

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 393**

4 (By Senators Browning and Plymale)

5 _____
6 [Originating in the Committee on Education;
7 reported January 27, 2012.]
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9
10 A BILL to amend and reenact §18-7D-6 of the Code of West Virginia,
11 1931, as amended, relating to the State Teachers Retirement
12 System; and extending the time for certain members to purchase
13 additional service credit for service in the Teachers' Defined
14 Contribution Retirement System.

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

16 That §18-7D-6 of the Code of West Virginia, 1931, as amended,
17 be amended and reenacted to read as follows:

18 **ARTICLE 7D. VOLUNTARY TRANSFER FROM TEACHERS' DEFINED**
19 **CONTRIBUTION RETIREMENT SYSTEM TO STATE**
20 **TEACHERS RETIREMENT SYSTEM.**

21 **§18-7D-6. Service credit in State Teachers Retirement System**
22 **following transfer; conversion of assets;**
23 **adjustments.**

24 (a) Any member who has affirmatively elected to transfer to
25 the State Teachers Retirement System within the period provided in

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

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

13 (c) More than seventy-five percent of actively contributing
14 members of the Teachers' Defined Contribution Retirement System
15 affirmatively elected to transfer to the State Teachers Retirement
16 System within the period provided in section seven of this article.
17 Therefore, any member of the Defined Contribution Retirement System
18 who decides to transfer to the State Teachers Retirement System,
19 calculates his or her service credit in the State Teachers
20 Retirement System as follows:

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

1 (2) To receive full credit in the State Teachers Retirement
2 System for service in the Teachers' Defined Contribution Retirement
3 System for which assets are transferred, members who affirmatively
4 elected to transfer and who provided to the board a signed
5 verification of cost for service credit purchase form by the
6 effective date of the amendments to this section enacted in the
7 2009 regular legislative session shall pay into the State Teachers
8 Retirement System a one and one-half percent contribution by no
9 later than June 30, 2009, or no later than ninety days after the
10 postmarked date on a final and definitive contribution calculation
11 from the board, whichever is later. This contribution shall be
12 calculated as one and one-half percent of the member's estimated
13 total earnings for which assets are transferred, plus interest of
14 four percent per annum accumulated from the date of the member's
15 initial participation in the Defined Contribution Retirement System
16 through June 30, 2009: *Provided*, That any member who transferred
17 and provided to the board a signed verification of cost for service
18 credit purchase form by June 30, 2009 but was unable to complete
19 the purchase of the one and one-half percent contribution, or any
20 member who did not request a verification of cost letter but
21 attempted to purchase the one and one-half percent contribution and
22 was denied in writing by the board on or before December 31, 2009,
23 may request the board on or before April 15, ~~2010~~ 2012, to
24 recalculate the contribution ~~for~~ through ~~2010~~ 2012. To receive
25 full credit, the member shall pay into the State Teachers
26 Retirement System the recalculated purchase amount by June 30, ~~2010~~

1 2012, or no later than sixty days after the postmarked date on a
2 contribution recalculation from the board, whichever is later. The
3 recalculated contribution shall include the interest loss at the
4 actuarial rate of seven and one-half percent. The board's
5 executive director may correct clerical errors.

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

10 (i) The estimated total earnings shall be calculated based on
11 the member's salary and the member's age nearest birthday on June
12 30, 2008;

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

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

21 (d) All service previously transferred from the State Teachers
22 Retirement System to the Teachers' Defined Contribution Retirement
23 System is considered Teachers' Defined Contribution Retirement
24 System service for the purposes of this article.

25 (e) Notwithstanding any provision of this code to the
26 contrary, the retirement of a member who becomes eligible to retire

1 after the member's assets are transferred to the State Teachers
2 Retirement System pursuant to the provisions of this article may
3 not commence before September 1, 2008: *Provided*, That the
4 Consolidated Public Retirement Board may not retire any member who
5 is eligible to retire during the calendar year 2008 unless the
6 member has provided a written notice to his or her county board of
7 education by July 1, 2008, of his or her intent to retire.

8 (f) The provisions of section twenty-eight-e, article seven-a
9 of this chapter do not apply to the amendments to this section
10 enacted during the 2009 regular legislative session.