

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

**Introduced**

### **House Bill 5331**

By Delegates Drennan, Mallow, Heckert, Hite, Statler,  
McCormick, Campbell, Miller, Crouse, Ferrell, and  
Green

[Introduced February 09, 2026; referred to the  
Committee on Finance]

1 A BILL to amend and reenact §8-22A-2, §8-22A-16, §8-22A-33, and §8-22A-33a, relating to  
 2 providing special consideration for municipalities to join the Municipal Police Officers &  
 3 Firefighters Retirement System (MPFRS) for their paid firefighters.

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

**ARTICLE 22A. WEST VIRGINIA MUNICIPAL POLICE OFFICERS AND  
 FIREFIGHTERS RETIREMENT SYSTEM.**

**§8-22A-2. Definitions.**

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

3 (a) "Accrued benefit" means on behalf of any member 2.75 percent per year of the  
 4 member's final average salary for the first 20 years of credited service. Additionally, 2 percent per  
 5 year for 21 through 25 years and 1.5 percent per year for each year over 25 years will be credited  
 6 with a maximum benefit of 90 percent of a member's final average salary. A member's accrued  
 7 benefit may not exceed the limits of Section 415 of the Internal Revenue Code and is subject to the  
 8 provisions of §8-22A-10 of this code.

9 (b) "Accumulated contributions" means the sum of all retirement contributions deducted  
 10 from the compensation of a member or paid on his or her behalf as a result of covered  
 11 employment, together with regular interest on the deducted amounts.

12 (c) "Active military duty" means full-time duty in the active military service of the United  
 13 States Army, Navy, Air Force, Space Force, Coast Guard, or Marine Corps. The term does not  
 14 include regularly required training or other duty performed by a member of a reserve component or  
 15 National Guard unless the member can substantiate that he or she was called into the full-time  
 16 active military service of the United States and has received no compensation during the period of  
 17 that duty from any board or employer other than the armed forces.

18 (d) "Actuarial equivalent" means a benefit of equal value computed on the basis of the

19 mortality table and interest rates as set and adopted by the board in accordance with the  
20 provisions of this article: *Provided*, That when used in the context of compliance with the federal  
21 maximum benefit requirements of Section 415 of the Internal Revenue Code, "actuarial  
22 equivalent" shall be computed using the mortality tables and interest rates required to comply with  
23 those requirements.

24 (e) "Annual compensation" means the wages paid to the member during covered  
25 employment within the meaning of Section 3401(a) of the Internal Revenue Code, but determined  
26 without regard to any rules that limit the remuneration included in wages based on the nature or  
27 location of employment or services performed during the plan year plus amounts excluded under  
28 Section 414(h)(2) of the Internal Revenue Code and less reimbursements or other expense  
29 allowances, cash or noncash fringe benefits, or both, deferred compensation and welfare benefits.  
30 Annual compensation for determining benefits during any determination period may not exceed  
31 the maximum compensation allowed as adjusted for cost-of-living in accordance with §5-10D-7 of  
32 this code and Section 401(a) (17) of the Internal Revenue Code.

33 (f) "Annual leave service" means accrued annual leave.

34 (g) "Annuity starting date" means the first day of the month for which an annuity is payable  
35 after submission of a retirement application or the required beginning date, if earlier. For purposes  
36 of this subsection, if retirement income payments commence after the normal retirement age,  
37 "retirement" means the first day of the month following or coincident with the latter of the last day  
38 the member worked in covered employment or the member's normal retirement age and after  
39 completing proper written application for retirement on an application supplied by the board.

40 (h) "Beneficiary" means a natural person who is entitled to, or will be entitled to, an annuity  
41 or other benefit payable by the plan.

42 (i) "Board" means the Consolidated Public Retirement Board.

43 (j) "Bona fide separation from service upon retirement" means that a retirant has  
44 completely terminated any employment relationship with any participating public employer in the

45 plan for a period of at least 60 consecutive days from the effective date of retirement and without a  
46 prearranged agreement to return to employment with a participating public employer. For  
47 purposes of this definition, an employment relationship includes employment in any capacity,  
48 whether on a permanent, full-time, part-time, substitute, per diem, temporary or leased employee  
49 basis.

