

Senate Bill No. 452

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

[Introduced January 30, 2014; referred to the Committee on Pensions; and then to the Committee on Finance.]

A BILL to amend and reenact §5-13-2 and §5-13-4 of the Code of West Virginia, 1931, as amended, all relating to the Teachers Retirement System annuity calculation for reciprocal service credit; defining “teacher final average salary”; and providing procedure for annuity calculation for reciprocal service.

Be it enacted by the Legislature of West Virginia:

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

**ARTICLE 13. PUBLIC EMPLOYEES’ AND TEACHERS’
RECIPROCAL SERVICE CREDIT ACT.**

§5-13-2. Definitions.

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

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

7 ~~(b) "Public system" means the West Virginia Public~~
8 ~~Employees Retirement System.~~

9 ~~(c) "Teacher system" means the state teachers' retirement~~
10 ~~system.~~

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

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

19 ~~(f) “Public final average salary” means a member’s final~~
20 ~~average salary computed according to the law governing the~~
21 ~~public system. In computing his public final average salary,~~
22 ~~the compensations, if any, received by him for services~~
23 ~~rendered in positions covered by the teacher system shall be~~
24 ~~used in the same manner as if the compensations were~~
25 ~~received for services covered by the public system.~~

26 ~~(g) “Teacher average salary” means a member’s average~~
27 ~~salary computed according to the law governing the teacher~~
28 ~~system. In computing his teacher average salary, the~~
29 ~~compensations, if any, received by him for services rendered~~
30 ~~in positions covered by the public system shall be used in the~~
31 ~~same manner as if the compensations were received for~~
32 ~~services covered by the teacher system.~~

33 ~~(h) “Reciprocal service credit” for a member of the public~~
34 ~~system who subsequently becomes a member of the teacher~~
35 ~~system, or vice versa, means the sum of his credited service~~
36 ~~in force acquired as a member of the public system and his~~
37 ~~credit service in force acquired as a member of the teacher~~
38 ~~system.~~

39 (i) ~~“Annuity” means the annuity payable by a state~~
40 ~~system.~~

41 (a) “Accumulated contributions” means the sum of the
42 amounts deducted from the compensation of a member and
43 credited to his or her individual account in a state system,
44 together with interest, if any, credited thereto.

45 (b) “Annuity” means the annuity payable by a state
46 system.

47 (c) “Member” means a member of either the West
48 Virginia Public Employees Retirement System or the State
49 Teachers Retirement System. The term “member” does not
50 include any person who has retired under either state system.

51 (d) “Public final average salary” means a member’s final
52 average salary computed according to the law governing the
53 public system. In computing his or her public final average
54 salary, the compensation, if any, received by the member for
55 services rendered in positions covered by the teacher system
56 shall be used in the same manner as if the compensation were
57 received for services covered by the public system.

58 (e) “Public system” means the West Virginia Public
59 Employees Retirement System established in article ten,
60 chapter five of this code.

61 (f) “Reciprocal service credit” for a member of the public
62 system who subsequently becomes a member of the teacher
63 system, or vice versa, means the sum of his or her credited
64 service in force acquired as a member of the public system
65 and his or her credited service in force acquired as a member
66 of the teacher system.

67 (g) “State system” means the West Virginia Public
68 Employees Retirement System and the State Teachers
69 Retirement System.

70 (h) “Teacher final average salary” means a member’s
71 final average salary computed according to the law governing
72 the teacher system. In computing his or her teacher final
73 average salary, the compensation, if any, received by the
74 member for services rendered in positions covered by the
75 public system shall be used in the same manner as if the
76 compensation were received for services covered by the
77 teacher system.

78 (i) “Teacher system” means the State Teachers
79 Retirement System established in article seven-a, chapter
80 eighteen of this code.

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

§5-13-4. Reciprocal service.

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

11 (a) A member’s reciprocal service credit in force shall be
12 used to satisfy the service requirements for retirement under
13 the state system from which he or she retires.

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

31 (c) If a member, who has reciprocal service credit in
32 force, retires under the teacher system, he or she shall receive

33 an annuity payable by the teacher system and an annuity
34 payable by the public system. ~~His~~ The member's teacher
35 system annuity shall be based upon: (1) The portion of his or
36 her reciprocal service credit acquired as a member of the
37 teacher system; and (2) his or her teachers' ~~retirement~~
38 ~~allowance~~ final average salary as provided by the teachers
39 retirement act. His or her public system annuity shall be
40 based upon: (1) The portion of ~~his~~ the reciprocal service
41 credit acquired as a member of the public system; and (2) his
42 or her public final average salary. His or her public system
43 annuity shall begin as of the date he or she retired under the
44 teacher system, but in no case prior to the date he or she
45 would have been eligible to retire under the public system if
46 all his or her reciprocal service credit had been acquired as a
47 member of the public system.

48 ~~The provisions of this section, as amended, shall be~~
49 ~~retroactive to June eleventh, one thousand nine hundred~~
50 ~~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.)