

Form #6

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

5.20

4 ment board to meet the objections of the legislative rule-
5 making review committee and refiled in the state
6 register on the sixteenth day of September, one thou-
7 sand nine hundred ninety-two, relating to the consoli-
8 dated public retirement board (general provisions), are
9 authorized.

Tit H 162-5

Adm.

10 (b) The legislative rules filed in the state register on
11 the fifth day of November, one thousand nine hundred
12 ninety-one, modified by the consolidated public retire-
13 ment board to meet the objections of the legislative rule-
14 making review committee and refiled in the state
15 register on the sixteenth day of December, one thousand
16 nine hundred ninety-two, relating to the consolidated
17 public retirement board (public employees retirement
18 system), are authorized with the amendment set forth
19 below:

20 "On page one, subsection §162-5-2 after the word
21 'hereby' by striking out the word 'appealed' and
22 inserting in lieu thereof the word 'repealed'".

Adm.

23 (c) The legislative rules filed in the state register on
24 the fifth day of November, one thousand nine hundred
25 ninety-one, modified by the consolidated public retire-
26 ment board to meet the objections of the legislative rule-
27 making review committee and refiled in the state
28 register on the sixteenth day of December, one thousand
29 nine hundred ninety-two, relating to the consolidated
30 public retirement board (teachers' defined benefit
31 retirement system), are authorized with the amendment
32 set forth below:

33 "On page one, subsection §162-4-2 after the word
34 'hereby' by striking out the word 'appealed' and
35 inserting in lieu thereof the word 'repealed'".

36 (d) The legislative rules filed in the state register on
37 the fourth day of November, one thousand nine hundred
38 ninety-one, modified by the consolidated public retire-
39 ment board to meet the objections of the legislative rule-
40 making review committee and refiled in the state
41 register on the sixteenth day of September, one thou-
42 sand nine hundred ninety-two, relating to the consoli-
43 dated public retirement board (teachers' defined

TITLE 162
LEGISLATIVE RULES
SERIES 5
PUBLIC EMPLOYEES RETIREMENT SYSTEM

§ 162-5-1. General.

1.1. Scope. -- These rules establish the eligibility for membership in the Public Employees Retirement System.

1.2. Authority. -- W.Va. Code § 5-10D-1

1.3. Filing Date.

1.4. Effective Date.

§ 162-5-2. Rules.

This rule replaces any and all rules that have been adopted for the Public Employees Retirement System and all past rules are hereby appealed.

§ 162-5-3. Definitions.

3.1. Board - The West Virginia Consolidated Public Retirement Board.

3.2. Retirement System - The West Virginia Public Employees Retirement System.

§ 162-5-4. Interest.

For the purpose of calculating interest to the Members Deposit Fund, interest shall be four percent (4%) per annum computed annually.

§ 162-5-5. Service Credit.

In crediting service to a member employee, the following rules apply:

5.1. Employees paid on a salary basis:

(a) A day of service means four (4) or more hours of a day which an employee works or has worked for the state or other participating employer with pay.

(b) The Board shall credit sixteen (16) or more calendar days of credited service in a calendar month as a calendar month's service. However, if an employee has less than sixteen (16) calendar days of credited service in a calendar month, the Board shall not allow him or her credit for service in that calendar month.

(c) The Board shall credit ten (10) or more months of credited service in a calendar year as a calendar year's service.

5.2. Employees paid on an hourly basis. -- The Board shall credit any employee hired and paid by a participating employer on an hourly basis with one (1) month's contributing service for each one hundred twenty (120) hours of work paid by his or her employer in a calendar year.

5.3. Employees paid on a daily rate. -- Employees of a participating employer who work regularly twelve (12) days or more in a calendar month, and otherwise meet eligibility for membership, shall be members of the Retirement System.

§ 162-5-6. Final average salary.

In computing a member's final average salary, the Board shall follow the following procedure:

6.1. No compensation shall be considered for any period for which service is not credited.

6.2. The ten (10) years of credited service immediately preceding the date of his or her employment with a participating public employer last terminated is the one hundred nineteen (119) months of service preceding the last month before retirement.

