

**Municipal Pensions Oversight Board
Standard Operating Procedures**

Procedure Title:	Distribution of Allocation to Municipal Pension Funds
Authored by:	Blair Taylor and Michelle Painter
Date Issued:	February 24, 2020
Approved by:	Municipal Pensions Oversight Board on March 19, 2020
Purpose:	Documents the method by which the MPOB distributes the premium tax allocated to the participating Board of Trustees of the Policemen’s/Firemen’s Pension and Relief Funds.
Board	Contracts with an actuarial firm who performs an actuarial valuation on all 53 policemen’s and firemen’s pension and relief funds to ascertain whether an actuarial deficiency exists in the fund. Only those municipal policemen’s and firemen’s pension and relief funds which have an actuarial deficiency are eligible to receive funds from the Municipal Pension Security Fund.
Actuary	Prepares the actuarial valuations on each of the 53 policemen’s and firemen’s pension and relief funds and submits draft copy to Executive Director for review. All actuarial valuations shall be completed by October 1 of each year.
Executive Director	Reviews draft copies of the actuarial valuation for each municipality and continues to work with actuary on changes in order to obtain a final report.
Actuary	Posts final actuarial valuation to the corresponding Bolton ShareFile location for each pension plan to each of the 53 policemen’s and firemen’s pension plans Pension Secretary, Treasurer/Finance Director, MPOB Executive Director and Chief Financial Officer.
Executive Director	Downloads each actuarial valuation and maintains an electronic copy of each report on the shared directory file titled, Gov MPOB Shared (\\executive\dfs) (S:), Municipalities\City of (city)\(police/fire)\ (Year). Emails final actuarial report to Board Members. Per WV §8-22-20a, uploads the consolidated report to the Legislative website and notifies the Joint Committee on Government Finance, as well as, the Chair of the Committee on Pensions of each House. Actuarial valuations are available to the public at www.mpob.gov .

**Municipal Pensions Oversight Board
Standard Operating Procedures**

Responsibility:

Participating
Municipality

Action:

Completes the Application for Distribution and worksheet as per the instructions that is consistent with the municipalities' funding policy.

Standard Funding Policy – See Exhibit A
Alternative Funding Policy – See Exhibit B
Optional Funding Policy – See Exhibit C
Conservation Funding Policy - See Exhibit D

Sends Application for Distribution and worksheet to the MPOB via email to MPOB@wv.gov.

Chief Financial Officer

Prints and date/time stamps emailed Applications for Distribution and Worksheets.

Reviews the Application for Distribution and Worksheet for proper signatures, completeness and recalculates for accuracy.

Before any funds are distributed to the municipality, a current actuarial report, annual report and certification must be on file. For the first drawdown, prints a copy of the annual report and certification obtained from the electronic file Gov MPOB Shared (\\executive\dfs) (S:) Municipalities\City of (city)\(police/fire)\(Year).

Additionally, from the same electronic file prints the page from the actuarial report that displays the tables for the funded status as of July 1, employer contributions for the current fiscal year ending and the estimated employer contributions for the next fiscal year ending. (See Exhibit E)

Prints pages from the actuarial valuation that refer to additional contributions required to meet 15-year solvency test. This is done for any application using the Alternative Funding Method.

For Standard or Optional Funding methods, from the worksheet, verifies against the actuarial valuation the employer contributions, normal cost percentages and amortization of unfunded actuarial accrued liability.

From the worksheet, verifies against the annual report the employee contributions.

**Municipal Pensions Oversight Board
Standard Operating Procedures**

Responsibility:

Action:

Obtains from the municipality written justification/explanation for any significant variances.

Prepares the municipal invoice schedule in order to process payment by going to the electronic file: Gov MPOB Shared (\\executive\dfs) (S:) Allocations\Sept 1, 20XX\Allocation of Municipal Pension Security Fund Sept 20XX with reallocations Sept 20XX approved mm-dd-yyyy by ED.

Selects and completes the Municipality tab on the spread sheet that corresponds to the Application for Distribution and Worksheet being reviewed. (See Exhibit F)

1. Enters the invoice number. The invoice number is both alpha and numeric and is formatted as YYYY(FIR or POL)##REQ.
2. Enters the invoice date which is the date received.
3. Checks the appropriate box for receipt of annual report and actuarial valuation.
4. Enters the total municipal share as per the current actuarial report and the state allocation.
5. Enters the municipal contribution obtained from page 4 of the Application for Distribution. (For example, see Exhibit A, B, C, or D Page 4).
6. State Distribution will automatically calculate the prorated state share equal to the prorated municipal contribution entered. This is the amount the MPOB will pay the municipality.

For all remaining payments to the municipalities after the first payment, the municipalities need only to provide the Application for Distribution form.

Verifies that the municipal and state shares are correct and that the year-to-date contributions agree with municipal contributions total on the municipal invoice schedule. The annual report, certification, actuarial report and worksheet are not needed as they are on file. However, those municipalities who are on the Conservation Method must supply worksheets with each drawdown submission. The municipal invoice schedule is prepared in the same manner as described in the procedures listed above (See Exhibit A, B, C, or D).

**Municipal Pensions Oversight Board
Standard Operating Procedures**

Responsibility:

Action:

Stamps, signs, and dates each approved invoice with, "I certify that these goods or services have been received and this invoice is approved for payment" ensuring the approver's name is printed/legible.

Submits to the Administrative Assistant the appropriate payment documentation for entry into wvOASIS. Documentation for the first payment includes the municipal invoice schedule, Application for Distribution and worksheets, annual report and certification. Documentation for the remaining municipal payments includes the municipal invoice schedule and the Application for Distribution.

Administrative Assistant

Receives the invoice and all backup documentation from the Chief Financial Officer.

Logs in to wvOASIS Financials, Procurement, Treasury module and enters data to create a GAX document according to the OASIS training manual.

<https://myapps.wvsao.gov/apps/myOASIS/EnterpriseReadiness/Training/Default.aspx>

Writes the wvOASIS document ID on top of the Invoice. Scans invoice and all supporting documents into wvOASIS to attach to the electronic payment document.

