

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Committee Substitute

for

Senate Bill 631

BY SENATOR WALTERS

[Originating in the Committee on Pensions; reported
on February 24, 2016]

1 A BILL to amend and reenact §18B-1-1d of the Code of West Virginia, 1931, as amended, relating
2 to retirement and separation incentives.

Be it enacted by the Legislature of West Virginia:

1 That §18B-1-1d of the Code of West Virginia, 1931, as amended, be amended and
2 reenacted to read as follows:

ARTICLE 1. GOVERNANCE.

§18B-1-1d. Retirement and separation incentives.

1 (a) Notwithstanding any other provisions of this code to the contrary, each state institution
2 of higher education may ~~include in its strategic plan, pursuant to section one-c of this article~~ adopt
3 policies that offer various incentives for voluntary, early or phased retirement of employees or
4 voluntary separation from employment when necessary to respond to declining state revenues
5 supporting higher education that have occurred in fiscal years 2014, 2015 and 2016, including a
6 mid-year reduction in 2016, and anticipated funding shortfalls in the future, or to implement
7 programmatic changes effectively pursuant to ~~the~~ findings, directives, goals and objectives of this
8 article and as established by the institution's board of governors: Provided, That such incentives
9 for voluntary, early or phased retirement of employees or voluntary separation from employment
10 must be submitted by the governing board to the Legislative Joint Committee on Pensions and
11 Retirement ~~and approved before such policies are adopted as part of the institution's strategic~~
12 ~~plan~~ at least sixty days prior to the effective date of the policy.

13 ~~(b) Effective the first day of July, two thousand one, each state institution of higher~~
14 ~~education may implement, under its institutional compact, created pursuant to section two, article~~
15 ~~one-a of this chapter, policies that offer various incentives for voluntary, early or phased retirement~~
16 ~~of employees, or voluntary separation from employment, when necessary to implement~~
17 ~~programmatic changes effectively: Provided, That the institution shall meet all the requirements,~~
18 ~~including the requirement for obtaining legislative approval, set forth in this section.~~

19 ~~(e)~~(b) The policies may include the following provisions:

20 (1) Payment of a lump sum to an employee to resign or retire, which lump sum will be
21 excluded from the calculation of the employee's average final salary under article seven-a,
22 chapter eighteen of this code;

23 (2) Continuation of full or a reduced salary to an employee for a predetermined period of
24 time prior to the employee's resignation or retirement and a reduction in the employee's hours of
25 employment during the predetermined period of time;

26 (3) Continuation of insurance coverage pursuant to the provisions of article sixteen,
27 chapter five of this code for a predetermined period;

28 (4) Continuation of full employer contributions to an employee's retirement plan during a
29 phased retirement period; and

30 (5) That an employee retiring pursuant to an early or phased retirement plan may begin
31 collecting an annuity from the employee's retirement plan prior to the statutorily designated
32 retirement date without terminating his or her service with the institution.

33 ~~(d)~~ (c) No incentive provided for in this section shall be granted except in furtherance of
34 programmatic changes undertaken pursuant to the findings, directives, goals and objectives set
35 forth in this article.

36 ~~(e) No incentive proposed by an institution pursuant to this section shall become a part of~~
37 ~~the institution's approved strategic plan or institutional compact or be implemented without~~
38 ~~approval of the legislative joint committee on pensions and retirement.~~

39 (d) Any costs associated with any incentive adopted or implemented in accordance with
40 this section shall be borne entirely by the institutions and no incentive shall be granted that
41 imposes costs on the retirement systems of the state or the Public Employees Insurance Agency
42 unless those costs are paid entirely by the institutions: Provided, That if an employee is sixty-five
43 years of age or older and vested and eligible to retire under a retirement system of the state at
44 the time the employee voluntarily separates from the institution pursuant to a plan authorized

45 under this section, there shall be no costs attributable to, or required to be paid by, an institution
46 to the applicable retirement system of the state resulting from that voluntary separation.

47 (f) (e) The Legislature further finds and declares that there is a compelling state interest in
48 restricting the availability and application of these incentives to individual employees determined
49 by the institutions to be in furtherance of the aims of this section and nothing herein shall be
50 interpreted as granting a right or entitlement of any such incentive to any individual or group of
51 individuals. Any employee granted incentives shall be ineligible for reemployment by the
52 institutions during or after the negotiated period of his or her incentive concludes, including
53 contract employment in excess of five thousand dollars per fiscal year.

54 ~~(g)~~ (f) The West Virginia Network for Educational Telecomputing, the Higher Education
55 Policy Commission and the Council for Community and Technical Colleges may ~~utilize~~ use the
56 incentives contained in any policy approved by ~~the legislative joint committee on pensions and~~
57 ~~retirement~~ a state institution of higher education pursuant to this section.

NOTE: The purpose of this bill is to authorize Boards of Governors of institutions of higher education to develop retirement and incentive packages.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.