Board created pursuant to §5-10D-1 et seq. of this code.
 - (k) "Covered employment" means either: (1) Employment as a Natural Resources Police Officer or state correctional officer and the active performance of the duties required of a Natural Resources Police Officer or state correctional officer; (2) the period of time which active duties are not performed but disability benefits are received under §20-18-21 or §20-18-22 of this code; or (3) concurrent employment by a Natural Resources Police Officer or state correctional officer in a job or jobs in addition to his or her employment as a Natural Resources Police Officer or state correctional officer where the secondary employment requires the Natural Resources Police Officer or state correctional officer to be a member of another retirement system which is administered by the Consolidated Public Retirement Board pursuant to §5-10D-1 et seq. of this code: Provided, That the Natural Resources Police Officer or state correctional officer contributes to the fund created in §20-18-7 of this code the amount specified as the Natural Resource Police Officer's contribution in §20-18-8 of this code.
 - (I) "Credited service" means the sum of a member's years of service, active military duty, disability service, eligible annual and sick leave service.
 - (m) "Dependent child" means either:
 - (1) An unmarried person under age 18 who is:

58	(A) A natural child of the member;
59	(B) A legally adopted child of the member;
60	(C) A child who at the time of the member's death was living with the member while the
61	member was an adopting parent during any period of probation; or
62	(D) A stepchild of the member residing in the member's household at the time of the
63	member's death; or
64	(2) Any unmarried child under age 23:
65	(A) Who is enrolled as a full-time student in an accredited college or university;
66	(B) Who was claimed as a dependent by the member for federal income tax purposes at
67	the time of the member's death; and
68	(C) Whose relationship with the member is described in subparagraph (A), (B), or (C),
69	paragraph (1) of this subdivision.
70	(n) "Dependent parent" means the father or mother of the member who was claimed as a
71	dependent by the member for Federal Income Tax purposes at the time of the member's death.
72	(o) "Director" means Director of the Division of Natural Resources.
73	(p) "Disability service" means service credit received by a member, expressed in whole
74	years, fractions thereof or both, equal to one half of the whole years, fractions thereof, or both,
75	during which time a member receives disability benefits under §20-18-21 or §20-18-22 of this
76	code.
77	(q) "Division of Natural Resources" or "division" "Division" means either the West Virginia
78	Division of Natural Resources or the Division of Corrections and Rehabilitation.

- 79 (r) "Effective date" means January 2, 2021.
 - (s) "Employer error" means an omission, misrepresentation, or deliberate act in violation of relevant provisions of the West Virginia Code or of the West Virginia Code of State Rules or the relevant provisions of both the West Virginia Code and of the West Virginia Code of State Rules by the participating public employer that has resulted in an underpayment or overpayment of contributions required.
 - (t) "Final average salary" means the average of the highest annual compensation received for covered employment by the member during any five consecutive plan years within the member's last 10 years of service. If the member did not have annual compensation for the five full plan years preceding the member's attainment of normal retirement age and during that period the member received disability benefits under §20-18-21 or §20-18-22 of this code then "final average salary" means the average of the monthly salary determined paid to the member during that period determined as if the disability first commenced after the effective date of this article with monthly compensation equal to that average monthly compensation which the member was receiving in the plan year prior to the initial disability multiplied by 12.
 - (u) "Fund" means the West Virginia Natural Resources Police Officer Retirement Fund created pursuant to §20-18-7 of this code.
 - (v) "Hour of service" means:
 - (1) Each hour for which a member is paid;
 - (2) Each hour for which a member is paid but where no duties are performed due to vacation, holiday, illness, incapacity including disability, layoff, jury duty, military duty, leave of

absence, or any combination thereof, and without regard to whether the employment relationship has terminated. Hours under this paragraph shall be calculated and credited pursuant to West Virginia Division of Labor rules. A member will not be credited with any hours of service for any period of time he or she is receiving benefits under §20-18-21 or §20-18-22 of this code; and

