

**H. B. 4474**

(By Delegates Hamilton, Stowers, Canterbury, D. Poling,  
Guthrie, Azinger, Walker, Evans, Barker, Perry and Shaver)

[Introduced February 9, 2012; referred to the

Committee on Pensions and Retirement then

Finance.]

**FISCAL  
NOTE**

A BILL to amend and reenact §5-10-18 of the Code of West Virginia,  
1931, as amended, relating to reinstating service credit.

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

That §5-10-18 of the Code of West Virginia, 1931, as amended,  
be amended and reenacted to read as follows:

**ARTICLE 10. WEST VIRGINIA PUBLIC EMPLOYEES RETIREMENT ACT.****§5-10-18. Termination of membership; reentry.**

(a) When a member of the retirement system retires, withdraws  
his or her accumulated contributions, or dies, he or she ceases to  
be a member. When a member leaves the employ of a participating  
public employer for any reason other than retirement or death, and  
withdraws his or her accumulated contributions from the system, he  
or she ceases to be a member and forfeits service credited to him  
or her at that time. If he or she becomes reemployed by a  
participating public employer he or she shall be reinstated as a  
member of the retirement system and his or her credited service

1 last forfeited by him or her shall be restored to his or her  
2 credit: *Provided*, That he or she must be reemployed for a period  
3 of one year or longer to have the service restored: *Provided*,  
4 *however*, That he or she returns to the members' deposit fund the  
5 amount, if any, he or she withdrew from the fund, together with  
6 regular interest on the withdrawn amount from the date of  
7 withdrawal to the date of repayment, and that the repayment begins  
8 within two years of the return to employment and that the full  
9 amount is repaid within five years of the return to employment.  
10 Any failure to repay the full amount in accordance with this  
11 section shall be treated as an overpayment or excess contribution  
12 subject to section forty-four of this article.

13       (b) The Prestera Center for Mental Health Services, Valley  
14 Comprehensive Mental Health Center, Westbrook Health Services and  
15 Eastern Panhandle Mental Health Center, and their successors in  
16 interest, shall provide for their employees a pension plan in lieu  
17 of the Public Employees Retirement System during the existence of  
18 the named mental health centers and their successors in interest.

19       (c) The administrative bodies of the Prestera Center for  
20 Mental Health Services, Valley Comprehensive Mental Health Center,  
21 Westbrook Health Services and Eastern Panhandle Mental Health  
22 Center shall, on or before May 1, 1997, give written notice to each  
23 employee who is a member of the Public Employees Retirement System  
24 of the option to withdraw from or remain in the system. The notice

1 shall include a copy of this section and a statement explaining the  
2 member's options regarding membership. The notice shall include a  
3 statement in plain language giving a full explanation and actuarial  
4 projection figures in support of the explanation regarding the  
5 individual member's current account balance, vested and nonvested,  
6 and his or her projected return upon remaining in the Public  
7 Employees Retirement System until retirement, disability or death,  
8 in comparison with the projected return upon withdrawing from the  
9 Public Employees Retirement System and joining a private pension  
10 plan provided by the Community Mental Health Center and remaining  
11 therein until retirement, disability or death. The administrative  
12 bodies shall keep in their respective records a permanent record of  
13 each employee's signature confirming receipt of the notice.

14 (d) Effective ~~March 1, 2003~~ July 1, 2012, and ending ~~December~~  
15 ~~31, 2004~~ June 1, 2013, any member may purchase credited service  
16 previously forfeited by him or her and the credited service shall  
17 be restored to his or her credit: *Provided,* That he or she returns  
18 to the members' deposit fund the amount, if any, he or she withdrew  
19 from the fund, together with interest on the withdrawn amount from  
20 the date of withdrawal to the date of repayment at a rate to be  
21 determined by the board. The repayment under this section may be  
22 made by lump sum or repaid over a period of time not to exceed  
23 sixty months. Where the member elects to repay the required amount  
24 other than by lump sum, the member is required to pay interest at

1 the rate determined by the board until all sums are fully repaid.

2       (e) Effective July 1, 2005, and ending December 31, 2006, any  
3 emergency services personnel may purchase service credit for the  
4 time period beginning January 1, 1990, and ending December 31,  
5 1995: *Provided*, That person was employed as an emergency service  
6 person in this state for that time period: *Provided, however*, That  
7 any person obtaining service credit under this subsection is  
8 required to pay the employee's share and the employer's share upon  
9 his or her actual salary for the years in question plus interest at  
10 the assumed actuarial rate of return for the plan year being  
11 repurchased.

12       (f) Jobs for West Virginia's graduates and their successors  
13 in interest shall provide a pension plan in lieu of the Public  
14 Employees Retirement System for employees hired on or after July 1,  
15 2005.

16       (g) Wetzel County Hospital and their successors in interest  
17 shall provide a pension plan in lieu of the Public Employees  
18 Retirement System for employees hired on or after July 1, 2005.

NOTE: The purpose of this bill is to open an enrollment period in which certain members of the Public Employees Retirement System may purchase previously forfeited service credit.

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