50 (k) "Covered employment" means: (1) Employment as a full-time municipal police officer or  
51 firefighter and the active performance of the duties required of that employment; or (2) -  
52 Employment as a full-time campus police officer as described in §18B-4-5 of this code and the  
53 active performance of the duties required of that employment; or (3) The period of time during  
54 which active duties are not performed but disability benefits are received under this article; or (4)  
55 Concurrent employment by a municipal police officer or firefighter or a campus police officer in a  
56 job or jobs in addition to his or her employment as a municipal police officer or firefighter or a  
57 campus police officer in this plan where the secondary employment requires the police officer or  
58 firefighter to be a member of another retirement system which is administered by the Consolidated  
59 Public Retirement Board pursuant to this code: *Provided*, That the police officer or firefighter  
60 contributes to the fund created in this article the amount specified as the member's contribution in  
61 §8-22A-8 of this code.

62 (l) "Credited service" means the sum of a member's years of service, active military duty,  
63 and disability service.

64 (m) "Dependent child" means: (1) An unmarried person under age 18 who is: (A) A natural  
65 child of the member; (B) A legally adopted child of the member; (C) A child who at the time of the  
66 member's death was living with the member while the member was an adopting parent during any  
67 period of probation; or (D) A stepchild of the member residing in the member's household at the  
68 time of the member's death; or (2) Any unmarried child under age 23: (A) Who is enrolled as a full-  
69 time student in an accredited college or university; (B) Who was claimed as a dependent by the  
70 member for federal income tax purposes at the time of the member's death; and (C) Whose

71 relationship with the member is described in paragraph (A), (B) or (C), subdivision (1) of this  
72 subsection.

73 (n) "Dependent parent" means the father or mother of the member who was claimed as a  
74 dependent by the member for federal income tax purposes at the time of the member's death.

75 (o) "Disability service" means service credit received by a member, expressed in whole  
76 years, fractions thereof, or both, equal to one half of the whole years, fractions thereof, or both,  
77 during which time a member receives disability benefits under this article.

78 (p) "Effective date" means January 1, 2010.

79 (q) "Employer error" means an omission, misrepresentation or deliberate act in violation of  
80 relevant provisions of the West Virginia Code or of the West Virginia Code of State Regulations or  
81 the relevant provisions of both the West Virginia Code and of the West Virginia Code of State  
82 Regulations by the participating public employer that has resulted in an underpayment or  
83 overpayment of contributions required.

84 (r) "Final average salary" means the average of the highest annual compensation received  
85 for covered employment by the member during any five consecutive plan years within the  
86 member's last 10 years of service while employed, prior to any disability payment. If the member  
87 did not have annual compensation for the five full plan years preceding the member's attainment  
88 of normal retirement age and during that period the member received disability benefits under this  
89 article, then "final average salary" means the average of the monthly compensation which the  
90 member was receiving in the plan year prior to the initial disability. "Final average salary" does not  
91 include any lump sum payment for unused, accrued leave of any kind or character.

92 (s) "Full-time employment" means permanent employment of an employee by a  
93 participating public employer in a position which normally requires 12 months per year service and  
94 requires at least 1,040 hours per year service in that position.

95 (t) "Fund" means the West Virginia Municipal Police Officers and Firefighters Retirement  
96 Fund created by this article.

97 (u) "Hour of service" means: (1) Each hour for which a member is paid or entitled to  
98 payment for covered employment during which time active duties are performed. These hours  
99 shall be credited to the member for the plan year in which the duties are performed; and (2) Each  
100 hour for which a member is paid or entitled to payment for covered employment during a plan year  
101 but where no duties are performed due to vacation, holiday, illness, incapacity including disability,  
102 layoff, jury duty, military duty, leave of absence, or any combination thereof and without regard to  
103 whether the employment relationship has terminated. Hours under this subdivision shall be  
104 calculated and credited pursuant to West Virginia Division of Labor rules. A member may not be  
105 credited with any hours of service for any period of time he or she is receiving benefits under §8-  
106 22A-17 and §8-22A-18 of this code; and (3) Each hour for which back pay is either awarded or  
107 agreed to be paid by the participating public employer, irrespective of mitigation of damages. The  
108 same hours of service may not be credited both under subdivision (1) or (2) of this subsection and  
109 under this subdivision. Hours under this paragraph shall be credited to the member for the plan  
110 year or years to which the award or agreement pertains, rather than the plan year in which the  
111 award, agreement or payment is made.

