

ORIGINAL HOUSE
BILL NO. HB0110

ENROLLED ACT NO. 10, HOUSE OF REPRESENTATIVES

SIXTY-FOURTH LEGISLATURE OF THE STATE OF WYOMING
2018 BUDGET SESSION

AN ACT relating to retirement plans administered by the retirement board of the Wyoming retirement system; amending and creating definitions related to member accounts; amending related provisions for account refunds and death benefits as specified; authorizing the retirement board to establish reporting requirements; specifying applicability; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 9-3-402(a)(i), 9-3-405 by creating a new subsection (d), 9-3-421 by creating a new subsection (d), 9-3-424(a), 9-3-602(a) by creating a new paragraph (xxi), 9-3-617(a), 9-3-702(a) by creating a new paragraph (xi) and by renumbering (xi) as (xii), 9-3-709, 15-5-402(a) by creating a new paragraph (xvi) and 15-5-414 are amended to read:

9-3-402. Definitions.

(a) As used in this article:

(i) "Account" or "member account" means:

(A) For a member who has a minimum of four (4) years of service or a member initially employed before July 1, 2018, the member's contributions, the member's contributions paid by an employer under W.S. 9-3-412 and any amounts transferred to the system from a terminated system on behalf of the member, plus interest compounded annually at a rate determined by the board not to exceed the average annual investment yield earned on the assets of the system;

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(B) For a member who has fewer than four (4) years of service and who is initially employed on or after July 1, 2018, only the member contributions paid by a reduction in cash salary of the member together with the interest on those contributions.

9-3-405. Retirement board duties and powers.

(d) For purpose of calculating member accounts, the board may establish reporting requirements for any retirement plan, program and system administered by the board to determine the amount or percentage of the employee or member contribution that is paid by a reduction in cash salary of the employee or member.

9-3-421. Death benefits; monthly benefit option; refund of excess employee contributions plus interest; medical insurance premiums.

(d) For purposes of determining a member's account under this section, if a member dies before the member has vested under the system, the member's account shall consist of the contributions and interest that accrue in the manner for which contributions and interest accrue for a member who is vested.

9-3-424. Refund of contributions upon termination of employment; procedure; redeposit; limitation on refund.

(a) Except as provided in subsection (b) of this section, any member covered by this article, including an at-will contract employee under W.S. 9-2-1022(a)(xi)(F)(III) or (IV), who terminates his employment or any employee of the agricultural extension service of the University of Wyoming who has not elected to

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continue to be covered by this article is entitled to a refund of his account. In addition, any member who is entitled to a refund who is an at-will contract employee under W.S. 9-2-1022(a)(xi)(F)(III), shall be entitled to a refund of ~~all contributions made to~~ his account plus any employer matching contributions made by that member. In addition, any member who is entitled to a refund who is an at-will contract employee under W.S. 9-2-1022(a)(xi)(F)(IV), shall be entitled to a refund of ~~all contributions made to~~ his account ~~including~~ plus any employer matching contributions made by that member. The refunds shall be made only upon written request to the board. A member may elect, at the time and in the manner prescribed by the system, to have the refund of his account paid directly to an eligible retirement plan as specified by the member. Any member who withdraws from the system under this section shall forfeit all rights to further benefits, employer matching contributions and service credit under the system. Any person who later returns to service covered by this article may redeposit a single lump-sum amount equal to the amount of the contributions withdrawn, together with an amount equal to the actuarial equivalent of the benefits to be derived from the redeposit, past employer contributions, the individual's attained age and the benefit structure of the appropriate plan, and upon earning not less than two (2) years service credit, may reestablish his service credits as of the time of withdrawal of his contributions. For service prior to July 1, 2002, any law enforcement member covered under W.S. 9-3-432 may redeposit the amount of contributions withdrawn for service covered under W.S. 9-3-432, in a lump sum, together with interest and the actuarial equivalent of the difference between the benefit provided under W.S. 9-3-415 through 9-3-419 and the benefit provided under W.S. 9-3-432, and upon earning not less than two (2) years

