

WEST VIRGINIA LEGISLATURE

**FISCAL
NOTE**

2025 REGULAR SESSION

Introduced

House Bill 2085

By Delegate Pinson

[Introduced February 12, 2025; referred
to the Committee on Finance]

A BILL to amend and reenact §7-14D-7 of the Code of West Virginia, 1931, as amended; and to amend said code by adding thereto a new section, designated §7-14D-11a, relating to the Deputy Sheriff Retirement System Act; permitting the board to set the employer contribution rate; setting a maximum employer contribution rate upon payment of the first annual annuity adjustment; and providing an annual annuity adjustment of one percent for eligible deputy sheriff retirants and surviving spouses.

Be it enacted by the Legislature of West Virginia:

ARTICLE 14D. DEPUTY SHERIFF RETIREMENT SYSTEM ACT.

§7-14D-7. Members' contributions; employer contributions.

(a) There shall be deducted from the monthly salary of each member and paid into the fund an amount equal to 8.5 percent of his or her monthly salary. An additional amount shall be paid to the fund by the county commission of the county in which the member is employed in covered employment in an amount determined by the board: *Provided*, That in any year preceding July 1, 2011, the total of the contributions provided in this section, to be paid by the county commission, may not exceed 10.5 percent of the total payroll for the members in the employ of the county commission: *Provided, however*, That on or after July 1, 2011, the total of the contributions provided in this section, to be paid by the county commission, may not exceed 13 percent of the total payroll for the members in the employ of the county commission: *Provided further*, That ~~effective July 1, 2023, the total amount of the contributions of the county commission shall be set actuarially by the Consolidated Public Retirement Board~~ That on or after July 1, 2025, the county commission's contributions to the fund shall be a percent of the member's total monthly salary as determined by the board: And provided further, That on or after the first year the fund has a funding ratio that would authorize an annual annuity adjustment as provided pursuant to the provisions of §7-14D-11a, the total of the contributions provided in this section, to be paid by the county commission, may not exceed 13 percent of the total payroll for the members in the employ of the county commission. If the board finds that the benefits provided by this article can be actually

funded with a lesser contribution, then the board shall reduce the required member or employer contributions or both. The sums withheld each calendar month shall be paid to the fund no later than 15 days following the end of the calendar month.

(b) Any active member who has concurrent employment in an additional job or jobs and the additional employment requires the deputy sheriff to be a member of another retirement system which is administered by the Consolidated Public Retirement Board pursuant to §5-10D-1 *et seq.* of this code shall make an additional contribution to the fund of 8.5 percent of his or her monthly salary earned from any additional employment which requires the deputy sheriff to be a member of another retirement which is administered by the Consolidated Public Retirement Board pursuant to §5-10D-1 *et seq.* of this code. An additional amount shall be paid to the fund by the concurrent employer for which the member is employed in an amount determined by the board: *Provided*, That in any year preceding July 1, 2011, the total of the contributions provided in this section, to be paid by the concurrent employer, may not exceed 10.5 percent of the monthly salary of the employee: *Provided, however*, That on or after July 1, 2011, the total of the contributions provided in this section, to be paid by the concurrent employer, may not exceed 13 percent of the monthly salary of the employee: ~~That effective July 1, 2023, the total amount of the contributions of the county commission shall be set actuarially by the Consolidated Public Retirement Board~~ *Provided further*, That on or after July 1, 2025, the concurrent employer's contributions to the fund, as determined by the board, shall be the same percent of the employee's total monthly salary as paid in §7-14D-7(a). If the board finds that the benefits provided by this article can be funded with a lesser contribution, then the board shall reduce the required member or employer contributions or both. The sums withheld each calendar month shall be paid to the fund no later than 15 days following the end of the calendar month.

§7-14D-11a. Annual annuity adjustment.

(a) Every retirant of the plan who is 60 years of age or older and who is retired under the provisions of §7-14D-9 or §7-14D-15; every retirant who is retired under the provisions of §7-14D-

14 or §7-14D-17; and every surviving spouse receiving a benefit pursuant to §7-14D-18 through §7-14D-20 is eligible to receive an annual retirement annuity adjustment equal to one percent of his or her retirement award or surviving spouse award: *Provided*, That the actuarial accrued liability of the plan has reached a funded level of 105 percent or more in the most recent actuarial valuation: *Provided, however*, That no annual retirement annuity adjustment may be given if the plan does not have a funded level of 105 percent or more in the most recent actuarial valuation. The adjustments are not retroactive. Yearly adjustments begin upon July 1 of each year in any year that the plan has reached a funded level of 105 percent or more in the most recent actuarial valuation. The annuity adjustments shall be paid to the retirant or surviving spouse from the fund in equal monthly installments while the retirant or surviving spouse is receiving annuity payments. The annuity adjustments shall supplement the retirement awards and benefits provided in this article.

(b) Any retirant or surviving spouse who receives a benefit pursuant to the provisions of §7-14D-14, or §7-14D-17 through §7-14D-20 shall begin to receive the annual annuity adjustment one year after the commencement of the benefit on the next July 1: If the retirant has been retired for less than one year or if the surviving spouse has been in receipt of surviving spouse payments for less than one year when the first annuity adjustment is given on that July 1, that first annuity adjustment will be a pro rata share of the full year's annuity adjustment.

NOTE: The purpose of this bill is to provide an annual annuity adjustment of 1% for eligible deputy sheriff retirants and surviving spouses when the plan has reached a funded level of 105 percent. The bill permits the board to set the employer contribution rate, and the maximum employer contribution rate will be 13% after the first annual annuity adjustment is paid.

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