Transfers all scanned documents to Gov MPOB Shared (\\executive\dfs) (S:) Municipalities\City of (city)\(police/fire)\(Year).

Names each file using the following format: GAX FYxxxxxxxxxxxxxxxxx
City Police/Fire Invoice Number mmddyy.

All payment documents and supporting documentation are kept in electronic files for the external auditors' review in accordance with the record retention policy. All paper documents are kept, at a minimum, until after the month end reconciliation is complete. Upon reconciliation all paper documents are available to be shredded.

Clicks "Submit" on the wvOASIS document sending the payment request document to a "Pending" status.

**Municipal Pensions Oversight Board
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Responsibility:

Action:

Executive Director	<p>Sends document page which lists the document ID via email to the Executive Director for review. (See Exhibit G)</p> <p>Receives the document page from the Administrative Assistant.</p> <p>Logs in to wvOASIS Financials, Procurement, Treasury module and accesses the appropriate document to review within the Worklist by using the document ID. Selects the document and clicks "Take Task." https://myapps.wvsao.gov/apps/myOASIS/EnterpriseReadiness/Training/Default.aspx)</p> <p>Compares information entered in wvOASIS to the supporting documents for errors. Checks invoice amount, invoice number, account coding, proper dates and payment method.</p> <p>If errors are noted, sends email to Administrative Assistant of errors to be corrected, and "Rejects" document. Otherwise, clicks "Approve" and an "Submitted, Pending SAO Approval" email is sent. (See Exhibit H)</p>
Chief Financial Officer	<p>Receives folder containing all invoices and supporting documents from the Administrative Assistant.</p> <p>Once payment requests are "Final" in wvOASIS, posts all payments to MPOB QuickBooks Accounting Software.</p> <ol style="list-style-type: none">1. Logs onto QuickBooks.2. From the Main Menu, selects write checks or pay bills.3. Enters the check number which is the wvOASIS document number, date, vendor name, amount and proper account code. Presses "OK" to complete posting.4. Writes on each payment document "PQB" - Posted to QuickBooks.

Municipal Pensions Oversight Board Standard Operating Procedures

MPOB Staff

The MPOB maintains a staff of three employees. An Administrative Assistant, a Chief Financial Officer and the Executive Director. In order to maintain efficiency and effective internal controls, the MPOB will implement the following procedure with respect to the payment process in the event one of the employees is absent from work for a period of more than one day.

1. In the absence of the Administrative Assistant, the Chief Financial Officer may execute payment transactions and the Executive Director will authorize the transactions.
2. In the absence of the Chief Financial Officer, the Administrative Assistant may execute payment transactions and the Executive Director will authorize the transactions.
3. In the absence of the Executive Director, the Administrative Assistant may execute payment transactions and the Chief Financial Officer will authorize the transactions.
4. In the event two employees are absent from work, no payments transactions will be processed.

Any and all aspects of these procedures may be overridden with the consent of the Chairperson of the Municipal Pensions Oversight Board and either the Executive Director or Chief Financial Officer. Anytime a procedure is overridden, written documentation is maintained by the MPOB.

**APPLICATION OF DISTRIBUTION(S) FROM THE MUNICIPAL PENSIONS SECURITY FUND AND
CERTIFICATION OF MUNICIPAL CONTRIBUTIONS TO THE MUNICIPAL PENSIONS AND RELIEF FUND**

To: Municipal Pensions Oversight Board

From:

Pension & Relief Fund: _____

Municipal Treasurer: _____

Signature: _____

Certified on (date): _____

Phone: _____

In accordance with Chapter 8-22-19(d)(1) of the West Virginia Code, the above-named municipal treasurer hereby **applies for the applicable portion of the Municipal Pensions Security Fund for the Board of Trustees of the above-named Pension and Relief Fund for the fiscal year ending June 30, 2020.**

The above-named municipal treasurer **certifies that the following amounts are true and correct:**

- A. Actual amount contributed by the municipality’s covered employees hired prior to January 1, 2010, during the fiscal year ending June 30, 2019. _____
- A1. Actual amount contributed by the municipality’s covered employees hired on or after January 1, 2010, during the fiscal year ending June 30, 2019. _____
- B. State Share _____
- C. Municipal Obligation _____
- D. **TOTAL** _____

The municipal treasurer further certifies that of the supplemental amount indicated in Item C: \$_____ has been irrevocably contributed to the previously named pension and relief fund. It is understood that if this amount is less than the supplemental amount indicated in Item C, then only a portion of the pension funds allocable amount (from the Municipal Pensions Security Fund) will be distributed. The portion shall be determined by dividing the amount contributed above by the total city obligation as shown in item C. Remaining proportional shares will be distributed only upon additional certification that the municipality has contributed additional monies due the pension and relief fund.

The total year to date amount of irrevocable contribution is: \$_____ which includes the above additional contribution.

**WORKSHEET INSTRUCTIONS
FOR OPEN MUNICIPAL PENSION PLANS USING THE STANDARD FUNDING METHODOLOGY**

Definitions:

Open Municipal Pension Plan – A plan that is actively enrolling new participants

General Information

Enter the name of the pension fund.

Enter the name of the Treasurer.

Enter the name of the Municipality.

