

HOUSE BILL NO. HB0110

Wyoming retirement plans-member accounts.

Sponsored by: Joint Appropriations Committee

A BILL

for

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

8

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

10

11 **Section 1.** W.S. 9-3-402(a)(i), 9-3-405 by creating a
12 new subsection (d), 9-3-421 by creating a new subsection
13 (d), 9-3-424(a), 9-3-602(a) by creating a new paragraph
14 (xxi), 9-3-617(a), 9-3-702(a) by creating a new paragraph
15 (xi) and by renumbering (xi) as (xii), 9-3-709, 15-5-402(a)

1 by creating a new paragraph (xvi) and 15-5-414 are amended
2 to read:

3
4 **9-3-402. Definitions.**

5
6 (a) As used in this article:

7
8 (i) "Account" or "member account" means:

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

19
20 (B) For a member who has fewer than four
21 (4) years of service and who is initially employed on or
22 after July 1, 2018, only the member contributions paid by a

1 reduction in cash salary of the member together with the
2 interest on those contributions.

3
4 **9-3-405. Retirement board duties and powers.**

5
6 (d) For purpose of calculating member accounts, the
7 board may establish reporting requirements for any
8 retirement plan, program and system administered by the
9 board to determine the amount or percentage of the employee
10 or member contribution that is paid by a reduction in cash
11 salary of the employee or member.

12
13 **9-3-421. Death benefits; monthly benefit option;**
14 **refund of excess employee contributions plus interest;**
15 **medical insurance premiums.**

16
17 (d) For purposes of determining a member's account
18 under this section, if a member dies before the member has
19 vested under the system, the member's account shall consist
20 of the contributions and interest that accrue in the manner
21 for which contributions and interest accrue for a member
22 who is vested.

1 **9-3-424. Refund of contributions upon termination of**
2 **employment; procedure; redeposit; limitation on refund.**

3
4 (a) Except as provided in subsection (b) of this
5 section, any member covered by this article, including an
6 at-will contract employee under W.S.
7 9-2-1022(a)(xi)(F)(III) or (IV), who terminates his
8 employment or any employee of the agricultural extension
9 service of the University of Wyoming who has not elected to
10 continue to be covered by this article is entitled to a
11 refund of his account. In addition, any member who is
12 entitled to a refund who is an at-will contract employee
13 under W.S. 9-2-1022(a)(xi)(F)(III), shall be entitled to a
14 refund of ~~all contributions made to~~ his account plus any
15 employer matching contributions made by that member. In
16 addition, any member who is entitled to a refund who is an
17 at-will contract employee under W.S.
18 9-2-1022(a)(xi)(F)(IV), shall be entitled to a refund of
19 ~~all contributions made to~~ his account ~~including~~ plus any
20 employer matching contributions made by that member. The
21 refunds shall be made only upon written request to the
22 board. A member may elect, at the time and in the manner
23 prescribed by the system, to have the refund of his account

1 paid directly to an eligible retirement plan as specified
2 by the member. Any member who withdraws from the system
3 under this section shall forfeit all rights to further
4 benefits, employer matching contributions and service
5 credit under the system. Any person who later returns to
6 service covered by this article may redeposit a single
7 lump-sum amount equal to the amount of the contributions
8 withdrawn, together with an amount equal to the actuarial
9 equivalent of the benefits to be derived from the
10 redeposit, past employer contributions, the individual's
11 attained age and the benefit structure of the appropriate
12 plan, and upon earning not less than two (2) years service
13 credit, may reestablish his service credits as of the time
14 of withdrawal of his contributions. For service prior to
15 July 1, 2002, any law enforcement member covered under W.S.
16 9-3-432 may redeposit the amount of contributions withdrawn
17 for service covered under W.S. 9-3-432, in a lump sum,
18 together with interest and the actuarial equivalent of the
19 difference between the benefit provided under W.S. 9-3-415
20 through 9-3-419 and the benefit provided under W.S.
21 9-3-432, and upon earning not less than two (2) years
22 service credit, may reestablish his service credit as of
23 the time of withdrawal of his contributions. Any redeposit

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

14

15 **9-3-602. Definitions.**

16

17 (a) As used in this article:

18

19 (xxi) "Member account" means:

20

21 (A) For an employee who has six (6) or more
22 years of service to his credit or an employee initially

1 employed before July 1, 2018, the employee's contributions
2 paid from any source;

3
4 (B) For an employee who has fewer than six
5 (6) years of service to his credit and who is initially
6 employed on or after July 1, 2018, only the employee's
7 contributions paid by a reduction in cash salary of the
8 employee.

9
10 **9-3-617. Refund of contributions upon termination of**
11 **employment; redeposit of withdrawn contributions; purchase**
12 **of service credits.**

13
14 (a) Except as provided in subsection (c) of this
15 section, any employee covered by this article who
16 terminates his employment and elects not to continue to be
17 covered by the retirement program is entitled to a refund
18 of his ~~contributions~~ member account together with the
19 regular rate of interest specified by the retirement board.
20 Refunds may be made only upon written request to the board.
21 Any employee who withdraws from the retirement program
22 under this subsection shall forfeit all rights to further

1 benefits, employer contributions and service credit under
2 this article.

3
4 **9-3-702. Definitions.**

5
6 (a) As used in this act:

7
8 (xi) "Member account" means:

9
10 (A) For an employee who has a minimum of
11 four (4) years of service or an employee initially employed
12 before July 1, 2018, the employee's contributions paid from
13 any source;

14
15 (B) For an employee who has fewer than four
16 (4) years of service and who is initially employed on or
17 after July 1, 2018, only the employee's contributions paid
18 by a reduction in cash salary of the employee.

19
20 ~~(xi)~~ (xii) "This act" means W.S. 9-3-701 through
21 9-3-713.

1 **9-3-709. Refund of contributions upon termination of**
2 **employment; procedure; redeposit; limitation on refund.**

3
4 Any employee covered by this act who terminates his
5 employment is entitled to a refund of ~~the amount of the~~
6 ~~employee's contributions~~ his member account plus interest
7 thereon. The refunds shall be made only upon written
8 request to the board. Any employee who withdraws from the
9 system under this section shall forfeit all rights to
10 further benefits, employer matching contributions and
11 service credit under the system. Any person who later
12 returns to service covered by this act may redeposit the
13 amount of the contributions withdrawn, in lump sum,
14 together with interest, and upon earning not less than two
15 (2) years credited service, may reestablish his service
16 credits as of the time of withdrawal of his contributions.
17 Any redeposit payment pursuant to this section shall be
18 made not later than ten (10) years following the date of
19 reemployment or prior to retirement, whichever first
20 occurs.

21
22 **15-5-402. Definitions.**

1 (a) As used in this article:

2

3 (xvi) "Accumulated contributions" means:

4

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

9

10 (B) For a member who is neither eligible
11 for a service nor disability pension nor has a vested right
12 to a service pension and who is initially employed on or
13 after July 1, 2018, only the member's contributions paid by
14 a reduction in cash salary of the member.

15

16 **15-5-414. Death benefit.**

17

18 Except as may otherwise be provided in any of the options
19 under W.S. 15-5-413, upon the death of a member, inactive
20 member, retired member or individual receiving a survivor's
21 pension, there shall be paid to the designated beneficiary
22 or beneficiaries or, in the absence of a designated
23 beneficiary, to the estate of the member, inactive member,

1 retired member or survivor, a lump sum equal to the excess,
2 if any, of the ~~accumulated member~~ member's contributions
3 paid from any source without interest over the aggregate of
4 all pension payments made.

5

6 **Section 2.**

7

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

11

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

15

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

17

18 (END)