

**WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW
DIVISION**

Do Not Mark In This Box

FILED

APR 7 9 43 AM '00

Form #6 ☐

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED
BY THE WEST VIRGINIA LEGISLATURE**

AGENCY: West Virginia Consolidated Public Retirement Board TITLE NUMBER: 162

AMENDMENT TO AN EXISTING RULE: YES ☐ NO ☒

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: Series 7

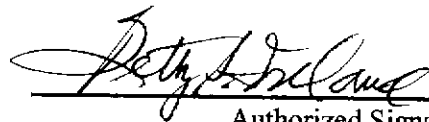
TITLE OF RULE BEING PROPOSED: Refund, Reinstatement and Loan Interest Factors

THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) Senate Bill 235

SECTION 64-2-3(e), PASSED ON March 11, 2000

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON THE
FOLLOWING DATE: July 1, 2000


Authorized Signature

**TITLE 162
PROCEDURAL RULE
WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD**

**SERIES 7
REFUND, REINSTATEMENT AND LOAN INTEREST FACTORS**

FILED

APR 7 9 43 AM '00

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

§ 162-7-1. General.

1.1. Scope. — This Rule addresses and identifies the interest rates which the Consolidated Public Retirement Board shall apply to the referenced member transactions which, from time-to-time, occur in the Board's administration of the State's several retirement systems.

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

1.3. Filing Date. — April 7, 2000

1.4. Effective Date. — July 1, 2000

§ 162-7-2. Relationship to Prior Interest Rules.

2.1 This Rule is intended to replace any and all Rules which may have been, prior to the effective date of this Rule, previously adopted or promulgated by the Board regarding the attachment of interest on the referenced plan transactions. Any and all prior Rules are hereby repealed to the extent they are inconsistent with the provisions of this Rule.

2.2 This Rule, and the interest rates specified are applicable to plan transactions which occur after June 30, 2000.

2.3 To the extent that the Board determines that any provisions of this Rule are in conflict with the provisions of an analogous state retirement system statute, the statutory

law prevails and shall be applied.

§ 162-7-3. Refund Interest.

3.1. Refund interest shall be paid to a member as provided in this section when the member or beneficiary is eligible for and makes application for a refund of accumulated contributions in accordance with applicable plan provisions.

3.1.1. Deputy Sheriffs Retirement System. In the event a member of the Deputy Sheriffs Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is four percent (4%), compounded per annum.

3.1.2. Public Employees Retirement System. In the event a member of the Public Employees Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is four percent (4%), compounded per annum. Refund interest as provided for in this rule shall be consistent with and have the same meaning as "regular interest," as defined in W. Va. Code §5-10-2(17).

3.1.3. Teachers Retirement System. In the event a member of the Teachers Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate

applicable to the refund is four percent (4%), compounded per annum.

3.1.4. West Virginia State Police Death, Disability and Retirement Fund.

In the event a member of the West Virginia State Police Death, Disability and Retirement Fund terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is the rate specified in W. Va. Code §15-2-37(a) at the time of the member's application for refund.

3.1.5. West Virginia State Police Retirement System. In the event a member of the West Virginia State Police Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is the rate specified in W. Va. Code § 15-2A-8(a) at the time of the member's application for refund.

3.1.6. Judges Retirement System. In the event a member of the Judges Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, no interest shall be payable to that member as specified in W. Va. Code §51-9-12.

3.2. Miscellaneous refunds. In any circumstance in which an individual is entitled to a refund of retirement system contributions under the laws of the State of West Virginia under circumstances not otherwise specified in ~~the~~ this section, and for which interest is payable, the rate of interest is four percent, compounded per annum.

§162-7-4. Reinstatement Interest.

4.1. A member who has previously terminated covered employment and withdrawn accumulated contributions, but later returns to employment with a participating public employer, may be eligible to reinstate his or her prior retirement system service credit if reinstatement is permitted under applicable law. The reinstatement of service credit shall in any event be contingent upon the member's repayment of contributions previously withdrawn from a state retirement system at the termination of his or her prior period of covered employment, plus interest thereon as provided for in this section.

4.1.1. Deputy Sheriffs Retirement System. In the event a member of the Deputy Sheriffs Retirement System requests and is determined to be eligible to restore retirement system service credit for periods of previously terminated employment, the member shall pay into the plan any contributions which the member may have previously withdrawn from the plan at the termination of any prior period of employment, plus reinstatement interest. The rate of interest applicable to requests for reinstatement of service into the Deputy Sheriffs Retirement System is, for all plan years between the date of the member's withdrawal of plan contributions and through June 30, 2000, four percent (4%) per annum. The rate of interest applicable to reinstatement requests for each plan year after June 30, 2000, shall be based upon the Moody's Average Corporate Bond Yield, as of the December 31st immediately preceding the first day of the plan year in which the reinstatement request is made, compounded per annum. Once a member commences repayment of the reinstatement amount plus, applicable interest, the interest rate shall be based upon the Moody's Average Corporate Bond Yield, as of the December 31st immediately preceding the first day of the plan year in which reinstatement payments commence, and that rate applies

throughout the payment period providing the member remits payments on a timely basis, compounded on a basis as set by administrative rules and procedures.

4.1.2. Public Employees Retirement System. In the event a member of the Public Employees Retirement System requests and is determined to be eligible to restore retirement system service credit for periods of previously terminated employment, the member shall pay into the plan any contributions which the member may have previously withdrawn from the plan at the termination of any prior period of employment, plus reinstatement interest.

4.1.2.a. The rate of interest applicable to requests for reinstatement of service into the Public Employees Retirement System is, for all plan years between the date of the member's withdrawal of plan contributions and through June 30, 2000, four percent (4%) per annum. The rate of interest applicable to reinstatement requests for each plan year after June 30, 2000, shall be based upon the Moody's Average Corporate Bond Yield, as of the December 31st immediately preceding the first day of the plan year in which the reinstatement request is made, compounded per annum. Once a member commences repayment of the reinstatement amount plus, applicable interest, specified in this subsection, the interest rate shall be based upon the Moody's Average Corporate Bond Yield, as of the December 31st immediately preceding the first day of the plan year in which reinstatement payments commence, and that rate applies throughout the payment period providing the member remits payments on a timely basis, compounded on a basis as set by administrative rules and procedures.

4.1.3. Teachers Retirement System. Persons who have terminated covered employment with the Teachers Retirement System

and who have withdrawn their accumulated contributions are, upon subsequent return to employment as a teacher or educational employee, ineligible to return to contributing membership in the Teachers Retirement System, and are limited to membership in the Teachers Defined Contribution Retirement System, except as may be specifically provided for in W. Va. Code § 18-7A-7 or other applicable statutory plan provisions.

4.1.3.a. Transfers of service. In the event a member of the Teachers Retirement System requests and is determined to be eligible for a transfer of his or her credited service from the Public Employees Retirement System into the Teachers Retirement System as provided for in W. Va. Code §18-7A-17, the member shall pay into the Teachers Retirement System an amount equal to the difference between the contributions which the member made to the Public Employees Retirement System for the previous service, and the contributions the member would have made had he or she been a member of the Teachers Retirement System for the period of previous service, plus interest at the rate specified in subdivision 4.1.3.c.

4.1.3.b. A member of the Teachers' Retirement System is entitled to a transfer of credited service in the Public Employees Retirement System as specified in subsection 4.1.3.a. only to the extent that the member repays into the Teachers Retirement System any amounts which the member may have previously withdrawn from the Public Employees Retirement System, plus interest at the rates specified in subdivision 4.1.3.c.