1. Enter the FY18-19 actual salaries for employees hired prior to January 1, 2010. This amount must be used for all applications for fiscal year 2020 funds.
- 1a. Enter the FY18-19 actual salaries for employees hired on or after to January 1, 2010. This amount must be used for all applications for fiscal year 2020 funds.
2. Enter the normal cost percentage as determined by the actuary. It is provided in the current actuary report.
3. Normal Cost is the sum of your fiscal year 2019 salaries (items 1 & 1a) times the normal cost percentage, item 2.
4. Enter the unfunded liability amortization cost. This information is obtained from the current actuarial report. It must be for fiscal year 2020.
5. This is the sum of the normal cost, item 3 plus the unfunded liability amortization cost listed in item 4.
6. Enter the State's allocation for fiscal year 2020 provided by the Municipal Pensions Oversight Board.
7. Municipal Share under the Standard Funding Method. This is the city's obligation, item 5 less the State's share in item 6.
8. Enter the overpayment amount, due to error, authorized by City Council, paid to retirees and/or beneficiaries as allowed under WV Code §8-22-27A(d). Also, enter the date the City Council passed the ordinance authorizing the continued overpayments.
- A. Enter the percentage amount contributed by employees. This is the FY18-19 actual contribution made by the employees hired prior to January 1, 2010. It must be at least 7% of Item 1. Item A will automatically calculate after the percentage is entered based on the amount listed in item 1. Pension Plan Board of Trustees may require employees to pay more than 7% of pay to the plan. This additional employee contribution is allowable per WV Code §8-22-19(c). The treasurer shall note the percent of employee contribution as well as the actual amount of the contribution.
- A1. This amount is automatically calculated based on the amount listed in item 1a. This is the FY18-19 actual contribution made by the employees hired on or after January 1, 2010. It is fixed at 9.5% of Item 1a by WV Code §8-22-19(c).

- B. This is the State's allocation for fiscal year 2020 provided by the Municipal Pensions Oversight Board. This amount is equal to item 6.
- C. The Municipal Obligation is the greater of item 3 or item 7, increased by item 8.
- D. This is the total of items A, A1, B, and C.

After the worksheet is completed, the amount from items A, A1, B, C, and D are entered in the appropriate section on the application form. **You must return the worksheet, the application form, and related documents indicated on the application form to the Municipal Pensions Oversight Board in order for your application to be processed.**

Descriptions of Asterisk Items from Worksheet

* If using the Standard Funding Method formula and the municipal obligation from the worksheet calculation is less than the normal cost, the municipality must contribute annually at least the normal cost as stated in § 8-22-20(c)(3): "Notwithstanding any other provision of this section or article to the contrary, each municipality shall contribute annually to the fund an amount which may not be less than the normal cost, as determined by the actuarial report." The obligation will be increased by the amount reported in item 8, Overpayment due to error.

** From the Actuary's Report

*** The "State Share" comes from the Insurance taxes collected by the Insurance commissioner during the 2018 calendar year. Allocation of these funds by the Municipal Pensions Oversight Board is made on September 1, 2019. Actuarial information is based on the Bolton Partners actuarial valuation as of July 1, 2018 as required by §8-22-20 and §8-22-26a (f).

**** 8-22-20(c)(3) requires cities to contribute annually to the fund an amount, which may not be less than the normal cost, as determined by the actuary.

***** Under §8-22-27A(d) if the governing body of the city authorizes continued overpayment due to errors, the city must contribute the amount of the overpayments to the pension fund. Enter the date overpayments were authorized by City Council. Along with the worksheet, submit a copy of the City Council meeting minutes where the overpayments have been authorized by a city ordinance, the first year the authorization is in place.

FISCAL YEAR 2020
WORKSHEET FOR THE APPLICATION FOR INITIAL DISTRIBUTION AND CERTIFICATION OF
MUNICIPAL CONTRIBUTIONS TO THE OPEN MUNICIPAL PENSIONS AND PROTECTION FUND
STANDARD FUNDING METHOD

Pension Fund _____
Treasurer _____
Municipality _____

A. Contribution by Employees hired prior to 1/1/2010 Min. 7%-Max. 9.5% (FY18-19)	7.0%	\$ -	1. Payroll (FY18-19 Actual Payroll of Employees Hired prior to 1/1/2010) AND	\$ -
A1. Contribution by Employees hired on or after 1/1/2010 (FY18-19)	9.5%	\$ -	1a. Payroll (FY18-19 Actual Payroll of Employees Hired on or after 1/1/2010)	\$ -
B. State Share (FY20)		\$ -	2. Normal Cost % **	0.00%
C. Municipal Obligation* (FY20)		\$ -	3. Normal Cost (Item 1 + Item 1.a) x (Item 2)	\$ -
D. TOTAL (A + A1 + B + C)		\$ -	4. Unfunded Liability Amortization Cost**	\$ -
			5. Funding Obligation for the Year Under the Standard funding Method (Item 3 + Item 4)	\$ -
			6. State Share***	\$ -
			7. Municipal Share Under the Standard Funding Method (Item 5 - Item 6)****	\$ -
			8. Continued overpayment, authorized by City Council on _____ pursuant to WV Code §8-22-27A(d)*****	\$ -

Note: Descriptions for items marked with one or more asterisks may be found on the last page of the application instructions.

APPLICATION OF DISTRIBUTION(S) FROM THE MUNICIPAL PENSIONS SECURITY FUND AND CERTIFICATION OF MUNICIPAL CONTRIBUTIONS TO THE MUNICIPAL PENSIONS AND RELIEF FUND

To: Municipal Pensions Oversight Board

From:

Pension & Relief Fund: _____

Municipal Treasurer: _____

Signature: _____

Certified on (date): _____

Phone: _____

In accordance with Chapter 8-22-19(d)(1) of the West Virginia Code, the above named municipal treasurer hereby **applies for the applicable portion of the Municipal Pensions Security Fund for the Board of Trustees of the above named Pension and Relief Fund for the fiscal year ending June 30, 2020.**

The above named municipal treasurer **certifies that the following amounts are true and correct:**

- A. Actual amount contributed by the municipality's covered employees hired prior to January 1, 2010, during the fiscal year ending June 30, 2019. _____
- A1. Actual amount contributed by the municipality's covered employees hired on or after January 1, 2010, during the fiscal year ending June 30, 2019. _____
- B. State Share _____
- C. Municipal Obligation _____
- D. **TOTAL** _____

The municipal treasurer further certifies that of the supplemental amount indicated in Item C: \$_____ has been irrevocably contributed to the previously named pension and relief fund. It is understood that if this amount is less than the supplemental amount indicated in Item C, then only a portion of the pension funds allocable amount (from the Municipal Pensions Security Fund) will be distributed. The portion shall be determined by dividing the amount contributed above by the total city obligation as shown in item C. Remaining proportional shares will be distributed only upon additional certification that the municipality has contributed additional monies due the pension and relief fund.

