

WEST VIRGINIA LEGISLATURE
Legislative Post Audit Division

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Denny Rhodes
Director

January 9, 2017

The Honorable William P. Cole III, President
West Virginia State Senate
Post Audits Subcommittee, Co-Chair
Room 229 M, Building 1
State Capitol Complex
Charleston, WV 25305

The Honorable Timothy Armstead, Speaker
West Virginia House of Delegates
Post Audits Subcommittee, Co-Chair
Room 228 M, Building 1
State Capitol Complex
Charleston, WV 25305

Dear Mr. President and Mr. Speaker:

The Legislative Auditor's Office was asked to compile data regarding how each state handles the provision of health insurance and pension benefits for its public employees. Auditors conducted a telephone survey and attempted to contact a representative of each state to respond to the following inquiries:

1. How does your state provide health insurance to state employees?
 - a. Through private insurance companies
 - b. Self-Insure (If so, how?)
2. What type of pension plans are offered to your state's employees (May choose more than one, or all three)?
 - a. Defined Benefit Plan
 - b. Defined Contribution Plan (If the respondent indicates that a 457 option is available, inquire as to whether there is a state-match or contribution).
 - c. Hybrid Plan
3. Do the plans that are offered differ based upon when the employee began work?
4. If your state had a defined benefit plan but has transitioned away from it, when did this occur?

Jan 9, 2017

To: The Honorable William P. Cole III, President
The Honorable Timothy Armstead, Speaker

The attached spreadsheet reflects the responses given to our auditors by representatives of each state. It should be noted that in instances in which no one could be reached by telephone, Legislative Audit staff attempted to obtain the responses from the respective state's websites to ascertain the answers to each of the questions above. The following tables provide a breakdown of the responses given to questions 1 and 2 of the survey:

Table 1

How States Provide Health Insurance to State Employees		
Type of Insurance	No. of States	% of States
Self-Insurance (Public)	33	66.00%
Private Insurer (Privatized)	11	22.00%
Provide Both Options	6	12.00%

Source: West Virginia Legislative Auditor's Survey

Table 2

How States Provide Pension Benefits to State Employees		
Type of Insurance	No. of States	% of States
Multiple Options	22	44.00%
Defined-Benefit Only	20	40.00%
Defined Contribution Only	3	6.00%
Hybrid Only	5	10.00%

Source: West Virginia Legislative Auditor's Survey

Based upon this analysis, the Legislative Auditor concludes that the majority of states rely on a public self-insurance plan to provide health insurance benefits to public employees. Further, most states offer either a defined-benefit plan alone or multiple plan types for employee pension benefits.

Sincerely,



Denny Rhodes

Pension Plans Differ Based on Hire Date? End Date for Defined Benefit Plan

State	Health Insurance	Pension Benefits	Pension Plans Differ Based on Hire Date?	End Date for Defined Benefit Plan
Alabama	Self-Insure	Defined Benefit	Yes	N/A
Alaska	Private and Self-Insure	Defined Benefit and Defined Contribution	Yes	1-Jul-06
Arizona	Self-Insure	Defined Benefit	Yes	N/A
Arkansas	Self-Insure	Defined Benefit	No	N/A
California	Private	Defined Benefit and Defined Contribution	No	N/A
Colorado	Private and Self-Insure	Hybrid	No	N/A
Connecticut	Self-Insure	Defined Benefit, Defined Contribution, and Hybrid	Yes	N/A
Delaware	Self-Insure	Defined Benefit	Yes	N/A
Florida	Self-Insure	Defined Benefit and Defined Contribution	Yes	N/A
Georgia	Self-Insure	Defined Benefit and Defined Contribution	Yes	N/A
Hawaii	Self-Insure	Defined Benefit	Yes	N/A
Idaho	Private	Defined Benefit	Yes	N/A
Illinois	Self-Insure	Defined Benefit	No	N/A
Indiana	Self-Insure	Hybrid	Yes	N/A
Iowa	Self-Insure	Defined Benefit	-	N/A
Kansas	Self-Insure	Defined Benefit	Yes	N/A
Kentucky	Self-Insure	Defined Benefit	Yes	N/A
Louisiana	Private	Defined Benefit	Yes	N/A
Maine	Self-Insure	Defined Benefit and Defined Contribution	No	N/A
Maryland	Self-Insure	Defined Benefit	Yes	N/A
Massachusetts	Self-Insure	Defined Benefit and Defined Contribution	Yes	N/A
Michigan	Private and Self-Insure	Defined Benefit and Defined Contribution	Yes	N/A
Minnesota	Self-Insure	Defined Benefit and Defined Contribution	No	N/A
Mississippi	Private	Defined Benefit	Yes	N/A
Missouri	Self-Insure	Defined Benefit	Yes	N/A
Montana	Self-Insure	Defined Benefit and Defined Contribution	No	N/A
Nebraska	Self-Insure	Defined Benefit and Defined Contribution	No	N/A
Nevada	Self-Insure	Defined Benefit	Yes	N/A
New Hampshire	Self-Insure	Defined Benefit	Yes	N/A
New Jersey	Self-Insure	Defined Benefit and Defined Contribution	Yes	N/A
New Mexico	Self-Insure	Defined Contribution	Yes	N/A
New York	Private and Self-Insure	Defined Benefit and Defined Contribution	No	N/A
North Carolina	Self-Insure	Defined Benefit	No	N/A
North Dakota	Private	Defined Benefit, Defined Contribution, and Hybrid	No	N/A
Ohio	Self-Insure	Defined Benefit and Defined Contribution	-	N/A
Oklahoma	Private	Defined Contribution	No	N/A
Oregon	Private	Hybrid	Yes	N/A
Pennsylvania	Self-Insure	Defined Benefit	Yes	N/A
Rhode Island	Self-Insure	Defined Benefit and Defined Contribution	Yes	N/A
South Carolina	Private	Hybrid	Yes	N/A
South Dakota	Self-Insure	Defined Benefit and Hybrid	No	N/A
Tennessee	Self-Insure	Defined Contribution	Yes	N/A

Texas	Private	Hybrid	-	-
Utah	Private	Defined Benefit, Defined Contribution, and Hybrid	Yes	1-Jul-11
Vermont	Self-Insure	Defined Benefit	Yes	N/A
Virginia	Private	Defined Benefit, Defined Contribution, and Hybrid	Yes	N/A
Washington	Private and Self-Insure	Defined Benefit and Hybrid	Yes	N/A
West Virginia	Self-Insure	Defined Benefit and Defined Contribution	No	N/A
Wisconsin	Private and Self-Insure	Defined Benefit	-	N/A
Wyoming	Self-Insure	Defined Benefit and Defined Contribution	No	N/A