112 (v) "Medical examination" means an in-person or virtual examination of a member's  
113 physical or mental health, or both, by a physician or physicians selected or approved by the board;  
114 or, at the discretion of the board, a medical record review of the member's physical or mental  
115 health, or both, by a physician selected or approved by the board.

116 (w) "Member" means, except as provided in §8-22A-32 §8-22A-33, or §8-22A-33a of this  
117 code, a person hired as a municipal police officer or municipal firefighter, as defined in this section,  
118 by a participating public employer on or after January 1, 2010, or a campus police officer as  
119 described in §18B-4-5 of this code who is hired after January 1, 2026, or who was hired before that  
120 date but elects to become a member as described in that section. A member shall remain a  
121 member until the benefits to which he or she is entitled under this article are paid or forfeited.

122 (x) "Monthly salary" means the W-2 reportable compensation received by a member during

123 the month.

124 (y) "Municipality" has the meaning ascribed to it in this code.

125 (z) (1) "Municipal police officer" means an individual employed as a member of a paid  
126 police department by a West Virginia municipality or municipal subdivision which has established  
127 and maintains a municipal policemen's pension and relief fund, and who is not a member of, and  
128 not eligible for membership in, a municipal policemen's pension and relief fund as provided in §8-  
129 22-16 of this code: *Provided*, That municipal police officer also means an individual employed as a  
130 member of a paid police department by a West Virginia municipality or municipal subdivision which  
131 is authorized to elect to participate in the plan pursuant to §8-22A-33 or §8-22A-33a of this code.  
132 Paid police department does not mean a department whose employees are paid nominal salaries  
133 or wages or are paid only for services actually rendered on an hourly basis.

134 (2) "Municipal firefighter" means an individual employed as a member of a paid fire  
135 department by a West Virginia municipality or municipal subdivision which has established and  
136 maintains a municipal firemen's pension and relief fund, and who is not a member of, and not  
137 eligible for membership in, a municipal firemen's pension and relief fund as provided in §8-22-16 of  
138 this code: *Provided*, That municipal firefighter also means an individual employed as a member of  
139 a paid fire department by a West Virginia municipality or municipal subdivision which is authorized  
140 to elect to participate in the plan pursuant to §8-22A-33 or §8-22A-33a of this code. Paid fire  
141 department does not mean a department whose employees are paid nominal salaries or wages or  
142 are paid only for services actually rendered on an hourly basis: *Provided*, That special  
143 consideration shall be given for municipalities to join the Municipal Police Officers & Firefighters  
144 Retirement System (MPFRS) for their paid firefighters.

145 (aa) "Municipal subdivision" means any separate corporation or instrumentality  
146 established by one or more municipalities, as permitted by law; and any public corporation  
147 charged by law with the performance of a governmental function and whose jurisdiction is  
148 coextensive with one or more municipalities.

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

155 (cc) "Normal retirement age" means the first to occur of the following: (1) Attainment of age  
156 50 years and the completion of 20 or more years of regular contributory service; (2) while still in  
157 covered employment, attainment of at least age 50 years and when the sum of current age plus  
158 regular contributory service equals or exceeds 70 years; (3) while still in covered employment,  
159 attainment of at least age 60 years and completion of 10 years of regular contributory service; or  
160 (4) attainment of age 62 years and completion of five or more years of regular contributory service.

161 (dd) "Participating public employer" means a municipality, municipal subdivision  
162 participating in the plan or an institution of higher education.

163 (ee) "Plan" means the West Virginia Municipal Police Officers and Firefighters Retirement  
164 System established by this article.

165 (ff) "Plan year" means the 12-month period commencing on January 1 of any designated  
166 year and ending the following December 31.