- (3) Each hour for which back pay is either awarded or agreed to be paid by the Division of Natural Resources or the Division of Corrections and Rehabilitation, irrespective of mitigation of damages. The same hours of service may not be credited both under this subdivision and subdivision (1) or (2) of this subsection. Hours under this paragraph shall be credited to the member for the plan year or years to which the award or agreement pertains rather than the plan year in which the award, agreement, or payment is made.
- (w) "Medical examination" means an in-person or virtual examination of a member's physical or mental health, or both, by a physician or physicians selected or approved by the board; or, at the discretion of the board, a medical record review of the member's physical or mental health, or both, by a physician selected or approved by the board.
- (w) (x) "Member" means a person first hired as a Natural Resources Police Officer, as defined in subsection (y) of this section, on or after January 2, 2021, er a Natural Resources Police Officer first hired prior to the effective date and who elects to become a member pursuant to §20-18-6 of this code, or a state correctional officer first hired on or after July 1, 2023. A member shall remain a member until the benefits to which he or she is entitled under this article are paid or forfeited or until cessation of membership pursuant to §20-18-6 of this code.
 - (x) (y) "Monthly salary" means the portion of a member's gross annual compensation

which is paid to him or her per month.

(y) (z) "Natural Resources Police Officer" means any person regularly employed in the service of the division as a law-enforcement officer on or after the effective date of this article, and who is eligible to participate in the fund. The term shall not include Emergency Natural Resources Police Officers as defined in §20-7-1(c) of this code, Special Natural Resources Police Officers as defined in §20-7-1(d) of this code, Forestry Special Natural Resources Police Officers as defined in §20-7-1(e) of this code, or Federal Law Enforcement Officer as defined in §20-7-1b of this code.

(z) (aa) "Normal form" means a monthly annuity which is 1/12 of the amount of the member's accrued benefit which is payable for the member's life. If the member dies before the sum of the payments he or she receives equals his or her accumulated contributions on the annuity starting date, the named beneficiary or beneficiaries shall receive in one lump sum the difference between the accumulated contributions at the annuity starting date and the total of the retirement income payments made to the member.

(aa) (bb) "Normal retirement age" means the first to occur of the following: (1) Attainment of age 55 years and the completion of 15 or more years of service; (2) while still in covered employment, attainment of at least age 55 years, and when the sum of current age plus years of service equals or exceeds 70 years; or (3) attainment of at least age 62 years, and completion of 10 years of service: *Provided*, That any member shall in qualifying for retirement pursuant to this article have 10 or more years of service, all of which years shall be actual, contributory ones.

(bb) (cc) "Partially disabled" means a member's inability to engage in the duties of a Natural Resources Police Officer or state correctional officer by reason of any medically

determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months. A member may be determined partially disabled for the purposes of this article and maintain the ability to engage in other gainful employment which exists within the state but which ability would not enable him or her to earn an amount at least equal to two thirds of the average annual compensation earned by all active members of this plan during the plan year ending as of the most recent June 30, as of which plan data has been assembled and used for the actuarial valuation of the plan.

- (cc) (dd) "Plan" means the West Virginia Natural Resources Police Officers Retirement System established by this article.
- (dd) (ee) "Plan year" means the 12-month period commencing on July 1 of any designated year and ending the following June 30.
- (ee) (ff) "Public Employees Retirement System" means the West Virginia Public Employees Retirement System created by §5-10-1 et seq. of this code.
- (ff) (gg) "Qualified public safety employee" means any employee of the division who provides police protection, fire-fighting services, or emergency medical services for any area within the jurisdiction of the state or political subdivision, or such other meaning given to the term by section Section 72(t)(10)(B) of the Internal Revenue Code or by Treasury Regulation §1.401(a)-1(b)(2)(v) as they may be amended from time to time.
- (gg) (hh) "Regular interest" means the rate or rates of interest per annum, compounded annually, as the board adopts in accordance with the provisions of this article.