The total year to date amount of irrevocable contribution is: \$_____ which includes the above additional contribution.

WORKSHEET INSTRUCTIONS
FOR OPEN MUNICIPAL PENSION PLANS USING THE ALTERNATIVE FUNDING METHODOLOGY

Definitions:

Open Municipal Pension Plan – A plan that is actively enrolling new participants

General Information

Enter the name of the pension fund.

Enter the name of the Treasurer.

Enter the name of the Municipality.

1. Enter the FY18-19 actual salaries for employees hired prior to January 1, 2010. This amount must be used for all applications for fiscal year 2020 funds.
- 1a. Enter the FY18-19 actual salaries for employees hired on or after to January 1, 2010. This amount must be used for all applications for fiscal year 2020 funds.
2. Enter the prior year actuarially required contribution.
3. Prior year contribution listed in item 2 is multiplied by 1.07% to arrive at the current year required contribution.
4. Enter any additional contributions that are required to meet the 15-year solvency test. This amount can be obtained from the current actuarial report.
5. This is the sum of items 4 and 5 and is equal to item B.
6. Enter any extra contributions made by the municipality above the required contributions.
7. This the sum of all municipal contributions made to the pension and relief fund.
8. Enter the overpayment amount, due to error, authorized by City Council, paid to retirees and/or beneficiaries as allowed under WV Code §8-22-27A(d). Also, enter the date the City Council passed the ordinance authorizing the continued overpayments.
- A. Enter the percentage amount contributed by employees. This is the FY18-19 actual contribution made by the employees **hired prior to January 1, 2010**. It must be at least 7% of Item 1. Item A will automatically calculate after the percentage is entered based on the amount listed in item 1. Pension Plan Board of Trustees may require employees to pay more than 7% of pay to the plan. This additional employee contribution is allowable per WV Code §8-22-19(c). The treasurer shall note the percent of employee contribution as well as the actual amount of the contribution.
- A1. This amount is automatically calculated based on the amount listed in item 1a. This is the FY18-19 actual contribution made by the employees **hired on or after January 1, 2010**. It is fixed at 9.5% of Item 1a by WV Code §8-22-19(c).

- B. This is the State's allocation for fiscal year 2020 provided by the Municipal Pensions Oversight Board.
- C. The Municipal Obligation is the greater of item 3 or item 7, increased by item 8.
- D. This is the total of items A, A1, B, and C.

After the worksheet is completed, the amount from items A, A1, B, C, and D are entered in the appropriate section on the application form. **You must return the worksheet, the application form, and related documents indicated on the application form to the Municipal Pensions Oversight Board in order for your application to be processed.**

Descriptions of Asterisk Items from Worksheet

* The "State Share" comes from the Insurance taxes collected by the Insurance commissioner during the 2018 calendar year. Allocation of these funds by the Municipal Pensions Oversight Board is made on September 1, 2019. Actuarial information is based on the Bolton Partners actuarial valuation as of July 1, 2018 as required by §8-22-20 and §8-22-26a (f).

** The municipal obligation as determined by the actuarial report. The obligation will be increased by the amount reported in item 8, Overpayment due to error.

*** From the Actuary's Report

**** Under §8-22-27A(d) if the governing body of the city authorizes continued overpayment due to errors, the city must contribute the amount of the overpayments to the pension fund. Enter the date overpayments were authorized by City Council. Along with the worksheet, submit a copy of the City Council meeting minutes where the overpayments have been authorized by a city ordinance, the first year the authorization is in place.

FISCAL YEAR 2020
 WORKSHEET FOR THE APPLICATION FOR INITIAL DISTRIBUTION AND CERTIFICATION OF
 MUNICIPAL CONTRIBUTIONS TO THE OPEN MUNICIPAL PENSIONS AND PROTECTION FUND
 ALTERNATIVE FUNDING METHOD

Pension Fund
 Treasurer
 Municipality

A. Contribution by Employees hired prior to 1/1/2010 Min. 7%-Max. 9.5% (FY18-19)		\$ -	1. Payroll (FY18-19 Actual Payroll of Employees Hired prior to 1/1/2010) AND	
A1. Contribution by Employees hired on or after 1/1/2010 (FY18-19)	<u>9.5%</u>	\$ -	1a. Payroll (FY18-19 Actual Payroll of Employees Hired on or after 1/1/2010)	
B. State Share* (FY20)			2. Prior Year 6/30/2019 Actuarly Required Contribution Increase in Alternative Contribution	 7.00%
C. Municipal Obligation (FY20)**	\$ -		3. Current Year 6/30/2020 Required Contribution	\$ -
D. TOTAL (A + A1 + B + C)	\$ -		4. Additional Contribution to meet 15-year solvency test *** (if applicable)	
			5. Total Required Contribution	\$ -
			6. Extra contributions made by municipality	
			7. Total Contributions	\$ -
			8. Overpayment, August 2017 to June 30, 2020, authorized by City Council on _____ pursuant to WV Code §8-22-27A(d)****	

Note: Descriptions for items marked with one or more asterisks may be found on the last page of the application instructions.

**APPLICATION OF DISTRIBUTION(S) FROM THE MUNICIPAL PENSIONS SECURITY FUND AND
CERTIFICATION OF MUNICIPAL CONTRIBUTIONS TO THE MUNICIPAL PENSIONS AND RELIEF FUND**

To: Municipal Pensions Oversight Board

From:

Pension & Relief Fund: _____

Municipal Treasurer: _____

Signature: _____

Certified on (date): _____

Phone: _____

In accordance with Chapter 8-22-19(d)(1) of the West Virginia Code, the above named municipal treasurer hereby **applies for the applicable portion of the Municipal Pensions Security Fund for the Board of Trustees of the above named Pension and Relief Fund for the fiscal year ending June 30, 2020.**

The above named municipal treasurer **certifies that the following amounts are true and correct:**

- A. Actual amount contributed by the municipality's covered employees hired prior to January 1, 2010, during the fiscal year ending June 30, 2019. _____
- A1. Actual amount contributed by the municipality's covered employees hired on or after January 1, 2010, during the fiscal year ending June 30, 2019. _____
- B. State Share _____
- C. Municipal Obligation _____
- D. **TOTAL** _____

The municipal treasurer further certifies that of the supplemental amount indicated in Item C: \$_____ has been irrevocably contributed to the previously named pension and relief fund. It is understood that if this amount is less than the supplemental amount indicated in Item C, then only a portion of the pension funds allocable amount (from the Municipal Pensions Security Fund) will be distributed. The portion shall be determined by dividing the amount contributed above by the total city obligation as shown in item C. Remaining proportional shares will be distributed only upon additional certification that the municipality has contributed additional monies due the pension and relief fund.

The total year to date amount of irrevocable contribution is: \$_____ which includes the above additional contribution.

WORKSHEET INSTRUCTIONS
FOR CLOSED MUNICIPAL PENSION PLANS USING THE OPTIONAL FUNDING METHOD

Definitions:

Closed Municipal Pension Plan – A plan that is closed to new participants

General Information

Enter the name of the pension fund.

Enter the name of the Treasurer

Enter the name of the Municipality

1. Enter the FY18-19 actual salaries for employees hired prior to January 1, 2010. This amount must be used for all applications for fiscal year 2020 funds. **Do not include payroll & employee contributions of police officers & firefighters paying into the WV Municipal Police Officers & Firefighters Retirement System.**
- 1a. Enter the FY18-19 actual salaries for employees hired on or after to January 1, 2010. This amount must be used for all applications for fiscal year 2020 funds. **Do not include payroll & employee contributions of police officers & firefighters paying into the WV Municipal Police Officers & Firefighters Retirement System.**
2. Enter the normal cost percentage as determined by the actuary. It is provided in the current actuary report.
3. Normal Cost is the sum of your fiscal year 2019 salaries (items 1 & 1a) times the normal cost percentage in item 2.
4. Enter the unfunded liability amortization cost. This information is obtained from the current actuarial report. It must be for fiscal year 2020.
5. This is the sum of the normal cost, item 3 plus the unfunded liability amortization cost listed in item 4.
6. Enter the State's allocation for fiscal year 2020 provided by the Municipal Pensions Oversight Board.
7. Municipal Share under the Optional Funding Method. This is the city's obligation in item 5 less the State's share in item 6. If item 7 is less than item 3, the amount on item 3 is the city's obligation and is to be placed in item C on the left side of the worksheet.
8. Enter the overpayment amount, due to error, authorized by City Council, paid to retirees and/or beneficiaries as allowed under WV Code §8-22-27A(d). Also, enter the date the City Council passed the ordinance authorizing the continued overpayments.
- A. Enter the percentage amount contributed by employees. This is the FY18-19 actual contribution made by the employees **hired prior to January 1, 2010**. It must be at least 7% of Item 1. Item A will automatically calculate after the percentage is entered based on the amount listed in item 1. Pension Plan Board of Trustees may require employees to pay more than 7% of pay to the plan. This additional employee contribution is allowable per WV Code §8-22-19(c). The treasurer shall note the percent of employee contribution as well as the actual amount of the contribution.

- A1. This amount is automatically calculated based on the amount listed in item 1a. This is the FY18-19 actual contribution made by the employees **hired on or after January 1, 2010**. It is fixed at 9.5% of Item 1a by WV Code §8-22-19(c).
- B. This is the State’s allocation for fiscal year 2020 provided by the Municipal Pensions Oversight Board. This amount is equal to item 6.
- C. The Municipal Obligation is the greater of item 3 or item 7, increased by item 8.
- D. This is the total of items A, A1, B, and C.

After the worksheet is completed, the amount from items A, A1, B, C, and D are entered in the appropriate section on the application form. **You must return the worksheet, the application form, and related documents indicated on the application form to the Municipal Pensions Oversight Board in order for your application to be processed.**

“Notwithstanding any other provision of this section or article to the contrary, each municipality shall contribute annually to the fund an amount which may not be less than the normal cost, as determined by the actuarial report.”

Descriptions of Asterisk Items from Worksheet

* The municipal obligation is at least the normal cost, as determined by the actuarial report. The obligation will be increased by the amount reported in item 8, Overpayment due to error.

** From the Actuary's Report

*** The "State Share" comes from the Insurance taxes collected by the Insurance commissioner during the 2018 calendar year. Allocation of these funds by the Municipal Pensions Oversight Board is made on September 1, 2019. Actuarial information is based on the Bolton Partners actuarial valuation as of July 1, 2018 as required by §8-22-20 and §8-22-26a (f).

**** 8-22-20(c)(3) requires cities to contribute annually to the fund an amount, which may not be less than the normal cost, as determined by the actuary.

***** Under §8-22-27A(d) if the governing body of the city authorizes continued overpayment due to errors, the city must contribute the amount of the overpayments to the pension fund. Enter the date overpayments were authorized by City Council. Along with the worksheet, submit a copy of the City Council meeting minutes where the overpayments have been authorized by a city ordinance, the first year the authorization is in place.

