

**H. B. 2169**

(By Delegate Rodighiero)

[Introduced January 21, 2015; referred to the

Committee on Pensions and Retirement then Finance.]

**FISCAL  
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §5-5-7; to amend said code by adding thereto a new section, designated §5-10-22l; and to amend said code by adding thereto a new section, designated §18-7A-26w, all relating to providing cost-of-living adjustments for certain current and former public employees generally; providing a \$1,000 cost- of -living adjustment to be paid in full by June 30, 2015; providing for selection of payment date by State Auditor; requiring payment of the cost-of-living adjustments upon authorization; providing for transfer and expenditure of funding appropriated to State Budget Office to spending units and county boards of education for payment of the cost-of-living adjustments; defining terms; providing for \$1,000 cost-of-living adjustment to certain retirees of the Public Employees Retirement System and the State Teachers Retirement System by June 30, 2015; and providing for the pro rata distribution of the cost-of-living adjustment to certain beneficiaries.

*Be it enacted by the Legislature of West Virginia:*

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new  
2 section, designated §5-5-7; that said code be amended by adding thereto a new section, designated  
3 §5-10-22l; and that said code be amended by adding thereto a new section, designated §18-7A-26w,  
4 all to read as follows:

5 **CHAPTER 5. GENERAL POWERS AND AUTHORITY OF THE GOVERNOR,**  
6 **SECRETARY OF STATE AND ATTORNEY GENERAL; BOARD**  
7 **OF PUBLIC WORKS; MISCELLANEOUS AGENCIES, COMMISSIONS,**  
8 **OFFICES, PROGRAMS, ETC.**

9 **ARTICLE 5. SALARY INCREASE FOR STATE EMPLOYEES.**

10 **§5-5-7. Authorizing cost-of-living adjustments to full-time public employees.**

11 (a) A \$1,000 cost-of-living adjustment is authorized for public employees with at least one  
12 hundred eighty calendar days of continuous service as of July 1, 2014. The cost-of-living adjustment  
13 authorized by the provisions of this section shall be paid no later than June 30, 2015.

14 (b) The cost-of-living adjustment authorized pursuant to this section shall be timely paid to  
15 eligible public employees: *Provided*, That a pro rata lump-sum payment shall be paid on a date  
16 selected by the Auditor of West Virginia, retroactive to July 1, 2014, for eligible public employees,  
17 or, in the case of a public employee who is employed by a county board of education, by the  
18 appropriate county official, retroactive to July 1, 2014: *Provided, however*, That all employees shall  
19 be paid in full by June 30, 2015.

20 (c) The cost-of-living adjustment authorized pursuant to this section is in addition to any  
21 across-the-board salary increase which may be granted by the Legislature, or incremental salary  
22 increase based on years of service in accordance with the provisions of section two of this article.

1 However, this section may not be construed to limit any other increase of the base salary of any  
2 public employee or education employee.

3 (d) This section may not be construed to prohibit other pay increases based on merit,  
4 seniority, promotion or other reason if funds are available for the other pay increases.

5 (e) It is the intent of the Legislature that the cost-of-living adjustment authorized by this  
6 section be paid to each eligible public employee in full by June 30, 2015. Accordingly, the  
7 cost-of-living adjustments paid in accordance with this section shall be provided to each eligible  
8 public employee by the spending unit, or in the case of school personnel by the county board of  
9 education, which employs the eligible public employee.

10 (f) Upon authorization of the cost-of-living adjustment, from the funding appropriated to the  
11 Department of Revenue, State Budget Office[ the funds necessary to pay in full each eligible public  
12 employee's \$1,000 cost-of-living adjustment and any necessary employer match or such  
13 proportionate share thereof that the spending unit or county board of education demonstrates to the  
14 State Budget Office it is without sufficient funds from other sources to provide, shall be transferred  
15 by the State Budget Office to the appropriate spending unit or county board of education, each of  
16 which are hereby authorized to expend such amounts to provide the cost-of-living adjustment.

17 (g) For purposes of this section, "public employee" means a full-time employee who is an  
18 "eligible employee," as that term is defined in section one of this article, "school personnel," as that  
19 term is defined in section one, article one, chapter eighteen-a of this code, a member of the West  
20 Virginia State Police whose salary is fixed and specified pursuant to section five, article two, chapter  
21 fifteen of this code, a conservation officer whose salary is fixed and specified pursuant to section  
22 one-c, article seven, chapter twenty of this code, and a "nonclassified employee" as that term is

1 defined in section two, article nine, chapter eighteen-b of this code.

2 (h) The cost-of-living adjustment authorized pursuant to this section shall be paid to all  
3 eligible employees in an aggregate lump sum pro rated so that all eligible employees are paid in full  
4 no later than June 30, 2015. It is the intent of the Legislature that the cost-of-living adjustment  
5 authorized by this section be retroactive to July 1, 2014, when the budget surplus was realized.

6 **ARTICLE 10. WEST VIRGINIA PUBLIC EMPLOYEES RETIREMENT ACT.**

7 **§5-10-22l. Cost-of-living adjustments for certain annuitants effective on or before June 30,**  
8 **2015.**

9 (a) As an additional cost-of-living adjustment to other retirement allowances provided, a  
10 cost-of-living adjustment to retirement benefits shall be paid to retirees of the system as provided  
11 in subsection (b) of this section. The cost-of-living adjustment shall equal \$1,000 and shall be paid  
12 in full by June 30, 2015.

13 (b) The cost-of-living adjustment provided by this section applies to any retiree who currently  
14 receives an annual retirement annuity. This cost-of-living adjustment is subject to any applicable  
15 limitations under section 415 of the Internal Revenue Code of 1986, as amended.

16 (c) The cost-of-living adjustment provided by this section shall be payable pro rata to any  
17 beneficiaries of a qualifying retiree who currently receive an annuity or other benefit payable by the  
18 system. It is the intent of the Legislature that the cost-of-living adjustment authorized by this section  
19 be retro-active to July 1, 2014, when the budget surplus was realized.

20 **CHAPTER 18. EDUCATION.**

21 **ARTICLE 7A. STATE TEACHERS RETIREMENT SYSTEM.**

22 **§18-7A-26w. Cost-of-living adjustments for certain annuitants effective on or before June 30,**

1                    **2015.**

2                    (a) As an additional cost-of-living adjustment to other retirement allowances provided, a  
3 cost-of-living adjustment to retirement benefits shall be paid to certain retirees of the retirement  
4 system as provided in subsection (b) of this section. The cost-of-living adjustment shall equal  
5 \$1,000 and shall be paid in full by June 30, 2015.

6                    (b) The cost-of-living adjustment provided in this section applies to any retiree who currently  
7 receives an annual retirement annuity. This cost-of-living adjustment is subject to any applicable  
8 limitations under Section 415 of the Internal Revenue Code of 1986, as amended.

9                    (c) The cost-of-living adjustment provided by this section shall be payable pro rata to any  
10 beneficiaries of a qualifying retiree who currently receives an annuity or other benefit payable by the  
11 retirement system. It is the intent of the Legislature that the cost-of-living adjustment authorized by  
12 this section be retro-active to July 1, 2014, when the budget surplus was realized.

NOTE: The purpose of this bill is to provide a \$1,000 cost-of-living adjustment to all eligible state employees and retirees.

These sections are new; therefore, they have been completely underscored.