

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

House Bill 2069

**FISCAL
NOTE**

BY DELEGATE RODIGHIERO

[Introduced February 8, 2017; Referred
to the Committee on Pensions and Retirement then
Finance.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §5-5-7; to amend said code by adding thereto a new section, designated §5-
 3 10-22I; and to amend said code by adding thereto a new section, designated §18-7A-26w,
 4 all relating to providing cost-of-living adjustments for certain current and former public
 5 employees generally; providing a \$1,000 cost- of -living adjustment to be paid in full by
 6 June 30, 2017; providing for selection of payment date by State Auditor; requiring payment
 7 of the cost-of-living adjustments upon authorization; providing for transfer and expenditure
 8 of funding appropriated to State Budget Office to spending units and county boards of
 9 education for payment of the cost-of-living adjustments; defining terms; providing for
 10 \$1,000 cost-of-living adjustment to certain retirees of the Public Employees Retirement
 11 System and the state Teachers Retirement System by June 30, 2017; and providing for
 12 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,
 3 designated §5-10-22I; and that said code be amended by adding thereto a new section,
 4 designated §18-7A-26w, all to read as follows:

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

ARTICLE 5. SALARY INCREASE FOR STATE EMPLOYEES.

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

5 (a) A \$1,000 cost-of-living adjustment is authorized for public employees with at least one
6 hundred eighty calendar days of continuous service as of July 1, 2016. The cost-of-living
7 adjustment authorized by the provisions of this section shall be paid no later than June 30, 2017.

8 (b) The cost-of-living adjustment authorized pursuant to this section shall be timely paid
9 to eligible public employees: *Provided*, That a pro rata lump-sum payment shall be paid on a date
10 selected by the Auditor of West Virginia, retroactive to July 1, 2016, for eligible public employees,
11 or, in the case of a public employee who is employed by a county board of education, by the
12 appropriate county official, retroactive to July 1, 2016: *Provided, however*, That all employees
13 shall be paid in full by June 30, 2017.

14 (c) The cost-of-living adjustment authorized pursuant to this section is in addition to any
15 across-the-board salary increase which may be granted by the Legislature, or incremental salary
16 increase based on years of service in accordance with the provisions of section two of this article.
17 However, this section may not be construed to limit any other increase of the base salary of any
18 public employee or education employee.

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

21 (e) It is the intent of the Legislature that the cost-of-living adjustment authorized by this
22 section be paid to each eligible public employee in full by June 30, 2017. Accordingly, the cost-
23 of-living adjustments paid in accordance with this section shall be provided to each eligible public
24 employee by the spending unit, or in the case of school personnel by the county board of
25 education, which employs the eligible public employee.

26 (f) Upon authorization of the cost-of-living adjustment, from the funding appropriated to
27 the Department of Revenue, State Budget Office the funds necessary to pay in full each eligible
28 public employee's \$1,000 cost-of-living adjustment and any necessary employer match or such
29 proportionate share thereof that the spending unit or county board of education demonstrates to
30 the State Budget Office it is without sufficient funds from other sources to provide, shall be
31 transferred by the State Budget Office to the appropriate spending unit or county board of

32 education, each of which are hereby authorized to expend such amounts to provide the cost-of-
33 living adjustment.

34 (g) For purposes of this section, "public employee" means a full-time employee who is an
35 "eligible employee," as that term is defined in section one of this article, "school personnel," as
36 that term is defined in section one, article one, chapter eighteen-a of this code, a member of the
37 West Virginia State Police whose salary is fixed and specified pursuant to section five, article two,
38 chapter fifteen of this code, a conservation officer whose salary is fixed and specified pursuant to
39 section one-c, article seven, chapter twenty of this code, and a "nonclassified employee" as that
40 term is defined in section two, article nine, chapter eighteen-b of this code.

41 (h) The cost-of-living adjustment authorized pursuant to this section shall be paid to all
42 eligible employees in an aggregate lump sum prorated so that all eligible employees are paid in
43 full no later than June 30, 2017. It is the intent of the Legislature that the cost-of-living adjustment
44 authorized by this section be retroactive to July 1, 2014, when the budget surplus was realized.

ARTICLE 10. WEST VIRGINIA PUBLIC EMPLOYEES RETIREMENT ACT.

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

1 (a) As an additional cost-of-living adjustment to other retirement allowances provided, a
2 cost-of-living adjustment to retirement benefits shall be paid to retirees of the system as provided
3 in subsection (b) of this section. The cost-of-living adjustment shall equal \$1,000 and shall be
4 paid in full by June 30, 2017.

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

8 (c) The cost-of-living adjustment provided by this section shall be payable pro rata to any
9 beneficiaries of a qualifying retiree who currently receive an annuity or other benefit payable by

10 the system. It is the intent of the Legislature that the cost-of-living adjustment authorized by this
 11 section be retro-active to July 1, 2014, when the budget surplus was realized.

CHAPTER 18. EDUCATION.

ARTICLE 7A. STATE TEACHERS RETIREMENT SYSTEM.

§18-7A-26w. Cost-of-living adjustments for certain annuitants effective on or before June 30, 2016.

1 (a) As an additional cost-of-living adjustment to other retirement allowances provided, a
 2 cost-of-living adjustment to retirement benefits shall be paid to certain retirees of the retirement
 3 system as provided in subsection (b) of this section. The cost-of-living adjustment shall equal
 4 \$1,000 and shall be paid in full by June 30, 2017.

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

8 (c) The cost-of-living adjustment provided by this section shall be payable pro rata to any
 9 beneficiaries of a qualifying retiree who currently receives an annuity or other benefit payable by
 10 the retirement system. It is the intent of the Legislature that the cost-of-living adjustment
 11 authorized by 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.

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