163	(hh) (ii) "Required beginning date" means April 1 of the calendar year following the later of:
164	(i) The calendar year in which the member attains age 72; or (ii) the calendar year in which the
165	member retires or otherwise separates from covered employment.
166	(ii) (jj) "Retirant" means any member who commences an annuity payable by the
167	retirement system.
168	(jj) (kk) "Retire" or "retirement" means a member's termination from the employ of a
169	participating public employer and the commencement of an annuity by the plan.
170	(kk) (II) "Retirement income payments" means the annual retirement income payments
171	payable under the plan.
172	(II) (mm) "Spouse" means the person to whom the member is legally married on the
173	annuity starting date.
174	(nn) "State correctional officer" means any person regularly employed in the service of the
175	Division of Corrections and Rehabilitation to enforce rules necessary for the control of offenders
176	and the maintenance of public safety in state adult centers, prisons, regional jails, and juvenile
177	centers who was hired on or after July 1, 2023, and who is eligible to participate in the fund.
178	(mm) (oo) "Substantial gainful employment" or "gainful employment" means employment
179	in which an individual may earn up to an amount that is determined by the United States Social
180	Security Administration as substantial gainful activity and still receive total disability benefits.
181	(nn) (pp) "Surviving spouse" means the person to whom the member was legally married
182	at the time of the member's death and who survived the member.
183	(oo) (qq) "Totally disabled" means a member's inability to engage in substantial gainful

activity by reason of any medically determined physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months. For purposes of this subdivision:

- (1) A member is totally disabled only if his or her physical or mental impairment or impairments are so severe that he or she is not only unable to perform his or her previous work as a Natural Resources Police Officer or state correctional officer but also cannot, considering his or her age, education, and work experience, engage in any other kind of substantial gainful employment which exists in the state regardless of whether: (A) The work exists in the immediate area in which the member lives; (B) a specific job vacancy exists; or (C) the member would be hired if he or she applied for work.
- (2) "Physical or mental impairment" is an impairment that results from an anatomical, physiological, or psychological abnormality that is demonstrated by medically accepted clinical and laboratory diagnostic techniques. A member's receipt of Social Security disability benefits creates a rebuttable presumption that the member is totally disabled for purposes of this plan. Substantial gainful employment rebuts the presumption of total disability.
- (pp) (rr) "Year of service." A member shall, except in his or her first and last years of covered employment, or within the plan year of the effective date, be credited with year of service credit, based upon the hours of service performed as covered employment and credited to the member during the plan year based upon the following schedule:

203 Hours of Service Years of Service Credited
204 Less than 500 0

205	500 to 999	1/3
206	1,000 to 1,499	2/3
207	1,500 or more	1

During a member's first and last years of covered employment or within the plan year of the effective date, the member shall be credited with 4/12 one-twelfth of a year of service for each month during the plan year in which the member is credited with an hour of service. A member is not entitled to credit for years of service for any time period during which he or she received disability payments under §20-18-21 or §20-18-22 of this code. Except as specifically excluded, years of service include covered employment prior to the effective date. Years of service which are credited to a member prior to his or her receipt of accumulated contributions upon termination of employment pursuant to §20-18-20 or §5-10-30 of this code, shall be disregarded for all purposes under this plan unless the member repays the accumulated contributions with interest pursuant to §20-18-20 of this code or had prior to the effective date made the repayment pursuant to §5-10-18 of this code.

§20-18-5. Article to be liberally construed; supplements federal social security Social Security; federal qualification requirements.

- 1 (a) The provisions of this article shall be liberally construed to provide a general retirement
- 2 system for Natural Resources Police Officers eligible to retire under the provisions of this plan.
- 3 Nothing in this article may be construed to permit the state to substitute this plan for federal social
 - security Social Security now in force in West Virginia.
 - (b) The board shall administer the plan in accordance with its terms and may construe the

terms and determine all questions arising in connection with the administration, interpretation and application of the plan. The board may sue and be sued, contract and be contracted with and conduct all the business of the system in the name of the plan. The board may employ those persons it considers necessary or desirable to administer the plan. All start-up costs to modify the existing line of business computer system and all personnel salary, including benefits, shall be paid by the board from funds received by the board through gifts and bequests to the fund and any accretions and accumulations which may properly be paid into and become a part of the fund. The board may receive gifts and bequests for purposes of paying start-up costs as set forth in this subsection. The board may also receive gifts and additional contributions for the purpose of supplementing the plan. The board shall administer the plan for the exclusive benefit of the members and their beneficiaries subject to the specific provisions of the plan.