6.3. The three (3) consecutive years of service for which his or her compensation was the highest is the highest aggregate of his or her compensation for the thirty six (36) consecutive months of service contained within the one hundred nineteen (119) months of service, plus the last month of service determined in Subsection ~~8.2~~ ^{6.2} of this Rule.

6.4. His or her final average salary shall be one third (1/3) of the aggregate salary determine in Subsection ~~8.3~~ ^{6.3} of this Rule.

6.5. Only compensation paid by County Courts and the State of West Virginia shall be used to determine final average salary for court reporters.

§ 162-5-7. Full-time employment defined.

Employment of an employee by a participating public employer in a position which normally requires twelve (12) months per year service and/or requires at least one thousand forty (1,040) hours per year service in that position is considered full-time employment.

§ 162-5-8. Refund of erroneous contributions.

The State Auditor and State Treasurer may refund from the funds of the Retirement System any erroneous contributions made to the System upon proper transmittals by the Executive Secretary after the Executive Secretary has received from the Executive Officer of the Payroll Records of a participating public employer the reason for making the erroneous contributions, the amount thereof, and to whom the refund is payable.

§ 162-5-9. Expense fund.

Participating public employers other than the departments

of the State of West Virginia operating from the General Revenue Fund and the General School Fund appropriations, as provided in the Budget, shall pay to the expense fund the sum of five dollars (\$5.00) per year, for each employee member, retirant and beneficiary receiving benefits. The payment is due at the time the employee of the public employer joins the System and is payable upon a statement from the Board of Trustees. The Board shall not pro-rate the contributions in the event a member terminates his or her membership in the System or a retirant or beneficiary ceases to receive benefits before the completion of a year's membership or retirement benefits.

§ 162-5-10. Insurable Interest.

Insurable interest, as mentioned in Section 24 of the Act creating the Retirement System, shall be construed as being an interest that arises from the ties of blood or marriage to the member as will justify a reasonable expectation or advantage or benefit from the continuance of his life, or that relationship where a person has a legal claim on the member for service or support or from the personal relationship between them, and where he has a reasonable right to expect some pecuniary advantage from the continuance of the life of the member.

§ 162-5-11. Verification of prior service.

11.1. By the Executive Officer of Payroll Records:

(a) The Board will accept a certificate from the Executive Office or the Payroll Records of the employer as evidence of service prior to July 1, 1961, or the date the public employer elected to become a member of the Retirement System.

(b) The certificate and affidavits submitted by the employer shall show the member's full name (no initials), the name of the employer and the exact date(s) of the prior service.

11.2. Records of the Health, Education and Welfare or Internal Revenue. -- Copies of W-2 Forms furnished an employee, bonafide copies of Internal Revenue Tax Returns, or records of Health, Education and Human Services or Internal Revenue Service which show gross earnings and the employee's and the employer's name are sufficient evidence of prior service.

11.3. Affidavits secured by member employees. -- In the event a member employee cannot obtain the certificate as mentioned in Subsections 8.1 and 8.2 of this Rule, the Board may grant prior service credit upon the member employee furnishing two (2) affidavits to the Retirement System from two (2) credible persons who worked with the member employee during the periods stated or who had personal knowledge of the employment.

§ 162-5-12. Employer contributions.

Each participating public employer shall contribute nine and five-tenths percent (9.5%) of each compensation payment of all its employees who are members of the Public Employees Retirement System. The sums are due the Public Employees Retirement System at the end of each calendar month in arrears and shall be paid not later than five (5) days following the end of each calendar month. Each remittance shall be accompanied by a detailed summary of the sums withheld from the compensation of each member and the credited service each employee was entitled to for that month, on forms provided by the Public Employees Retirement System for that purpose.

§ 162-5-13. Employee contributions.

All participating public employers shall withhold four and five-tenths (4.5%) from the gross compensation of each member. The sums withheld each calendar month are due the Retirement System at the end of each calendar month and shall be paid not later than

five (5) days following the end of each calendar month. Each remittance shall be made by check separate from the employer remittance and shall be made payable to the West Virginia Public Employees Retirement System. Each remittance shall be accompanied by a detailed summary of the sums withheld from the compensation of each employee and the credited service each employee was entitled to for that month, on forms provided by the Retirement System for that purpose. The Board may accept reports from agencies based on the same format as the Public Employees Retirement System.