167 (gg) "Qualified public safety employee" means any employee of a participating state or  
168 political subdivision who provides police protection, firefighting services or emergency medical  
169 services for any area within the jurisdiction of the state or political subdivision, or such other  
170 meaning given to the term by Section 72(t) (10) (B) of the Internal Revenue Code or by Treasury  
171 Regulation §1.401(a)-1(b) (2) (v) as they may be amended from time to time.

172 (hh) "Regular contributory service" means a member's credited service excluding active  
173 military duty, disability service and accrued annual and sick leave service.

174 (ii) "Regular interest" means the rate or rates of interest per annum, compounded annually,

175 as the board adopts in accordance with the provisions of this article.

176 (jj) "Required beginning date" means April 1 of the calendar year following the later of: (1)

177 The calendar year in which the member attains (1) the calendar year in which the member attains

178 the applicable age as set forth in this paragraph; or

179 (2) The calendar year in which he or she retires or otherwise separates from covered

180 employment.

181 The applicable age is:

182 (A) Seventy-two, if the individual attains age 72 prior to January 1, 2023;

183 (B) Seventy-three, if the individual attains age 72 after December 31, 2022, and attains age

184 73 before January 1, 2033; or

185 (C) Seventy-five, if the individual attains age 74 after December 31, 2032; *Provided*, That

186 the applicable age shall be determined in accordance with the provisions of §401(a)(9) of the

187 Internal Revenue Code and the Treasury Regulations thereunder, as the same may be amended

188 from time to time.

189 (kk) "Retirant" means any member who commences an annuity payable by the plan.

190 (ll) "Retirement income payments" means the monthly retirement income payments

191 payable.

192 (mm) "Spouse" means the person to whom the member is legally married on the annuity

193 starting date.

194 (nn) "Surviving spouse" means the person to whom the member was legally married at the

195 time of the member's death and who survived the member.

196 (oo) "Totally disabled" means a member's inability to engage in substantial gainful activity

197 by reason of any medically determined physical or mental impairment that can be expected to

198 result in death or that has lasted or can be expected to last for a continuous period of not less than

199 12 months. For purposes of this subsection: (1) A member is totally disabled only if his or her

200 physical or mental impairment or impairments are so severe that he or she is not only unable to

201 perform his or her previous work as a police officer or firefighter but also cannot, considering his or  
 202 her age, education and work experience, engage in any other kind of substantial gainful  
 203 employment which exists in the state regardless of whether: (A) The work exists in the immediate  
 204 area in which the member lives; (B) A specific job vacancy exists; or (C) The member would be  
 205 hired if he or she applied for work. For purposes of this article, substantial gainful employment is  
 206 the same definition as used by the United States Social Security Administration; and (2) "Physical  
 207 or mental impairment" is an impairment that results from an anatomical, physiological or  
 208 psychological abnormality that is demonstrated by medically accepted clinical and laboratory  
 209 diagnostic techniques. The board may require submission of a member's annual tax return for  
 210 purposes of monitoring the earnings limitation.

211 (pp) "Vested" means eligible for retirement income payments after completion of five or  
 212 more years of regular contributory service.

213 (qq) "Year of service" means a member shall, except in his or her first and last years of  
 214 covered employment, be credited with years of service credit based on the hours of service  
 215 performed as covered employment and credited to the member during the plan year based on the  
 216 following schedule:

217	Hours of Service	Year of Service Credited
218	Less than 500	0
219	500 to 999	1/3
220	1,000 to 1,499	2/3
221	1,500 or more	1

222 During a member's first and last years of covered employment, the member shall be  
 223 credited with one twelfth of a year of service for each month during the plan year in which the  
 224 member is credited with an hour of service for which contributions were received by the fund. A  
 225 member is not entitled to credit for years of service for any time period during which he or she  
 226 received disability payments under §8-22A-17 and §8-22A-18 of this code.

**§8-22A-16. Refunds to certain members upon discharge or resignation; deferred retirement; preretirement death; forfeitures.**

1 (a) Any member who terminates covered employment and is not eligible to receive  
2 disability benefits or retirement income payments under this article is, by written request filed with  
3 the board, entitled to receive from the fund the member's accumulated contributions. Except as  
4 provided in subsection (b) of this section, on withdrawal, the member shall forfeit his or her  
5 accrued benefit and cease to be a member.

