

WEST VIRGINIA LEGISLATURE

2018 REGULAR SESSION

Introduced

House Bill 4464

**FISCAL
NOTE**

BY DELEGATE ELDRIDGE

[Introduced February 7, 2018; Referred
to the Committee on Pensions and Retirement then
Finance.]

1 A BILL to amend and reenact §18-7D-6 of the Code of West Virginia, 1931, as amended, relating
 2 to extending the time that teachers may pay into the State Teachers Retirement System
 3 after transfer from the Teachers' Defined Contribution Retirement System.

Be it enacted by the Legislature of West Virginia:

1 That §18-7D-6 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

**ARTICLE 7D. VOLUNTARY TRANSFER FROM TEACHERS' DEFINED
 CONTRIBUTION RETIREMENT SYSTEM TO STATE TEACHERS
 RETIREMENT SYSTEM.**

**§18-7D-6. Service credit in State Teachers Retirement System following transfer;
 conversion of assets; adjustments.**

1 (a) Any member who has affirmatively elected to transfer to the State Teachers Retirement
 2 System within the period provided in §18-7D-7 of this code whose assets have been transferred
 3 from the Teachers' Defined Contribution Retirement System to the State Teachers Retirement
 4 System pursuant to the provisions of this article and who has not made any withdrawals or cash-
 5 outs from his or her assets is, depending upon the percentage of actively contributing members
 6 affirmatively electing to transfer, entitled to service credit in the State Teachers Retirement
 7 System in accordance with the provisions of subsection (c) of this section.

8 (b) Any member who has made withdrawals or cash-outs will receive service credit based
 9 upon the amounts transferred. The board shall make the appropriate adjustment to the service
 10 credit the member will receive.

11 (c) More than 75 percent of actively contributing members of the Teachers' Defined
 12 Contribution Retirement System affirmatively elected to transfer to the State Teachers Retirement
 13 System within the period provided in §18-7D-7 of this code. Therefore, any member of the
 14 Teachers' Defined Contribution Retirement System who decides to transfer to the State Teachers

15 Retirement System calculates his or her service credit in the State Teachers Retirement System
16 as follows:

17 (1) For any member affirmatively electing to transfer, the member's State Teachers
18 Retirement System credit shall be 75 percent of the member's Teachers' Defined Contribution
19 Retirement System service credit, less any service previously withdrawn by the member or due
20 to a qualified domestic relations order and not repaid;

21 (2) To receive full credit in the State Teachers Retirement System for service in the
22 Teachers' Defined Contribution Retirement System for which assets are transferred, members
23 who affirmatively elected to transfer and who provided to the board a signed verification of cost
24 for service credit purchase form ~~by the effective date of the amendments to this section enacted~~
25 ~~in the 2009 regular legislative session~~ shall pay into the State Teachers Retirement System a one
26 and one-half percent contribution ~~by no later than July 1, 2015, or no later than 90 days after the~~
27 ~~postmarked date on a final and definitive contribution calculation from the board. whichever is~~
28 ~~later~~ This contribution shall be calculated as one and one half percent of the member's estimated
29 total earnings for which assets are transferred, plus interest of four percent per annum
30 accumulated from the date of the member's initial participation in the Teachers' Defined
31 Contribution Retirement System through June 30, 2009, and interest of seven and one-half
32 percent per annum accumulated from July 1, 2009, through ~~July 1, 2015~~ the date of reentry into
33 the State Teachers Retirement System: Provided, That any member who ~~transferred and~~
34 ~~provided to the board a signed verification of cost for service credit purchase form by June 30,~~
35 ~~2009, but was unable to complete the purchase of the one and one-half percent contribution, or~~
36 ~~any member who did not request a verification of cost letter but attempted to purchase the one~~
37 ~~and one-half percent contribution and was denied in writing by the board on or before December~~
38 ~~31, 2009, may request the board on or before April 15, 2015, to recalculate the contribution for~~
39 ~~2015~~ amount. To receive full credit, the member shall pay into the State Teachers Retirement
40 System the recalculated purchase amount ~~by July 1, 2015, or no later than sixty days~~ six months

41 after the postmarked date on a contribution recalculation from the board. ~~whichever is later~~ The
42 recalculated contribution shall include the interest loss at the actuarial rate of seven and one-half
43 percent. The board's executive director may correct clerical errors.

44 (A) For a member contributing to the Teachers' Defined Contribution Retirement System
45 at any time during the 2008 fiscal year and commencing membership in the State Teachers
46 Retirement System on July 1, 2008, or August 1, 2008, as the case may be:

47 (i) The estimated total earnings shall be calculated based on the member's salary and the
48 member's age nearest birthday on June 30, 2008;

49 (ii) This calculation shall apply both an annual backward salary scale from that date for
50 prior years' salaries and a forward salary scale for the salary for the 2008 fiscal year.

51 (B) The calculations in paragraph (A) of this subdivision are based upon the salary scale
52 assumption applied in the West Virginia Teachers Retirement System actuarial valuation as of
53 July 1, 2007, prepared for the Consolidated Public Retirement Board. This salary scale shall be
54 applied regardless of breaks in service.

55 (d) All service previously transferred from the State Teachers Retirement System to the
56 Teachers' Defined Contribution Retirement System is considered Teachers' Defined Contribution
57 Retirement System service for the purposes of this article.

58 (e) Notwithstanding any provision of this code to the contrary, the retirement of a member
59 who becomes eligible to retire after the member's assets are transferred to the State Teachers
60 Retirement System pursuant to the provisions of this article may not commence before September
61 1, 2008: *Provided*, That the Consolidated Public Retirement Board may not retire any member
62 who is eligible to retire during the calendar year 2008 unless the member has provided a written
63 notice to his or her county board of education by July 1, 2008, of his or her intent to retire.

64 (f) The provisions of §18-7A-28e of this code do not apply to the amendments to this
65 section enacted during the 2009 regular legislative session or the 2015 regular legislative session.

NOTE: The purpose of this bill is to extend the time for certain teachers to pay into the

Teachers Retirement System.

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