§ 162-5-14. Public corporations.

In order to be accepted for membership by the Board as a participating public employer, any separate corporation or instrumentality established by 1 or more counties, cities or towns, or any corporation or instrumentality supported in most part by counties, cities or towns, which by a three-fifths (3/5) majority vote of its governing body elects to join the Retirement System, the public corporation or instrumentality must pass a resolution whereby it would allow the entity from which it derives its funds to deduct from its appropriations any sums the Board finds are subsequently delinquent, and for the entity to pay the delinquent funds to the Board. In the event the entity fails to pay the delinquent funds, then the Consolidated Public Retirement Board may collect the delinquent funds, as provided for in W. Va. Code § 5-10-33.

§ 162-5-15. Annuity payment age.

For the purpose of calculating annuity benefits, the Board shall use the age at the nearest birthday to the effective date of retirement of the member, retirant or beneficiary.

§ 162-5-16. Prior service on reemployment.

The Board shall credit each member of the Retirement System with prior service before July 1, 1961 if that member was in the employ of the State of West Virginia or other participating public employer within a period of thirty (30) years immediately preceding the date the political subdivision became a participating public employer: Provided, however, That the member must be reemployed by a participating employer or the State of West Virginia within a period of fifteen (15) years in order to be able to purchase past service credit subsequent to the date that the participating public employer elected to become a participating employer.

§ 162-5-17. Employee membership in Retirement System.

17.1. Employees of Boards of Education, Colleges or Universities. -- Any employee or person whose salary or compensation is paid in whole, or substantially in part, by any College, University, County Board of Education, State Department of Education, State Board of Education or State Teachers Retirement System is not entitled to membership in the West Virginia Public Employees Retirement System while so employed.

17.2. Employees of Cooperative Associations under direction of the Department of Agriculture. -- Employees of cooperative associations under the supervision of the Department of Agriculture, whose compensation is payable by the cooperative association are not entitled to membership in the Retirement System for such employment.

17.3. Registrars of Division of Vital Statistics. -- Those employees of counties furnishing statistical information to the Department of Health and Human Services whose job is considered full time, or whose position is considered one which normally requires twelve (12) months of service and at least one thousand forty (1,040)

hours per year service in that position, shall become members of the Retirement System.

17.4. Deputy Commissioners of Delinquent and Forfeited Lands.

-- The various Deputy Commissioners for Delinquent and Forfeited Lands, by reason of such appointment are not entitled to membership in the Retirement System for such employment.

17.5. Other retirement systems membership. -- Any employee of a participating employer who is eligible for membership in another Retirement System of a political body is not eligible for membership in the West Virginia Public Employees Retirement System.

§ 162-5-18. Participating after July 1, 1961.

Members of any participating employer, including, but not limited to, hourly employees of the State Division of Highways who were eligible to participate July 1, 1961, shall not receive service credit during the period July 1, 1961, until the date on which the member employee actually commenced participation by contributing to the Retirement System; however, during that period they shall be considered to be members of the Retirement System for all other purposes.

§ 162-5-19. Employer termination of membership.

Once an employer, whether a municipality, county or public corporation, elects to participate in the Retirement System, the action of the municipality, county or public corporation is final and it may not, at a later date, elect to terminate its participation in the Retirement System.

§ 162-5-20. Approval of applications for voluntary retirement and death annuities by Executive Secretary.

20.1. The State Auditor and State Treasurer may pay continuing monthly annuities to retirants, beneficiaries of retirants and beneficiaries of deceased members, after the Executive Secretary has:

(a) Approved the date of birth of the member, retirant or beneficiary.

(b) Approved the prior and contributing service the member is entitled to.

(c) Approved the date of the death of a member in the event of his or her death.

(d) Complied with the other provisions of this Rule.

(e) Submitted the proper transmittals to the Department of Administration.

§ 162-5-21. Reinstatement interest.