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service credit, may reestablish his service credit as of the time of withdrawal of his contributions. Any redeposit payment pursuant to this subsection shall be made not later than ten (10) years following the date of reemployment or prior to retirement, whichever first occurs. A member may make a redeposit under this subsection with personal funds or, subject to rules and regulations established by the board, through rollover contributions. Unless received by the system in the form of a direct rollover, the rollover contribution shall be paid to the system on or before sixty (60) days after the date it was received by the member. Unless otherwise permitted by section 401(a)(8) of the Internal Revenue Code, forfeitures shall not be applied to increase the benefits that any employee would otherwise receive under the system.

9-3-602. Definitions.

(a) As used in this article:

(xxi) "Member account" means:

(A) For an employee who has six (6) or more years of service to his credit or an employee initially employed before July 1, 2018, the employee's contributions paid from any source;

(B) For an employee who has fewer than six (6) years of service to his credit and who is initially employed on or after July 1, 2018, only the employee's contributions paid by a reduction in cash salary of the employee.

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9-3-617. Refund of contributions upon termination of employment; redeposit of withdrawn contributions; purchase of service credits.

(a) Except as provided in subsection (c) of this section, any employee covered by this article who terminates his employment and elects not to continue to be covered by the retirement program is entitled to a refund of his ~~contributions~~ member account together with the regular rate of interest specified by the retirement board. Refunds may be made only upon written request to the board. Any employee who withdraws from the retirement program under this subsection shall forfeit all rights to further benefits, employer contributions and service credit under this article.

9-3-702. Definitions.

(a) As used in this act:

(xi) "Member account" means:

(A) For an employee who has a minimum of four (4) years of service or an employee initially employed before July 1, 2018, the employee's contributions paid from any source;

(B) For an employee who has fewer than four (4) years of service and who is initially employed on or after July 1, 2018, only the employee's contributions paid by a reduction in cash salary of the employee.

~~(xi)~~ (xii) "This act" means W.S. 9-3-701 through 9-3-713.

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9-3-709. Refund of contributions upon termination of employment; procedure; redeposit; limitation on refund.

Any employee covered by this act who terminates his employment is entitled to a refund of ~~the amount of the employee's contributions~~ his member account plus interest thereon. The refunds shall be made only upon written request to the board. Any employee who withdraws from the system under this section shall forfeit all rights to further benefits, employer matching contributions and service credit under the system. Any person who later returns to service covered by this act may redeposit the amount of the contributions withdrawn, in lump sum, together with interest, and upon earning not less than two (2) years credited service, may reestablish his service credits as of the time of withdrawal of his contributions. Any redeposit payment pursuant to this section shall be made not later than ten (10) years following the date of reemployment or prior to retirement, whichever first occurs.

15-5-402. Definitions.

(a) As used in this article:

(xvi) "Accumulated contributions" means:

(A) For a member who has a vested right to a service pension or a member initially employed before July 1, 2018, the member's contributions paid from any source;

(B) For a member who is neither eligible for a service nor disability pension nor has a vested right to a service pension and who is initially employed on or

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after July 1, 2018, only the member's contributions paid by a reduction in cash salary of the member.

15-5-414. Death benefit.

Except as may otherwise be provided in any of the options under W.S. 15-5-413, upon the death of a member, inactive member, retired member or individual receiving a survivor's pension, there shall be paid to the designated beneficiary or beneficiaries or, in the absence of a designated beneficiary, to the estate of the member, inactive member, retired member or survivor, a lump sum equal to the excess, if any, of the ~~accumulated member~~ member's contributions paid from any source without interest over the aggregate of all pension payments made.

Section 2.

(a) This act shall apply to the distribution of benefits subject to this act made on and after the effective date of this act.

(b) Nothing in this act shall be construed to modify or impair existing contracts or other obligations executed prior to the effective date of this act.

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Section 3. This act is effective July 1, 2018.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk