

Senate Bill No. 393

(By Senators Browning and Plymale)

[Introduced January 24, 2012; referred to the Committee on Education; then to the Committee on Pensions; and then to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §18-7D-6 of the Code of West Virginia, 1931, as amended, relating to the State Teachers Retirement System; and extending the time for certain members to purchase additional service credit for service in the Teachers' Defined Contribution Retirement System.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 7D. VOLUNTARY TRANSFER FROM TEACHERS' DEFINED CONTRIBUTION RETIREMENT SYSTEM TO STATE TEACHERS RETIREMENT SYSTEM.

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

1 **adjustments.**

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

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

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

24 (1) For any member affirmatively electing to transfer, the

1 member's State Teachers Retirement System credit shall be seventy-
2 five percent of the member's Teachers' Defined Contribution
3 Retirement System service credit, less any service previously
4 withdrawn by the member or due to a qualified domestic relations
5 order and not repaid;

6 (2) To receive full credit in the State Teachers Retirement
7 System for service in the Teachers' Defined Contribution Retirement
8 System for which assets are transferred, members who affirmatively
9 elected to transfer and who provided to the board a signed
10 verification of cost for service credit purchase form by the
11 effective date of the amendments to this section enacted in the
12 2009 regular legislative session shall pay into the State Teachers
13 Retirement System a one and one-half percent contribution by no
14 later than June 30, 2009, or no later than ninety days after the
15 postmarked date on a final and definitive contribution calculation
16 from the board, whichever is later. This contribution shall be
17 calculated as one and one-half percent of the member's estimated
18 total earnings for which assets are transferred, plus interest of
19 four percent per annum accumulated from the date of the member's
20 initial participation in the Defined Contribution Retirement System
21 through June 30, 2009: *Provided*, That any member who transferred
22 and provided to the board a signed verification of cost for service
23 credit purchase form by June 30, 2009 but was unable to complete
24 the purchase of the one and one-half percent contribution, or any

1 member who did not request a verification of cost letter but
2 attempted to purchase the one and one-half percent contribution and
3 was denied in writing by the board on or before December 31, 2009,
4 may request the board on or before April 15, ~~2010~~ 2012, to
5 recalculate the contribution for ~~2010~~ 2012. To receive full
6 credit, the member shall pay into the State Teachers Retirement
7 System the recalculated purchase amount by June 30, ~~2010~~ 2012, or
8 no later than sixty days after the postmarked date on a
9 contribution recalculation from the board, whichever is later. The
10 recalculated contribution shall include the interest loss at the
11 actuarial rate of seven and one-half percent. The board's
12 executive director may correct clerical errors.

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

17 (i) The estimated total earnings shall be calculated based on
18 the member's salary and the member's age nearest birthday on June
19 30, 2008;

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

23 (B) The calculations in paragraph (A) of this subdivision are
24 based upon the salary scale assumption applied in the West Virginia

1 Teachers Retirement System actuarial valuation as of July 1, 2007,
2 prepared for the Consolidated Public Retirement Board. This salary
3 scale shall be applied regardless of breaks in service.

4 (d) All service previously transferred from the State Teachers
5 Retirement System to the Teachers' Defined Contribution Retirement
6 System is considered Teachers' Defined Contribution Retirement
7 System service for the purposes of this article.

8 (e) Notwithstanding any provision of this code to the
9 contrary, the retirement of a member who becomes eligible to retire
10 after the member's assets are transferred to the State Teachers
11 Retirement System pursuant to the provisions of this article may
12 not commence before September 1, 2008: *Provided*, That the
13 Consolidated Public Retirement Board may not retire any member who
14 is eligible to retire during the calendar year 2008 unless the
15 member has provided a written notice to his or her county board of
16 education by July 1, 2008, of his or her intent to retire.

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

NOTE: The purpose of this bill is to extend the time for certain members of the Teachers Retirement System to purchase full credit for service in the Teachers Defined Contribution System.

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

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