(c) The plan is intended to meet the federal qualification requirements of Section 401(a) and related sections of the Internal Revenue Code as applicable to governmental plans. Notwithstanding any other provision of state law, the board shall administer the plan to fulfill this intent for the exclusive benefit of the members and their beneficiaries. Any provision of this article referencing or relating to these federal qualification requirements shall be effective as of the date required by federal law. The board may promulgate rules and amend or repeal conflicting rules in accordance with the authority granted to the board pursuant to §5-10D-1 of this code to assure compliance with the requirements of this section.

§20-18-6. Members.

(a) Any Natural Resources Police Officer first employed in covered employment after the

employment on or after July 1, 2023, shall be a member of this retirement system and does not qualify for membership in any other retirement system administered by the board, so long as he or she remains employed in covered employment: *Provided*, That any Natural Resources Police Officer or state correctional officer who has concurrent employment in an additional job or jobs which would require the Natural Resources Police Officer or state correctional officer to be a member of the West Virginia Deputy Sheriffs Retirement System, West Virginia Municipal Police Officers and Firefighters Retirement System or the West Virginia Emergency Medical Services Retirement System shall participate in only one retirement system administered by the board, and the retirement system applicable to the concurrent employment for which the employee has the earliest date of hire shall prevail. The membership of any person in the plan ceases: (1) Upon the withdrawal of accumulated contributions after the cessation of service; (2) upon retirement; or (3) at death.

(b) Any Natural Resources Police Officer employed in covered employment on July 1, 2020, shall notify in writing both the Division of Natural Resources and the board no later than September 30, 2020, of his or her desire to become a member of the plan beginning January 2, 2021: *Provided*, That any Natural Resources Police Officer hired after July 1, 2020, but before January 2, 2021, shall make this required notification to the division and the board no later than 30 days from receipt of the notice required by §20-18-11 of this code or September 30, 2020, whichever is later. Any Natural Resources Police Officer who elects to become a member of the plan ceases to be an active member in the Public Employees Retirement System and shall

continue to be ineligible for future membership in any other retirement system administered by the board so long as the Natural Resources Police Officer remains employed in covered employment in this plan; any Natural Resources Police Officer who does not affirmatively elect to become a member of the plan continues to be eligible for any other retirement system as is from time to time offered to other state employees but is ineligible for this plan regardless of any subsequent termination of employment and rehire.

(c) Any Natural Resources Police Officer employed in covered employment on the effective date of this article, who has timely elected to transfer into this plan as provided in subsection (b) of this section, shall be given credited service at the time of transfer for all credited service then standing to the Natural Resources Police Officer service credit in the Public Employees Retirement System regardless of whether the credited service (as that term is defined in §5-10-2 of this code) was earned as a Natural Resources Police Officer. All the credited service standing to the transferring Natural Resources Police Officer's credit in the Public Employees Retirement Fund System at the time of transfer into this plan shall be transferred into the plan created by this article, and the transferring Natural Resources Police Officer shall be given the same credit for the purposes of this article for all service transferred from the Public Employees Retirement System, as that transferring Natural Resources Police Officer would have received from the Public Employees Retirement System as if the transfer had not occurred. In connection with each transferring Natural Resources Police Officer receiving credit for prior employment as provided in this subsection, a transfer from the Public Employees Retirement System to this plan shall be made pursuant to the procedures described in §20-18-10 of this code: *Provided*, That a

member of this plan who has elected to transfer from the Public Employees Retirement System into this plan pursuant to subsection (b) of this section may not, after having transferred into and become an active member of this plan, reinstate to his or her credit in this plan any service credit relating to periods of non-Natural Resources Police Officer service which were withdrawn from the Public Employees Retirement System prior to his or her elective transfer into this plan.

