

1 **Senate Bill No. 452**

2 (By Senators Kirkendoll, Cann, Edgell, Carmichael and Plymale)

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5 [Introduced January 30, 2014; referred to the Committee on
6 Pensions; and then to the Committee on Finance.]
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10 A BILL to amend and reenact §5-13-2 and §5-13-4 of the Code of West
11 Virginia, 1931, as amended, all relating to the Teachers
12 Retirement System annuity calculation for reciprocal service
13 credit; defining "teacher final average salary"; and providing
14 procedure for annuity calculation for reciprocal service.

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

16 That §5-13-2 and §5-13-4 of the Code of West Virginia, 1931,
17 as amended, be amended and reenacted, all to read as follows:

18 **ARTICLE 13. PUBLIC EMPLOYEES' AND TEACHERS' RECIPROCAL SERVICE**
19 **CREDIT ACT.**

20 **§5-13-2. Definitions.**

21 The following words and phrases as used in this article,
22 unless a different meaning is clearly indicated by the context,
23 shall have the following meanings:

1 ~~(a) "State system" means the West Virginia Public Employees~~
2 ~~Retirement System and the state teachers' retirement system.~~

3 ~~(b) "Public system" means the West Virginia Public Employees~~
4 ~~Retirement System.~~

5 ~~(c) "Teacher system" means the state teachers' retirement~~
6 ~~system.~~

7 ~~(d) "Member" means a member of either the West Virginia Public~~
8 ~~Employees Retirement System or the state teachers' retirement~~
9 ~~system. The term "member" shall not include any person who has~~
10 ~~retired under either state system.~~

11 ~~(e) "Accumulated contributions" means the sum of the amounts~~
12 ~~deducted from the compensations of a member and credited to his~~
13 ~~individual account in a state system, together with interest, if~~
14 ~~any, credited thereto.~~

15 ~~(f) "Public final average salary" means a member's final~~
16 ~~average salary computed according to the law governing the public~~
17 ~~system. In computing his public final average salary, the~~
18 ~~compensations, if any, received by him for services rendered in~~
19 ~~positions covered by the teacher system shall be used in the same~~
20 ~~manner as if the compensations were received for services covered~~
21 ~~by the public system.~~

22 ~~(g) "Teacher average salary" means a member's average salary~~
23 ~~computed according to the law governing the teacher system. In~~

1 ~~computing his teacher average salary, the compensations, if any,~~
2 ~~received by him for services rendered in positions covered by the~~
3 ~~public system shall be used in the same manner as if the~~
4 ~~compensations were received for services covered by the teacher~~
5 ~~system.~~

6 ~~(h) "Reciprocal service credit" for a member of the public~~
7 ~~system who subsequently becomes a member of the teacher system, or~~
8 ~~vice versa, means the sum of his credited service in force acquired~~
9 ~~as a member of the public system and his credit service in force~~
10 ~~acquired as a member of the teacher system.~~

11 ~~(I) "Annuity" means the annuity payable by a state system.~~

12 (a) "Accumulated contributions" means the sum of the amounts
13 deducted from the compensation of a member and credited to his or
14 her individual account in a state system, together with interest,
15 if any, credited thereto.

16 (b) "Annuity" means the annuity payable by a state system.

17 (c) "Member" means a member of either the West Virginia Public
18 Employees Retirement System or the State Teachers Retirement
19 System. The term "member" does not include any person who has
20 retired under either state system.

21 (d) "Public final average salary" means a member's final
22 average salary computed according to the law governing the public
23 system. In computing his or her public final average salary, the

1 compensation, if any, received by the member for services rendered
2 in positions covered by the teacher system shall be used in the
3 same manner as if the compensation were received for services
4 covered by the public system.

5 (e) "Public system" means the West Virginia Public Employees
6 Retirement System established in article ten, chapter five of this
7 code.

8 (f) "Reciprocal service credit" for a member of the public
9 system who subsequently becomes a member of the teacher system, or
10 vice versa, means the sum of his or her credited service in force
11 acquired as a member of the public system and his or her credited
12 service in force acquired as a member of the teacher system.

13 (g) "State system" means the West Virginia Public Employees
14 Retirement System and the State Teachers Retirement System.

15 (h) "Teacher final average salary" means a member's final
16 average salary computed according to the law governing the teacher
17 system. In computing his or her teacher final average salary, the
18 compensation, if any, received by the member for services rendered
19 in positions covered by the public system shall be used in the same
20 manner as if the compensation were received for services covered by
21 the teacher system.

22 (i) "Teacher system" means the State Teachers Retirement
23 System established in article seven-a, chapter eighteen of this

1 code.

2 (j) The masculine gender includes the feminine, and words of
3 the singular number with respect to persons include the plural
4 number, and vice versa.

5 **§5-13-4. Reciprocal service.**

6 In the event a member leaves a position covered by the public
7 system and within five years thereafter becomes employed in a
8 position covered by the teacher system, or a member leaves the
9 position covered by the teacher system and within five years
10 thereafter becomes employed in a position covered by the public
11 system, in either case, the following provisions shall apply.
12 ~~together with such rules and regulations as the board of trustees~~
13 ~~of the public system and the retirement board of the teacher system~~
14 ~~shall from time to time mutually agree upon.~~

15 (a) A member's reciprocal service credit in force shall be
16 used to satisfy the service requirements for retirement under the
17 state system from which he or she retires.

18 (b) If a member, who has reciprocal service credit in force,
19 retires under the public system, he or she shall receive an annuity
20 payable by the public system and an annuity payable by the teacher
21 system. His or her public system annuity shall be based upon: (1)
22 The portion of his or her reciprocal service credit acquired as a
23 member of the public system; and (2) his or her public final

1 average salary. ~~His~~ The member's teacher system annuity shall be
2 based upon: (1) The portion of his or her reciprocal service credit
3 acquired as a member of the teacher system; and (2) his or her
4 teachers' ~~retirement allowance~~ final average salary as provided by
5 the teachers retirement act. His or her teacher system annuity
6 shall begin as of the date he or she retires under the public
7 system, but in no case prior to the date ~~he~~ the member would have
8 been eligible to retire under the teacher system if all his or her
9 reciprocal service credit had been acquired as a member of the
10 teacher system.

11 (c) If a member, who has reciprocal service credit in force,
12 retires under the teacher system, he or she shall receive an
13 annuity payable by the teacher system and an annuity payable by the
14 public system. ~~His~~ The member's teacher system annuity shall be
15 based upon: (1) The portion of his or her reciprocal service credit
16 acquired as a member of the teacher system; and (2) his or her
17 teachers' ~~retirement allowance~~ final average salary as provided by
18 the teachers retirement act. His or her public system annuity shall
19 be based upon: (1) The portion of ~~his~~ the reciprocal service credit
20 acquired as a member of the public system; and (2) his or her
21 public final average salary. His or her public system annuity shall
22 begin as of the date he or she retired under the teacher system,
23 but in no case prior to the date he or she would have been eligible

1 to retire under the public system if all his or her reciprocal
2 service credit had been acquired as a member of the public system.
3 ~~The provisions of this section, as amended, shall be~~
4 ~~retroactive to June eleventh, one thousand nine hundred sixty-five.~~

(NOTE: The purpose of this bill is to clarify that the TRS annuity calculation for a member with reciprocal service credit shall be based on the final average salary calculation as provided by TRS; to alphabetize the definitions section; and to make technical corrections throughout.

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