Should a former member of the Retirement System be reinstated under W. Va. Code § 5-10-18, the Board shall deposit the payment of regular interest on his or her refund to the Member's Deposit Fund and shall credit the member's individual account.

§ 162-5-22. Reduction of annuities on request of retirant.

A retirant is not entitled to elect a reduced annuity except as provided for in W. Va. Code § 5-10-24.

§ 162-5-23. Time of application for filing for benefits.

Any employee or former employee of a participating employer who files his or her application for benefits and who may become eligible for benefits or who was eligible for benefits upon terminating his or her employment, and files his or her application for benefits within one (1) year after becoming otherwise eligible to receive retirement benefits, shall receive benefits accumulated, as

otherwise provided for in W. Va. Code 5-10 et seq., commencing the end of the month following the month after he or she was last on the payroll of a participating employer.

§ 162-5-24. Military service credit.

Any member applying for retirement benefits who is claiming service credit for time served in the armed forces of the United States must present to the Retirement System his or her discharge from the service or other appropriate documents which show his or her time served in the armed forces, or a photostatic copy of same, before the Board will credit the service.

§ 162-5-25. Refunds of contributions where an annuity may be payable.

Any member of the Retirement System who terminates employment after attaining age sixty (60) and who has five (5) or more years credited service, three (3) years or more of which was contributing service, and is otherwise entitled to an annuity payable from the Retirement System, is not eligible for a refund of contributions made to the Retirement System, but, in lieu therefore, is entitled to a monthly annuity payable pursuant to W. Va. Code § 5-10-20. However, any member of the Retirement System who terminates employment before attaining age sixty (60), even though he or she may be entitled to deferred benefits, may be entitled to a refund of contributions upon written application filed with the Retirement System.

§ 162-5-26. Early retirement.

26.1. Any member who was a member of the Retirement System prior to June 30, 1986 who hereafter or heretofore acquires ten (10)

years or more of credited service with the Retirement System, three (3) years or more of which are contributing service, and has terminated his or her employment after attaining age fifty-five (55), but before attaining age sixty (60) may be entitled to an annuity pursuant to W. Va. Code § 5-10-2: Provided, That the member makes application for retirement on or before he or she attains age sixty-two (62): Provided further, That the member has not withdrawn his or her contributions made to the System or that the member redeposits what withdrawals he or she may have withdrawn plus four percent (4%) interest per annum thereon. All funds must be repaid while a member is an active participant.

26.2. Recalculation of early retirement factor after reemployment period. -- The Board shall treat any member who retires early pursuant to W. Va. Code § 5-10-21, and is subsequently reemployed by a participating employer of the System, and who again retires, for purposes of the determination of the newly applicable early retirement factor, as if he or she were retiring at an age calculated by adding to this original early retirement age the number of years and months during which he or she was reemployed. In the event that the artificially determined age exceeds sixty (60), the Board shall not introduce any reduction for early retirement.

§ 162-5-27. Employer participation after a former employee has retired.

If a retirant was employed by a non-participating agency, which subsequently elects to become a participating agency, the Executive Secretary may recalculate the member's file and give the member additional benefits effective the date the employer came into the Retirement System: Provided, That the Board can properly verify the previous employment and that the employment was prior to July 1, 1961.

§ 162-5-28. Temporary employment retirants.

Any former member of the Retirement System drawing an annuity may accept temporary employment with a participating employer: Provided, That his or her compensation does not exceed the limitation established by W. Va. Code § 5-10-48. The earnings received in the calendar year as limited by section forty-eight of the W. Va. Code, regardless of over what period is the controlling factor for suspension of the annuity for the balance of the calendar year.

§ 162-5-29. Member receiving Workers' Compensation.

Any member of the Retirement System who is injured or suffers a disease growing out of the course of his or her employment and who is receiving Workers' Compensation benefits shall receive credited service toward his or her retirement: Provided, That the member returns to employment with a participating employer upon recovery of his or her injury or disease.

§ 162-5-30. Deputy Assessors - service credit.

Deputy Assessors shall receive credited service for actual time for which they are compensated, however, final average salary shall be based upon their annual compensation.