6 (b)(1) Any member who ceases employment in covered employment and active  
7 participation in this plan and who thereafter becomes reemployed in covered employment may not  
8 receive any credited service for any prior accumulated contributions withdrawn from the plan  
9 unless following his or her return to covered employment and active participation in this plan, the  
10 member redeposits in the fund the amount of the accumulated contributions withdrawn from  
11 previous covered employment, together with interest on the accumulated contributions at the rate  
12 determined by the board from the date of withdrawal to the date of redeposit. On repayment he or  
13 she shall receive the same credit on account of his or her former covered employment as if no  
14 refund had been made.

15 (2) The repayment authorized by this subsection shall be made in a lump sum within 60  
16 months of the police officer's or firefighter's reemployment in covered employment.

17 (c) Every member who completes 60 months of regular contributory service may, on  
18 cessation of covered employment, either withdraw his or her accumulated contributions in  
19 accordance with this section or choose not to withdraw his or her accumulated contribution and  
20 receive retirement income payments, if eligible, on attaining normal retirement age.

21 (d) If a member dies from any cause other than those specified in §8-22A-20 of this code  
22 and does not have 10 or more years of contributory service, the member's accumulated  
23 contributions may be paid to a named beneficiary or beneficiaries. If no beneficiary is named, then  
24 the accumulated contributions shall be paid to the estate of the deceased member.

25 (e) Notwithstanding any other provision of this article, forfeitures under the plan may not be  
26 applied to increase the benefits any member would otherwise receive under the plan.

27 (f) Special consideration shall be given for municipalities to join the Municipal Police  
28 Officers & Firefighters Retirement System (MPFRS) for their paid firefighters.

**§8-22A-33. Special authorization for municipal police or firefighters hired after July 1, 2015.**

1 (a) Notwithstanding any provision of this code to the contrary, any municipality or municipal  
2 subdivision that employs individuals as members of paid police departments or paid fire  
3 departments, but did not establish either a municipal policemen's pension and relief fund or a  
4 municipal firemen's pension and relief fund as provided in section sixteen, article twenty-two of this  
5 chapter and whose current police officers or firefighters are participating in the Public Employees  
6 Retirement System may elect, in the same manner as provided in section twenty-eight of this  
7 article, to become a participating public employer in the plan and thereby include its police officers  
8 and firefighters in the membership of the plan subject to the restrictions provided in this section.

9 (b) The municipality or municipal subdivision may elect to include only police officers and  
10 firefighters who have been hired on or after July 1, 2015, to become members of the plan. Police  
11 officers and firefighters hired before July 1, 2015, will remain members of the Public Employees  
12 Retirement System.

13 (c) The municipality or municipal subdivision must make its election on or prior to July 1,  
14 2017.

15 (d) Once a municipality or municipal subdivision makes its election to become a  
16 participating public employer pursuant to this section and section twenty-eight of this article, all  
17 police officers and firefighters hired by the municipality or municipal subdivision after the date of  
18 election shall be members of the plan: *Provided*, That police officers and firefighters hired by the  
19 municipality or municipal subdivision on or after July 1, 2015, who are members of the Public  
20 Employees Retirement System, may choose to become a member of the plan by notifying the  
21 municipality or municipal subdivision on a form provided by the Consolidated Public Retirement

22 Board: *Provided, however,* That he or she make this decision within ninety days of the municipality  
 23 or municipal subdivision's decision to participate in the plan. A municipality or municipal  
 24 subdivision making an election to become a participating public employer pursuant to section  
 25 twenty-eight of this article that has hired any police officer or firefighter on or after July 1, 2015,  
 26 shall notify each police officer or firefighter hired on or after July 1, 2015, of its election to become a  
 27 participating public employer within thirty days of making the election. This notice shall include  
 28 instructions as to how a police officer or firefighter may make notification to the municipality or  
 29 municipal subdivision of his or her decision to become a member in the plan. The municipality or  
 30 municipal subdivision shall notify the Consolidated Public Retirement Board in writing of any police  
 31 officer or firefighter hired after July 1, 2015, who has decided to become a member of the plan and  
 32 terminate his or her membership in the Public Employees Retirement System within thirty days of  
 33 notification by the police officer or firefighter on forms provided by the Consolidated Public  
 34 Retirement System.