(d) Any Natural Resources Police Officer who was employed as a Natural Resources Police Officer prior to between the effective date of this article and June 30, 2026, who but was not employed as a Natural Resources Police Officer on the effective date of this article and has not commenced retirement under the Public Employees Retirement System, shall become a member upon rehire as a Natural Resources Police Officer. For purposes of this subsection, the member's years of service and credited service prior to the effective date shall may not be counted for any purposes under this plan unless the Natural Resources Police Officer has not received the return of his or her accumulated contributions in the Public Employees Retirement System pursuant to §5-10-30 of this code. The member may request in writing within ene-year two years of first becoming a member of the plan to have his or her accumulated contributions and employer contributions from covered-employment all credited service, as that term is defined in §5-10-2 of this code, in the Public Employees Retirement System transferred to the plan regardless of whether the credited service was earned as a Natural Resources Police Officer. If the conditions of the subsection are met, all years of the Natural Resources Police Officer's covered-employment credited service shall be counted as years of service for the purposes of this article.

(e) Any certified law-enforcement officer who has law-enforcement service with a

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participating public employer in the Public Employees Retirement System who is first employed in covered employment between the effective date of this article and June 30, 2026, and who has not commenced retirement under the Public Employees Retirement System, shall be a member of this retirement system. For purposes of this subsection, the member's years of service and credited service prior to the effective date may not be counted for any purposes under this plan unless the Natural Resources Police Officer has not received the return of his or her accumulated contributions in the Public Employees Retirement System pursuant to §5-10-30 of this code. The member may request in writing within two years of first becoming a member of the plan to have up to a maximum of three years of his or her accumulated contributions and employer contributions from credited service, as that term is defined in §5-10-2 of this code, earned while performing service as a certified law-enforcement officer in the Public Employees Retirement System transferred to the plan. If the member has more than three years of credited service as a certified law-enforcement officer in the Public Employees Retirement System, the accumulated contributions and employer contributions of the first 36 months of credited service with full salary as a certified law-enforcement officer shall be transferred. If the conditions of this subsection are met, the maximum three years of credited service in the Public Employees Retirement System as a certified law-enforcement officer shall be counted as years of service for the purposes of this article.

(f) Any Natural Resources Police Officer who was employed as a Natural Resources

Police Officer prior to the effective date of this article and who was rehired as a Natural Resource

Police Officer on or after July 1, 2026, and who has not commenced retirement under the Public

Employees Retirement System, shall become a member upon rehire as a Natural Resources Police Officer. For purposes of this subsection, the member's years of service and credited service prior to the effective date may not be counted for any purposes under this plan unless the Natural Resources Police Officer has not received the return of his or her accumulated contributions in the Public Employees Retirement System pursuant to §5-10-30 of this code. The member may request in writing within one year of first becoming a member of the plan to have his or her accumulated contributions and employer contributions from covered employment in the Public Employees Retirement System transferred to the plan. If the conditions of this subsection are met, all years of the Natural Resources Police Officer's covered employment shall be counted as years of service for the purposes of this article.

(e) (g) Once made, the election provided in this section is irrevocable. All Natural Resources Police Officers first employed after the effective date and Natural Resources Police Officers electing to become members as described in this section shall be members as a condition of employment and shall make the contributions required by §20-18-8 of this code.

(f) (h) Notwithstanding any other provisions of this article to the contrary, any individual who is a leased employee is not eligible to participate in the plan. For purposes of this plan, a "leased employee" means any individual who performs services as an independent contractor or pursuant to an agreement with an employee leasing organization or similar organization. If a question arises regarding the status of an individual as a leased employee, the board has final power to decide the question. Additionally, any individual who is an Emergency Natural Resources Police Officer as defined in §20-7-1(c) of this code, Special Natural Resources Police Officer as defined in §20-7-

107 1(d) of this code, Forestry Special Natural Resources Police Officer as defined in §20-7-1(e) of this 108 code, or Federal Law Enforcement Officer as defined in §20-7-1b of this code, is not eligible to 109 participate in the plan.

NOTE: The purpose of this bill is to provide supplement funding for the Natural Resource Police Officer Retirement System plan and to increase recruitment and retention of certified officers for the agency.