§ 162-5-31. Officers of the Department of Public Safety and Municipal Police or Fire Department.

Any member of the Retirement System who served as an officer of the Division of Public Safety or a Municipal Fire or Police Department and is not receiving an annuity from that system, may be granted prior service credit if he or she is otherwise entitled to the credit.

§ 162-5-32. Repayment of withdrawals.

Any former member of the Retirement System who withdrew his or her contributions and who is reemployed by a participating employer may repay his or her withdrawals over a three (3) year period, together with four percent (4%) interest, if repayment in a lump sum will work a hardship. The individual must be a contributing member for a full year before any repayment of funds are allowed and all funds must be repaid within five (5) years of reemployment.

§ 162-5-33. Refunds of contributions upon accepting employment with a different participating employer.

Any member who terminates his or her employment with a participating employer and who shortly hereafter accepts employment with another participating employer is not entitled to a refund of contributions made to the Retirement System.

§ 162-5-34. Employee and employer contributions when an employee is on annual leave or compensated sick leave.

The employee and employer shall make regular contributions to the Retirement System, notwithstanding the fact that the employee is drawing compensation for annual or sick leave.

§ 162-5-35. Insurance Premiums. -- The Board will not consider premiums paid by a participating employer for group life insurance or group health and accident insurance on its employees as compensation for retirement purposes.

§ 162-5-36. Elected officials of the Legislature.

Elected Clerks, Sergeants at Arms and Doorkeepers of the Legislature shall receive one (1) year's service credit with the

Retirement System for each year served.

§ 162-5-37. Refunds of member contributions when made.

Members of the West Virginia Public Employees Retirement System who terminate their employment with a participating employer without an annuity payable are entitled to a refund of their contributions made to the Retirement System thirty (30) days after they have last appeared on an official payroll of the State of West Virginia or other participating employer, which report of payroll has been filed with the Retirement System.

§ 162-5-38. Temporary employment for retirants defined.

Any retirant who accepts employment for a relatively short period (in the case of a state employee, not more than ninety (90) consecutive days) and who is not considered in any way a permanent or regular employee is a temporary employee within the meaning of W. Va. Code § 5-10-2 and the employee shall not be a member of the Retirement System.

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May 28, 1993

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HB 100 authorizing, **Title 162, Series 5, Public Employees Retirement System**, passed the Legislature on **May 26, 1993**. It is now awaiting the Governor's signature.

You have sixty (60) days after the Governor signs HB 100, to final file the legislative rule with the Secretary of State's office. To final file your legislative rule, fill in the blanks on the enclosed form #6, the "Final Filing" form and file the form with our office. Authorization for your legislative rule is cited in **HB 100** section **64-2-9(b)**. The agency may set the effective date of the legislative rule up to ninety (90) days from the date the legislative rule is final filed with the Secretary of State's office. Please have an authorized signature on the bottom line.

*****IMPORTANT: IF YOUR AGENCY HAS COMPLETED THE LEGISLATIVE RULE ON A COMPUTER SYSTEM THAT USES A 3 1/2" OR 5 1/4" DISK, PLEASE SUBMIT A CLEAN COPY, WITH ALL UNDERLINING AND STRIKE-THROUGHS TAKEN OUT, TO OUR OFFICE WHEN FINAL FILING THE RULE. STATE ON THE DISK THE FORMAT THE RULE IS IN AND THE TITLE IT IS FILED UNDER. THIS WILL MAKE IT QUICKER FOR US TO ENTER YOUR RULES ON THE LEGISLATIVE DATA BASE. REMEMBER THE TEXT OF THE COMPUTER FILED RULE MUST BE IDENTICAL - WORD FOR WORD, COMMA FOR COMMA, WITH ALL UNDERLINING AND STRIKE-THROUGHS TAKEN OUT, AS THE HARD COPY AUTHORIZED BY THE LEGISLATURE.**

After the final rule is entered into the legislative data base, the rule will be sent to the agency for review and proofing. Following confirmation or corrections, as the case may be, the Secretary of State shall submit to the agency a final version of the rule for their records.

If you have any questions or need any assistance, please do not hesitate to call our office.

Thank You
Administrative Law Division