FISCAL YEAR 2020
 WORKSHEET FOR THE APPLICATION FOR INITIAL DISTRIBUTION AND CERTIFICATION OF
 MUNICIPAL CONTRIBUTIONS TO THE CLOSED MUNICIPAL PENSIONS AND PROTECTION FUND
 OPTIONAL FUNDING METHOD

Pension Fund _____
 Treasurer _____
 Municipality _____

<p>A. Contribution by Employees hired prior to 1/1/2010 Min. 7% -Max. 9.5% (FY18-19) _____ \$ _____ -</p> <p>A1. Contribution by Employees hired on or after 1/1/2010 (FY18-19) 9.5% \$ _____ -</p> <p>B. State Share (FY20) \$ _____ -</p> <p>C. Municipal Obligation* (FY20) \$ _____ -</p> <p>D. TOTAL (A + A1 + B + C) \$ _____ -</p>	<p>1. Payroll (FY18-19 Actual Payroll of Employees Hired prior to 1/1/2010) AND _____</p> <p>1a. Payroll (FY18-19 Actual Payroll of Employees Hired on or after 1/1/2010) _____</p> <p>2. Normal Cost % ** _____</p> <p>3. Normal Cost (Item 1 + Item 1.a) x (Item 2) \$ _____ -</p> <p>4. Unfunded Liability Amortization Cost** _____</p> <p>5. Funding Obligation for the Year Under the Optional funding Method (Item 3 + Item 4) \$ _____ -</p> <p>6. State Share *** _____</p> <p>7. Municipal Share Under the Optional Funding Method (Item 5 - Item 6)**** \$ _____ -</p> <p>.....</p> <p>8. Continued overpayment, authorized by City Council on _____ pursuant to WV Code §8-22-27A(d)***** \$ _____ -</p>
---	--

DO NOT INCLUDE PAYROLL & EMPLOYEE CONTRIBUTION OF POLICE OFFICERS & FIREFIGHTERS PAYING IN THE WV
 MUNICIPAL POLICE OFFICERS & FIREFIGHTERS RETIREMENT SYSTEM

Note: Descriptions for items marked with one or more astericks may be found on the last page of the application instructions.

Sample Certification and Invoice

(please place on your letterhead)

Date

Municipal Pensions Oversight Board
301 Eagle Mountain Road, Suite 251
Charleston, West Virginia 25311

Policemen's Pension & Relief Fund of Charleston, WV

In accordance with Chapter 8-22-20(f)(4) of the West Virginia Code, the City of Charleston, WV hereby **applies for the applicable portion of the Municipal Pensions Security Fund for the fiscal year ending June 30, 2020 on behalf of the Board of Trustees of the Policemen's Pension and Relief Fund of Charleston, WV.**

The municipal treasurer certifies: member contributions to the Policemen's pension and relief fund total 1.50% of compensation and are being made within five (5) days of each payroll period in accordance with WV Code §8-22-19(c). Member contributions are combined with the actuarially determined portion of the state premium tax allocation to the fund which is **48.20%** of the September 1, 2019 allocation to municipal policemen's and firemen's pension plans.

70

Charleston, WV Policemen's Pension and Relief Fund

OASIS Vendor # *202155

Invoice Amount \$ **70,260.88**

Certified by:

Signature of Municipal Treasurer

Certified on:

Date

Phone:

% - Obtain from the current actuary report

Sample Certification and Invoice

(please place on your letterhead)

Date

Municipal Pensions Oversight Board
301 Eagle Mountain Road, Suite 251
Charleston, West Virginia 25311

Policemen's Pension & Relief Fund of Charleston, WV

In accordance with Chapter 8-22-20(f)(4) of the West Virginia Code, the City of Charleston, WV hereby **applies for the applicable portion of the Municipal Pensions Security Fund for the fiscal year ending June 30, 2020.**

The municipal treasurer certifies: member contributions to **municipality's benefit account total 6.5 % of compensation and are being made within 5 days of each payroll period in accordance with WV Code §8-22-19(c).** Further, the municipal treasurer certifies: municipality contributions to the municipality's benefit account in addition to premium tax proceeds not required to be retained in the trust pursuant to WV Code §8-22-20(f)(2) are sufficient to meet the annual benefit and administrative expense payments from the funds on a pay-as-you-go basis."

City of Charleston, WV Policemen's Pension Benefit Fund

OASIS Vendor # *211529-CV80002

Invoice Amount \$75,508.58

Certified by:

Signature of Municipal Treasurer

Certified on:

Date

Phone:

WORKSHEET INSTRUCTIONS FOR THE APPLICATION OF DISTRIBUTION(S) FROM THE MUNICIPAL PENSIONS SECURITY FUND AND CERTIFICATION OF MUNICIPAL CONTRIBUTIONS TO THE CLOSED MUNICIPAL PENSION AND TO THE MUNICIPALITY EMPLOYEE BENEFIT ACCOUNT FOR MUNICIPALITIES USING THE CONSERVATION FUNDING METHOD

1. Enter the name of the pension fund.
2. Enter the name of the treasurer.
3. Enter the name of the municipality.
4. Enter the time period which covers the payrolls listed in items 7 & 8.
5. The Treasurer must certify that all the information listed on the worksheet is true and correct. (Enter the name of the treasurer on this line)
6. Enter the percentage of employee contributions to the Benefit Payment Account. (Total % of employee contributions less 1.5%)
7. Enter the actual gross salaries of all active employees hired prior to 1/1/10 for period listed in item 4. After the gross salaries are entered, the worksheet will automatically calculate the Employee contributions to the Accumulated (Trust Fund) and Benefit payment accounts. Do not include Payroll & Employee Contributions for police & firemen paying into the WV Municipal Police Officers & Firefighters Retirement System.
8. Enter the actual gross salaries of all active employees hired after to 1/1/10 for period listed in item 4. Employee contributions to the Accumulated (Trust Fund) and Benefit payment accounts will automatically calculate. Do not include Payroll & Employee Contributions for police & firemen paying into the WV Municipal Police Officers & Firefighters Retirement System.
9. Enter the contributions made for the time period listed in item 4 by the employee to the Accumulation (Trust Fund) and the Benefit Payment accounts.
10. Enter the contributions made for the time period listed in item 4 by the employer to the Benefit Payment account. Year to date amounts will automatically calculate.
11. This is the September 1 annual Premium Tax Allocation prepared by the Municipal Pensions Oversight Board as required by WV State Code 33-3-14d.
12. Monthly amount available. (1/12th of item 11)
13. Total amount requested for the police/fire pension for the time period listed in item 4
14. Total amount requested for the police/fire pension benefit fund for the time period listed in item 4
15. Sum total of items 13 & 14.

