

Senate Bill No. 224

(By Senator Kirkendoll)

[Introduced January 8, 2014; referred to the Committee on
Pensions; and then to the Committee on Finance.]

**FISCAL
NOTE**

10 A BILL to amend and reenact §16-5V-9 of the Code of West Virginia,
11 1931, as amended, relating to transfers of service credit from
12 the Public Employees Retirement System to the Emergency
13 Medical Services Retirement System; providing that any
14 increased benefit cost of transfer calculations may be made
15 only three times; providing that a transferring director has
16 thirty-six months from the date of application to pay all
17 associated costs in a lump sum; and requiring the asset
18 transfer be completed within six months of the receipt of that
19 lump-sum payment.

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

21 That §16-5V-9 of the Code of West Virginia, 1931, as amended,
22 be amended and reenacted to read as follows:

23 **ARTICLE 5V. EMERGENCY MEDICAL SERVICES RETIREMENT SYSTEM ACT.**

1 **§16-5V-9. Transfer from Public Employees Retirement System.**

2 (a) The Consolidated Public Retirement Board shall, within one
3 hundred eighty days of the effective date of the transfer of an
4 emergency medical services officer from the Public Employees
5 Retirement System to the plan, transfer assets from the Public
6 Employees Retirement System Trust Fund into the West Virginia
7 Emergency Medical Services Trust Fund.

8 (b) Except as provided in subsection (e) of this section, the
9 amount of assets to be transferred for each transferring emergency
10 medical services officer shall be computed as of January 1, 2008,
11 using July 1, 2007, actuarial valuation of the Public Employees
12 Retirement System, and updated with seven and one-half percent
13 annual interest to the date of the actual asset transfer. The
14 market value of the assets of the transferring emergency medical
15 services officer in the Public Employees Retirement System shall be
16 determined as of the end of the month preceding the actual
17 transfer. To determine the computation of the asset share to be
18 transferred the board shall:

19 (1) Compute the market value of the Public Employees
20 Retirement System assets as of July 1, 2007, actuarial valuation
21 date under the actuarial valuation approved by the board;

22 (2) Compute the actuarial accrued liabilities for all Public
23 Employees Retirement System retirees, beneficiaries, disabled

1 retirees and terminated inactive members as of July 1, 2007,
2 actuarial valuation date;

3 (3) Compute the market value of active member assets in the
4 Public Employees Retirement System as of July 1, 2007, by reducing
5 the assets value under subdivision (1) of this subsection by the
6 inactive liabilities under subdivision (2) of this subsection;

7 (4) Compute the actuarial accrued liability for all active
8 Public Employees Retirement System members as of July 1, 2007,
9 actuarial valuation date approved by the board;

10 (5) Compute the funded percentage of the active members'
11 actuarial accrued liabilities under the Public Employees Retirement
12 System as of July 1, 2007, by dividing the active members' market
13 value of assets under subdivision (3) of this subsection by the
14 active members' actuarial accrued liabilities under subdivision (4)
15 of this subsection;

16 (6) Compute the actuarial accrued liabilities under the Public
17 Employees Retirement System as of July 1, 2007, for active
18 emergency medical services officers transferring to the Emergency
19 Medical Services Retirement System;

20 (7) Determine the assets to be transferred from the Public
21 Employees Retirement System to the Emergency Medical Services
22 Retirement System by multiplying the active members' funded
23 percentage determined under subdivision (5) of this subsection by

1 the transferring active members' actuarial accrued liabilities
2 under the Public Employees Retirement System under subdivision (6)
3 of this subsection and adjusting the asset transfer amount by
4 interest at seven and five-tenths percent for the period from the
5 calculation date of July 1, 2007, through the first day of the
6 month in which the asset transfer is to be completed.

7 (c) Once an emergency medical services officer has elected to
8 transfer from the Public Employees Retirement System, transfer of
9 that amount as calculated in accordance with the provisions of
10 subsection (b) of this section, or subsection (e) if applicable,
11 by the Public Employees Retirement System shall operate as a
12 complete bar to any further liability to the Public Employees
13 Retirement System and constitutes an agreement whereby the
14 transferring emergency medical services officer forever indemnifies
15 and holds harmless the Public Employees Retirement System from
16 providing him or her any form of retirement benefit whatsoever
17 until that emergency medical services officer obtains other
18 employment which would make him or her eligible to reenter the
19 Public Employees Retirement System with no credit whatsoever for
20 the amounts transferred to the Emergency Medical Services
21 Retirement System.

22 (d) Eligible emergency medical services officers that transfer
23 from plans other than the Public Employees Retirement System shall

1 have service recognized under this plan through the purchase of the
2 service through payment by the member of sixty percent of the
3 actuarial accrued liabilities which would result if the service is
4 credited under the Emergency Medical Services Retirement System
5 subject to the following:

6 (1) The service may be purchased in one-year increments of
7 eligible service or for the total period of eligible service;

8 (2) Payment must begin within twelve months of the effective
9 date of this article;

10 (3) Payment must be made in either a one-time lump sum payment
11 received by the board no later than December 31, 2008, or in
12 regular installment payments payable over sixty months with the
13 initial installment received by the board on or before December 31,
14 2008;

15 (4) The rate of interest applicable to regular installment
16 payments for the purchase of service shall be the actuarial
17 interest rate assumption as approved by the board for completing
18 the actuarial valuation for the plan year immediately preceding the
19 first day of the plan year in which the service purchase is made,
20 compounded per annum;

21 (5) Once payments commence, selection of the period of service
22 being purchased may not be amended; and

23 (6) Service will be credited only upon receipt by the board of

1 all payments due.

2 (e) Notwithstanding any provision of this code to the
3 contrary, any Emergency Medical Services director who: (1) Is an
4 active member of the Public Employees Retirement System; and (2)
5 has, or obtains within one year of the effective date of the
6 amendments to this section enacted during the 2012 regular session
7 of the Legislature, basic or higher emergency management technician
8 certification, is eligible to transfer service credit from the
9 Public Employees Retirement System to the Emergency Medical
10 Services Retirement System, upon payment of associated costs by the
11 transferring director. The board shall compute the actuarially
12 appropriate amount of any increased benefit cost of transfer to be
13 borne by the transferring director to be paid according to terms
14 established by the board: Provided, That the board shall only be
15 required to calculate this amount three times. Any Emergency
16 Medical Services director who transfers to the Emergency Medical
17 Services Retirement System pursuant to the provisions of this
18 subsection shall apply for the transfer to the board within one
19 year of the effective date of the amendments to this section
20 enacted during the 2012 regular session of the Legislature:
21 Provided however, That the transferring director has thirty-six
22 months from the date of application to pay all associated costs in
23 a lump sum. Upon receipt of the total payment of all associated

1 costs by the transferring director, the board shall compute the
2 amount of assets to be transferred from the Public Employees
3 Retirement System to the Emergency Medical Retirement System and
4 shall transfer the assets within six months of the receipt of the
5 ~~application~~ lump sum payment of all associated costs. Any director
6 transferring into the retirement system as provided in this
7 subsection is prohibited from retiring within three years of
8 transfer of the Public Employees Retirement System assets.

NOTE: The purpose of this bill is to provide that a transferring director from the Public Employees Retirement System to the Emergency Medical Services Retirement System has thirty-six months from the date of application to pay all associated costs in a lump sum. The bill requires the asset transfer be completed within six months of the receipt of that lump sum payment. The bill provides that the computation of the actuarially appropriate amount of any increased benefit cost of transfer is to be paid according to terms established by the board and is only required to be calculated three times.

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