35 (e) Special consideration shall be given for municipalities to join the Municipal Police  
 36 Officers & Firefighters Retirement System (MPFRS) for their paid firefighters.

**§8-22A-33a. Second special authorization for municipal police or firefighters hired after  
 July 1, 2015.**

1 (a) Notwithstanding any provision of this code to the contrary, any municipality or municipal  
 2 subdivision that employs individuals as members of paid police departments or paid fire  
 3 departments and whose current police officers or firefighters are participating in the Public  
 4 Employees Retirement System may elect, as provided in same manner as provided in §8-22A-  
 5 28(a) of this code, to become a participating public employer in the plan and thereby include its  
 6 police officers and firefighters in the membership of the plan subject to the restrictions provided in  
 7 this section.

8 (b) The municipality or municipal subdivision may elect to include only police officers or  
 9 firefighters who have been hired on or after July 1, 2015, to become members of the plan. Police

10 officers or firefighters hired before July 1, 2015, will remain members of the Public Employees  
11 Retirement System.

12 (c) The municipality or municipal subdivision must make its election on or prior to July 1,  
13 2025.

14 (d) Once a municipality or municipal subdivision makes its election to become a  
15 participating public employer pursuant to this section, all police officers or firefighters hired by the  
16 municipality or municipal subdivision after the date of election shall be members of the  
17 plan: *Provided*, That police officers or firefighters hired by the municipality or municipal subdivision  
18 on or after July 1, 2015, who are members of the Public Employees Retirement System, may  
19 choose to become a member of the plan by notifying the municipality or municipal subdivision on a  
20 form provided by the Consolidated Public Retirement Board: *Provided, however*, That he or she  
21 make this decision within 90 days of the municipality or municipal subdivision's decision to  
22 participate in the plan. A municipality or municipal subdivision making an election to become a  
23 participating public employer pursuant to this section that has hired any police officer or firefighter  
24 on or after July 1, 2015, shall notify each police officer or firefighter hired on or after July 1, 2015, of  
25 its election to become a participating public employer within 30 days of making the election. This  
26 notice shall include instructions as to how a police officer or firefighter may make notification to the  
27 municipality or municipal subdivision of his or her decision to become a member in the plan. The  
28 municipality or municipal subdivision shall notify the Consolidated Public Retirement Board in  
29 writing of any police officer or firefighter hired after July 1, 2015, who has decided to become a  
30 member of the plan and terminate his or her membership in the Public Employees Retirement  
31 System within 30 days of notification by the police officer or firefighter on forms provided by the  
32 Consolidated Public Retirement System.

33 (e) Notwithstanding any other provision of the code to the contrary, any police officer or  
34 firefighter hired by a participating public employer on or after July 1, 2015, who chooses pursuant  
35 to this section to be a member of the plan, shall be a member of the plan upon acceptance by the

36 Consolidated Public Retirement Board of the notification by the municipality required by this  
37 section.

38 (1) The Consolidated Public Retirement Board shall transfer assets and service credit  
39 earned on or after July 1, 2015, from the Public Employees Retirement System Trust Fund into the  
40 West Virginia Municipal Police Officers and Firefighters Retirement Fund for those police officers  
41 or firefighters who elect to be a member of the plan and were members in the Public Employees  
42 Retirement System no later than 60 days from receipt of notification by the municipality or  
43 municipal subdivision of the police officer or firefighter's election to become a member. The  
44 amount of service credit recognized by the plan for the transferring employees shall be the service  
45 credit transferred and recognized by the Public Employees Retirement System.

46 (2) The amount of assets to be transferred for each police officer or firefighter shall be  
47 computed as of the actuarial valuation date preceding the notification to the Consolidated Public  
48 Retirement Board by the municipality or municipal subdivision of the police officer or firefighter's  
49 election to become a member and updated with seven and one-half percent annual interest to the  
50 date of the actual asset transfer. For purposes of this section, the actuarial valuation date is the  
51 most recent actuarial valuation of the Public Employees Retirement System approved by the  
52 Consolidated Public Retirement Board. The market value of the assets of the transferring  
53 employees in the Public Employees Retirement System shall be determined as of the end of the  
54 month preceding the actual transfer. To determine the computation of the asset share to be  
55 transferred, the Consolidated Public Retirement Board shall:

56 (A) Compute the market value of the Public Employees Retirement System assets using  
57 the actuarial valuation date;

58 (B) Compute the actuarial accrued liabilities for all Public Employees Retirement System  
59 retirees, beneficiaries, disabled retirees, and terminated inactive members using the actuarial  
60 valuation date:

61 (C) Compute the market value of active member assets in the Public Employees

62 Retirement System as of the actuarial valuation date by reducing the assets value under  
63 paragraph (A) of this subdivision by the inactive liabilities under paragraph (B) of this subdivision;

64 (D) Compute the actuarial accrued liability for all active Public Employees Retirement  
65 System members using the actuarial valuation date immediately preceding the computation date;

66 (E) Compute the funded percentage of the active members' actuarial accrued liabilities  
67 under the Public Employees Retirement System as of the actuarial valuation date by dividing the  
68 active members' market value of assets under paragraph (C) of this subdivision by the active  
69 members' actuarial accrued liabilities under paragraph (D) of this subsection;

70 (F) Compute the actuarial accrued liabilities under the Public Employees Retirement  
71 System as of the actuarial valuation date for active employees transferring to the plan;

72 (G) Determine the assets to be transferred from the Public Employees Retirement System  
73 to the plan by multiplying the active members' funded percentage determined under paragraph (E)  
74 of this subdivision by the transferring active members' actuarial accrued liabilities under the Public  
75 Employees Retirement System under paragraph (F) of this subdivision and adjusting the asset  
76 transfer amount by interest at seven and five-tenths percent for the period from the calculation  
77 date of July 1 through the first day of the month in which the asset transfer is to be completed.

78 (3) Any police officer or firefighter who elects to become a member of the plan must also  
79 pay to the plan a four percent contribution no later than June 30, 2027. The contribution shall be  
80 calculated as four percent of the member's total earnings for which assets are transferred, plus  
81 interest of seven and one-half percent accumulated from the date of the police officer's or  
82 firefighter's initial participation in the Public Employees Retirement System through the calculation  
83 date. Installment payments may be made over no more than a 24-month period plus seven and  
84 one-half percent interest shall accrue on the outstanding balance due from the calculation date  
85 until paid in full. Any police officer or firefighter who elects to become a member of the plan but fails  
86 to timely pay the required four percent contribution and interest will have all years of service in the  
87 plan transferred to the Public Employees Retirement System no later than December 31, 2027.

88 The assets previously transferred to the plan shall be returned to the Public Employees  
89 Retirement System, in addition to the employee and employer contribution amounts that would  
90 have been paid had the member not elected to transfer, plus interest of seven and one-half  
91 percent per annum. Any remaining excess employee contribution amount paid to the plan since  
92 the date of transfer shall remain in the plan until the employee terminates employment with the  
93 municipality.

94 (4) Once an employee transfers from the Public Employees Retirement System to the  
95 plan, the Public Employees Retirement System shall bar any further liability and said transfer will  
96 constitute an agreement whereby the transferring employee forever indemnifies and holds  
97 harmless the Public Employees Retirement System from providing him or her any form of  
98 retirement benefit whatsoever until that employee obtains other employment which would make  
99 him or her eligible to reenter the Public Employees Retirement System with no credit whatsoever  
100 for the amounts transferred to the plan.

101 (f) Special consideration shall be given for municipalities to join the Municipal Police  
102 Officers & Firefighters Retirement System (MPFRS) for their paid firefighters.

NOTE: The purpose of this bill is to give special consideration for municipalities to join the Municipal Police Officers & Firefighters Retirement System (MPFRS) for their paid firefighters.

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