Sample Certification and Invoice

(please place on your letterhead)

Date

Municipal Pensions Oversight Board
301 Eagle Mountain Road, Suite 251
Charleston, West Virginia 25311

Firemen's Pension & Relief Fund of Charleston, WV

In accordance with Chapter 8-22-20(f)(4) of the West Virginia Code, the City of Charleston, WV hereby **applies for the applicable portion of the Municipal Pensions Security Fund for the fiscal year ending June 30, 2020 on behalf of the Board of Trustees of the Firemen's Pension and Relief Fund of Charleston, WV.**

The municipal treasurer certifies: member contributions to the Firemen's pension and relief fund total 1.50% of compensation and are being made within five (5) days of each payroll period in accordance with WV Code §8-22-19(c). Member contributions are combined with the actuarially determined portion of the state premium tax allocation to the fund which is **49.37%** of the September 1, 2019 allocation to municipal policemen's and firemen's pension plans.

Charleston, WV Firemen's Pension and Relief Fund
OASIS Vendor # *201936

Invoice Amount **\$73,298.35**

Certified by:

Signature of Municipal Treasurer

Certified on:

Date

Phone:

% - Obtain from the current actuary report

Sample Certification and Invoice

(please place on your letterhead)

Date

Municipal Pensions Oversight Board
301 Eagle Mountain Road, Suite 251
Charleston, West Virginia 25311

Firemen's Pension & Relief Fund of Charleston, WV

In accordance with Chapter 8-22-20(f)(4) of the West Virginia Code, the City of Charleston WV hereby **applies for the applicable portion of the Municipal Pensions Security Fund for the fiscal year ending June 30, 2020.**

The municipal treasurer certifies: member contributions to **municipality's benefit account total 6.5% of compensation and are being made within 5 days of each payroll period in accordance with WV Code §8-22-19(c).** Further, the municipal treasurer certifies: municipality contributions to the municipality's benefit account in addition to premium tax proceeds not required to be retained in the trust pursuant to WV Code §8-22-20(f)(2) are sufficient to meet the annual benefit and administrative expense payments from the funds on a pay-as-you-go basis."

City of Charleston, WV Firemen's Pension Benefit Fund

OASIS Vendor # *211529-CV80003

Invoice Amount **\$75,169.03**

Certified by:

Signature of Municipal Treasurer

Certified on:

Date

Phone: _____

WORKSHEET FOR THE APPLICATION OF DISTRIBUTION(S) FROM THE MUNICIPAL PENSIONS SECURITY FUND AND CERTIFICATION OF MUNICIPAL CONTRIBUTIONS TO THE CLOSED MUNICIPAL PENSION AND TO THE MUNICIPALITY EMPLOYEE BENEFIT ACCOUNT FOR MUNICIPALITIES USING THE CONSERVATION FUNDING METHOD

Pension Fund ABC Firemen's Pension & Relief Fund (1)

Treasurer _____ (2)

Municipality ABC (3)

Electronically Certified By: _____ (5)

Time Period: _____ (4)
From _____ To _____

Employee Actual Payroll

(Do not include Payroll & Employee Contributions for police & firefighters paying into the WV Municipal Police Officers & Firefighters Retirement System)

(7) Actual Payroll of Employees hired prior to 1/1/2010 AND

(8.) Actual Payroll of Employees hired on or after 1/1/2010

Total Employee Payments

Total

\$ -

Accounts		
Accumulation (Trust Fund)	Benefit	
1.50% (6)	_____	1.50%
\$0.00	\$0.00	\$0.00
1.50% (6)	8.00%	9.50%
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00

Date	Accumulation Account Employee Contribution		Benefit Payment Account			
	Current Amt (9)	Year to Date	Employee Contribution		Employer Contribution	
			Current Amt (9)	Year to Date	Current Amt (10)	Year to Date
1	_____	0.00	_____	0.00	_____	0.00
2	_____	0.00	_____	0.00	_____	0.00
3	_____	0.00	_____	0.00	_____	0.00
4	_____	0.00	_____	0.00	_____	0.00
5	_____	0.00	_____	0.00	_____	0.00
6	_____	0.00	_____	0.00	_____	0.00
7	_____	0.00	_____	0.00	_____	0.00
8	_____	0.00	_____	0.00	_____	0.00
9	_____	0.00	_____	0.00	_____	0.00
10	_____	0.00	_____	0.00	_____	0.00
11	_____	0.00	_____	0.00	_____	0.00
12	_____	0.00	_____	0.00	_____	0.00

(11) Premium Tax Allocation @ Sept 1, 2019	(13)	(14)	(15)
<u>181,633.56</u>	ABC Firemens Pension Fund	City of ABC	
(12) Amount available per month (1/12th)	Vendor # 204894	Fire Pensions Benefit Fund	
<u>15,136.13</u>	Amount Payable <u>\$6,772.64</u>	Vendor # 211544-AD000003	Total Payable <u>\$15,136.13</u>
		Amount Payable <u>\$8,363.49</u>	



Section I. Executive Summary

Background

Bolton has prepared the following report that sets forth the actuarial valuation of the City of Beckley Firemen’s Pension and Relief Fund (the Plan) as of July 1, 2018. Please note that some columns may not add due to rounding.

Funding Policy

The Plan is valued using the Alternative funding policy as described in WV Code §8-22-20. The City of Beckley (the City) switched from the Standard funding policy to the Alternative funding policy effective July 1, 1991.

Summary of Results

The following table presents a two-year summary of the Plan’s estimated pension contributions.

