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H. B. 2417

(By Delegates P. Smith, Hartman, Moye, Rodighiero, Trecost,
Eldridge, Lynch and Williams)

[Introduced January 27, 2015; referred to the
Committee on Pensions and Retirement then Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §18-7A-28 of the Code of West Virginia, 1931, as amended, relating to the State Teachers Retirement System; options to beneficiaries; and authorizing a change of options because of death of beneficiary with a joint life annuity, within the first five years of retirement.

Be it enacted by the Legislature of West Virginia:

That §18-7A-28 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 7A. STATE TEACHERS RETIREMENT SYSTEM.

§18-7A-28. Options to beneficiaries; change of certain options because of divorce or annulment; limitation on recalculated monthly benefits.

The retirement board is hereby authorized to offer plans, optional with the beneficiary, for the payment of allowances due such beneficiary for retirement, withdrawal or prior service pensions under the retirement system. No plans shall be offered, however, which are not approved by competent actuaries.

1 When a beneficiary and his or her spouse have been approved for a retirement plan which
2 provides for them a joint life annuity and: (1) Their marriage is subsequently dissolved; or (2) the
3 spouse dies during the first five years of the beneficiary's retirement, the board shall permit such the
4 beneficiary to convert to the maximum life annuity plan approved by the board: *Provided*, That the
5 beneficiary shall furnish to the board: (1) Proof of entry of a final decree of divorce or annulment;
6 or (2) proof of the spouse's death: *Provided, however*, That a beneficiary who qualifies for the
7 change of retirement plans afforded by this section shall be permitted only one such change:
8 *Provided further*, That the recalculated monthly benefits, independently of increases granted by law
9 after the beneficiary's retirement, shall not exceed the monthly benefits which would have been
10 applicable under the maximum life annuity plan at the time the beneficiary retired; and with such
11 recalculation to be effective on the first day of the month following submission to the board by the
12 beneficiary of proof of entry of a final decree of divorce or annulment.

13 Upon remarriage, a retirant may name the new spouse as an annuitant for any of the
14 survivorship retirement benefit options offered by the provisions of this section: *Provided*, That the
15 beneficiary shall furnish to the retirement board satisfactory proof of the marriage: *Provided*,
16 *however*, That the retirant certifies under penalty of perjury that no qualified domestic relations order
17 that would restrict such a designation is in effect: *Provided further*, That no cause or action against
18 the board may then arise or be maintained on the basis of having permitted the retirant to name a new
19 spouse as annuitant for any of the survivorship retirement benefit options. The value of the new
20 survivorship annuity shall be the actuarial equivalent of the retirant's benefit prospectively in effect
21 at the time the new annuity is elected.

NOTE: The purpose of this bill is to permit a beneficiary under the State Teachers Retirement System who has been approved for a retirement with a joint life annuity to convert to the maximum life annuity if the spouse dies within the first five years of the beneficiary's retirement.

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