

**Senate Bill No. 271**

(By Senator Cann)

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[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 §5-10-31 of the Code of West Virginia,  
11 1931, as amended; and to amend and reenact §15-2A-5 of said  
12 code, all relating to removing the requirement to set employer  
13 contribution rate for the Public Employees Retirement System  
14 and the State Police Retirement System by legislative rule;  
15 and clarifying funding rate which affects employee  
16 contribution rate in State Police Retirement System.

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

18 That §5-10-31 of the Code of West Virginia, 1931, as amended,  
19 be amended and reenacted; and that §15-2A-5 of said code be amended  
20 and reenacted, all to read as follows:

21 **CHAPTER 5. GENERAL POWERS AND AUTHORITY OF THE GOVERNOR,**  
22 **SECRETARY OF STATE AND ATTORNEY GENERAL; BOARD**



1 by the Consolidated Public Retirement Board, over a period of years  
2 determined actuarially appropriate. ~~When proposing a rule for~~  
3 ~~promulgation which relates to the amount of employer contribution,~~  
4 ~~the board may promulgate emergency rules pursuant to the provisions~~  
5 ~~of article three, chapter twenty-nine-a of this code, if the~~  
6 ~~inability of the board to increase employer contributions will~~  
7 ~~detrimentally affect the actuarial soundness of the retirement~~  
8 ~~system. A signed statement from the state actuary shall accompany~~  
9 ~~the statement of facts and circumstances constituting an emergency~~  
10 ~~which shall be filed in the State Register. For purposes of this~~  
11 ~~section, subdivision (2), subsection (b), section fifteen-a,~~  
12 ~~article three, chapter twenty-nine-a of this code is not applicable~~  
13 ~~to the Secretary of State's determination of whether an emergency~~  
14 ~~rule should be approved.~~

15 **CHAPTER 15. PUBLIC SAFETY.**

16 **ARTICLE 2A. WEST VIRGINIA STATE POLICE RETIREMENT SYSTEM.**

17 **§15-2A-5. Employee contributions; employer contributions;**  
18 **forfeitures.**

19 (a) There shall be deducted from the monthly payroll of each  
20 employee and paid into the fund created pursuant to section four of  
21 this article twelve percent of the amount of his or her salary:  
22 *Provided, That after July 1, 2008, if the unfunded liability*

1 funding percentage falls below the ninety-percent threshold, then  
2 the employee rate of contribution shall be increased to thirteen  
3 percent of the amount of the employee's salary until the ninety-  
4 percent or better funding level is again achieved. Once that  
5 funding level is achieved the employee contribution rate will be  
6 reduced to twelve percent.

7 (b) The State of West Virginia's contributions to the  
8 retirement system, as determined by the board ~~by legislative rule~~  
9 ~~promulgated in accordance with the provisions of article three,~~  
10 ~~chapter twenty-nine-a of this code,~~ shall be a percent of the  
11 employees' total annual base salary related to benefits under this  
12 retirement system. In determining the amount, the board shall give  
13 consideration to setting the amount at a sum equal to an amount  
14 which, if paid annually by the state, will be sufficient to provide  
15 for the total normal cost of the benefits expected to become  
16 payable to all members and retirants and to amortize any unfunded  
17 liability found by application of the actuarial funding method  
18 chosen for that purpose by the board over a period of years  
19 determined actuarially appropriate. ~~When proposing a rule for~~  
20 ~~promulgation which relates to the amount of employer contribution,~~  
21 ~~the board may promulgate emergency rules pursuant to the provisions~~  
22 ~~of article three, chapter twenty-nine-a of this code if the~~

1 ~~inability of the board to increase state contributions will~~  
2 ~~detrimentally affect the actuarial soundness of the retirement~~  
3 ~~system. A signed statement from the state actuary shall accompany~~  
4 ~~the statement of facts and circumstances constituting an emergency~~  
5 ~~which shall be filed in the State Register. For purposes of this~~  
6 ~~section, subdivision (2), subsection (b), section fifteen-a,~~  
7 ~~article three, chapter twenty-nine a of this code is not applicable~~  
8 ~~to the Secretary of State's determination of whether an emergency~~  
9 ~~rule should be approved.~~ The state's contributions shall be paid  
10 monthly into the fund created pursuant to section four of this  
11 article out of the annual appropriation for the agency.

12 (c) Notwithstanding any other provisions of this article,  
13 forfeitures under the system shall not be applied to increase the  
14 benefits any member or retirant would otherwise receive under the  
15 system.

NOTE: The purpose of this bill is to remove the requirement for the Consolidated Public Retirement Board to set the employer contribution rate to the Public Employees Retirement System and the State Police Retirement System by legislative rule. The bill also clarifies the funding level which affects employee contribution rates for the State Police Retirement System.

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