4.1.3.c. The rate of interest applicable to requests for transfer of service from the Public Employees Retirement System to the Teachers Retirement System as provided for in W. Va. Code §18-7A-17 is, for all plan years through June 30, 2000, six percent (6%) per annum. The rate of interest

applicable to transfer of service requests for each plan year after June 30, 2000, and until such time as the member commences payment of any prior withdrawals, or payment of the difference in the respective plan contribution rates as required by W.Va. Code §18-7A-17 and subdivision 4.1.3.a., shall be based upon the Moody's Average Corporate Bond Yield, as of the December 31st immediately preceding the first day of that plan year in which the transfer request is made, compounded per annum. Once a member commences payment of the amount specified in subdivision 4.1.3.a. and 4.1.3.b., the interest rate shall be based upon the Moody's Average Corporate Bond Yield, as of the December 31st immediately preceding the first day of the plan year in which the transfer payments commence, and that rate applies throughout the payment period providing the member remits payments on a timely basis, compounded on a basis as set by administrative rules and procedures.

4.1.3.d. Pick up service. In the event the Board determines that a member of the Teachers Retirement System was eligible to participate in that system for a period of prior employment, but further determines that contributions were not properly withheld from the employee and paid into the system from the period of prior employment, the member is entitled to receive retirement system service credit for the prior period of employment, with the receipt of service credit being contingent upon the Board's receipt of the employee and employer contributions which should have been paid into the plan for the period of the prior employment, plus interest at the rate specified in subdivision 4.1.3.e.

4.1.3.e. The rate of interest applicable to pick-up service requests in the Teachers Retirement System is, for all plan years prior to July 1, 2000, six percent (6%) per annum. The rate of interest applicable to pick up service requests for each plan year after

June 30, 2000, shall be based upon the Moody's Average Corporate Bond Yield, as of the December 31st immediately preceding the first day of the plan year in which the pick up service request is made, compounded per annum. Once a member commences repayment of the pick up service amount specified in subdivision 4.1.3.d., the interest rate shall be based upon the Moody's Average Corporate Bond Yield, as of the December 31st immediately preceding the first day of the plan year in which the pick up service payments commence, and that rate applies throughout the payment period providing the member remits payments on a timely basis, compounded on a basis as set by administrative rules and procedures.

4.2. West Virginia State Police Death, Disability and Retirement Fund. In the event a member of the West Virginia State Police Death, Disability and Retirement Fund requests and is determined to be eligible to restore retirement system service credit for periods of previously terminated employment, the member shall pay into the plan any contributions which the member may have previously withdrawn from the plan at the termination of any prior periods of employment, plus reinstatement interest at the rate specified in W. Va. Code § 15-2-37(b).

4.3. West Virginia State Police Retirement System. In the event a member of the plan covered by the West Virginia State Police Retirement System requests and is determined to be eligible to restore retirement system service credit for periods of previously terminated employment, the member shall pay into the plan any contributions which the member may have previously withdrawn from the plan at the termination of any prior period of employment, plus reinstatement interest at the rate specified in W. Va. Code § 15-2A-8(b).

4.4. Judges Retirement System.

4.4.1. The interest rate applicable to the administrative request of any judge seeking to acquire retirement system service credit for prior periods of eligible service during which contributions were not withheld from the judge's salary and paid into the system shall, as provided for in W. Va. Code §51-9-5(a), be determined by the state auditor.

4.4.2. The interest rate applicable to the administrative request of any judge seeking to qualify service as a prosecuting attorney prior to 1987 as credited service in the Judges Retirement System as provided for in W. Va. Code §51-9-4(a) shall be determined by the state auditor.

§162-7-5. Loan Interest.

5.1. Loans made to members of the Deputy Sheriffs Retirement System pursuant to W.Va. Code § 7-14D-23 shall carry interest on the unpaid balance, at an annual effective interest rate which is two hundred (200) basis points higher than the most recent rate of interest used by the Consolidated Public Retirement Board for determining actuarial contribution levels.

5.2. Loans made to members of the Teachers Retirement System pursuant to W. Va. Code pursuant to W. Va. Code 18-7A-34 shall carry interest on the unpaid balance, at a rate commensurate with the numeric rate applied by the Consolidated Public Retirement Board to loans made to members of the Deputy Sheriffs Retirement System, or the rate of six percent (6%), whichever is higher.