Estimated Employer Contribution Requirements	FYE 2019	FYE 2020
1. Prior Year Alternative Contribution	\$ 673,524	\$ 720,671
2. 7% Increase in Alternative Contribution	\$ 47,147	\$ 50,447
3. Current Year Preliminary Alternative Contribution	\$ 720,671	\$ 771,118
4. Additional Contribution to Satisfy 15-Year Solvency Test on an Open Group Basis	\$ 0	\$ 0
5. Employer Contribution Requirement to Receive 100% of Premium Tax (3. + 4.)	\$ 720,671	\$ 771,118
6. Additional Contribution to Satisfy 15-Year Solvency Test on a Closed Group Basis	\$ 0	\$ 0
7. Employer Contribution Requirement to Receive 100% Premium Tax and Grant Supplemental Benefits (COLA) (5. + 6.)	\$ 720,671	\$ 771,118

Amortization Period to Eliminate Unfunded Liability	FYE 2019	FYE 2020
1. Net City Contribution	\$ 720,671	\$ 771,118
2. Estimated Premium Tax Allocation	\$ 463,895	\$ 500,554
3. Total City Contribution Plus Premium Tax (1. + 2.)	\$ 1,184,566	\$ 1,271,672
4. Net Employer Normal Cost with Interest	\$ 1,034,647	\$ 1,051,101
5. Payment Towards Unfunded Liability (3. – 4.)	\$ 149,919	\$ 220,571
6. Estimated Number of Years this ‘Payment Towards Unfunded Liability’ Would Take to Eliminate the Unfunded Liability	Never	Never



The following table presents a three-year historical summary of the assets and liabilities for the Plan.

	July 1, 2016	July 1, 2017	July 1, 2018
Accrued Liability	\$ 44,889,600	\$ 46,089,126	\$ 48,944,997
Actuarial Asset Value (Market Value)	\$ 16,966,940	\$ 17,744,129	\$ 18,449,645
Unfunded Accrued Liability	\$ 27,922,660	\$ 28,344,997	\$ 30,495,352
Funding Percentage	37.8%	38.5%	37.7%

The contributions shown above are assumed to be paid in equal monthly installments throughout the fiscal year. Details of the determination of the City’s contribution for FYE 2020 are shown in Section 3 of this report. The City’s contributions for years prior to FYE 2020 and liabilities prior to July 1, 2018 were calculated by the plan’s previous actuary, Gabriel, Roeder, Smith & Company (GRS). Please note, the Alternative and Conservation policies do not meet the requirements for a reasonable funding method under standard actuarial principles. **Current contributions developed under the Alternative and Conservation funding policies may be significantly smaller than contributions developed under a generally accepted actuarial funding policy and plans using either of these two funding policies may experience significant increases in the required contribution over time. We recommend that municipalities using the Alternative policy consider switching to a policy that is more in line with standard actuarial principles for funding. In order to understand the ineffectiveness of these funding policies, we have shown the number of years it would take to completely payoff the unfunded liability assuming the amount shown for the plan year is paid for all future years until the unfunded is eliminated.¹ If “Never” is shown, the year’s payment toward the unfunded liability does not even cover the interest on the unfunded liability and the unfunded liability will be expected to increase in future years.**

Risk Measures

Generally, the primary risk that a plan sponsor incurs from a defined benefit plan is the risk of substantial increases in annual contributions. For plans that develop contributions using a generally accepted actuarial funding policy, these increases occur most frequently due to variation in the investment returns. The following table shows four commonly used measures of the relative riskiness of a pension plan, relative to the plan sponsor and the employee groups covered by the plan. More detail is provided later in this report.

Risk Measure	July 1, 2016	July 1, 2017	July 1, 2018	Conservative Measures
Inactive Liability as a Percent of Total Liability	62.6%	66.2%	65.7%	<50%
Assets to Payroll	8.2	8.1	8.1	<5
Liabilities to Payroll	21.5	21.1	21.4	<5
Benefit Payments to Contributions	1.6	1.5	1.4	<3

¹ This does not factor in any future increases in the Contributions since scheduled increases might require a growing burden to the City.

Taylor, Blair M

From: leanne.k.neccuzi@wv.gov
Sent: Monday, January 27, 2020 1:35 PM
To: Taylor, Blair M
Cc: Neccuzi, LeAnne K
Subject: [External] WVOASISMAIL1: GAX 2000034766 Williamson

CAUTION: External email. Do not click links or open attachments unless you verify sender.

Document: GAX 0946 2000034766 1

Taylor, Blair M

From: Taylor, Blair M
Sent: Wednesday, December 11, 2019 10:38 AM
To: leanne.k.neccuzi@wv.gov; Painter, Michelle T
Subject: RE: [External] WVOASISMAIL1: gax 2000049897 Chester Police PF 110619

Tracking:	Recipient	Delivery	Read
	leanne.k.neccuzi@wv.gov	Delivered: 12/11/2019 10:38 AM	
	Painter, Michelle T	Delivered: 12/11/2019 10:38 AM	Read: 12/11/2019 10:41 AM
	Neccuzi, LeAnne K		Read: 12/11/2019 10:38 AM

Rejected.

I rejected this invoice due to the Annual Report not being attached. Since this is the first time we've paid Chester this cycle, we need to include the Annual Report in the backup documentation. The certification is attached, just not the Annual Report. Attach and I'll approve.

GAX - 0946- 2000049897

Blair Taylor
Executive Director
West Virginia Municipal Pensions Oversight Board
301 Eagle Mountain Road, Suite 251
Charleston, West Virginia 25311

Phone: 304-356-2422
Cell Phone: 304-941-5488
Facsimile: 304-558-1016
Office Email: MPOB@wv.gov
Email: Blair.M.Taylor@wv.gov

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-----Original Message-----

From: leanne.k.neccuzi@wv.gov <leanne.k.neccuzi@wv.gov>
Sent: Wednesday, December 11, 2019 9:57 AM
To: Taylor, Blair M <Blair.M.Taylor@wv.gov>
Cc: Neccuzi, LeAnne K <LeAnne.K.Neccuzi@wv.gov>
Subject: [External] WVOASISMAIL1: gax 2000049897 Chester Police PF 110619

CAUTION: External email. Do not click links or open attachments unless you verify sender.

Document: GAX 0946 2000049897 1