WEST VIRGINIA LEGISLATURE

**FISCAL NOTE**

2023 REGULAR SESSION

Introduced

Senate Bill 420

By Senators Blair (Mr. President) and Woelfel
(By Request of the Executive)

[Introduced January 23, 2023; referred
to the Committee on Pensions; and then to the Committee on Finance]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto two new sections, designated §5-10-22m and §5-10-22n; and to amend said code by adding thereto two new sections, designated §18-7A-26x and §18-7A-26y; all relating to establishing a one-time bonus payment for certain retirants who are 70 years of age or older as of July 1, 2023, who have 20 or more years of credited service, and who receive a monthly retirement benefit of less than $1,000; and establishing a minimum monthly retirement benefit for certain retirants who are 70 years of age or older as of July 1, 2023, and who have 25 or more years of total service.

Be it enacted by the Legislature of West Virginia:

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 10. WEST VIRGINIA PUBLIC EMPLOYEES RETIREMENT ACT.

§5-10-22m. One-time bonus payment for certain annuitants effective July 1, 2023.

(a) As an additional bonus payment to other retirement allowances provided, a one-time bonus payment to retirement benefits shall be paid to retirants of the system as provided in subsection (b) of this section. The one-time bonus payment shall be effective July 1, 2023, shall equal $1,500, and shall be paid on July 28, 2023.

(b) The one-time bonus payment provided by this section applies to any retirant who is 70 years of age or older as of July 1, 2023, who has at least 20 years of total credited service as of July 1, 2023, and who currently receives a monthly annuity of less than $1,000. This bonus payment is subject to any applicable limitations under section 415 of the Internal Revenue Code of 1986, as amended.

(c) The one-time bonus payment provided by this section shall be payable pro rata to any beneficiaries of a qualifying retirant who currently receive an annuity or other benefit payable by the system.

§5-10-22n. Minimum benefit for certain annuitants.

(a) For purposes of this section:

(1) "Elected public official" means any member of the Legislature or any member of the legislative body of any political subdivision; and

(2) "Temporary legislative employee" means any employee of the Clerk of the House of Delegates, the Clerk of the Senate, the Legislature or a committee thereof, including the Joint Committee on Government and Finance, whose employment is classified as temporary and who is employed to perform services required by the Clerk of the House of Delegates, the Clerk of the Senate, the Legislature or a committee thereof, as the case may be, for regular sessions, extraordinary sessions, and/or interim meetings of the Legislature.

(b) If the retirement annuity of a retirant (or, if applicable, his or her beneficiary) at least 70 years of age as of July 1, 2023 with at least 25 years of total service as of July 1, 2023 is less than $1,000 per month (including any supplemental benefits or incentives provided by this article), then the monthly retirement benefit for the retirant (or if applicable, his or her beneficiary) shall be increased to $1,000 per month: *Provided*, That any year of total service while an elected public official or a temporary legislative employee may not be taken into account for purposes of this section.

(c) Notwithstanding any provision of subsection (b) of this section to the contrary, if the retirement annuity of a beneficiary at least 70 years of age as of July 1, 2023 of a retirant who chose option B – 50% joint and survivor annuity as provided in §5-10-24 of this code and who had at least 25 years of total service is less than $500 per month (including any supplemental benefits or incentives provided by this article), then the monthly retirement benefit for the beneficiary shall be increased to $500 per month: *Provided*, That any year of total service while an elected public official or a temporary legislative employee may not be taken into account for purposes of this section.

(d)  The payment of any minimum benefit under this section is in lieu of, and not in addition to, the payments of any retirement benefit or supplemental benefit or incentives otherwise provided by law: *Provided*, That the minimum benefit provided in this section is subject to any limitations thereon under Section 415 of the Internal Revenue Code of 1986, as amended, and §5-10-27a of this code.

(e) Any minimum benefit conferred in this section is not retroactive to the time of retirement and applies only to members who have retired prior to the effective date of this section, or, if applicable, to beneficiaries receiving benefits under the retirement system prior to the effective date.

CHAPTER 18. EDUCATION.

ARTICLE 7A. STATE TEACHERS RETIREMENT SYSTEM.

§18-7A-26x. One-time bonus payment for certain annuitants effective July 1, 2023.

(a) As an additional bonus payment to other retirement allowances provided, a one-time bonus payment to retirement benefits shall be paid to retirants of the retirement system as provided in subsection (b) of this section. The one-time bonus payment shall be effective July 1, 2023, shall equal $1,500, and shall be paid on July 28, 2023.

(b) The one-time bonus payment provided in this section applies to any retirant who is 70 years of age or older as of July 1, 2023, who has at least 20 years of service as a contributing member, and who currently receives a monthly retirement annuity of less than $1,000. This one-time bonus payment is subject to any applicable limitations under section 415 of the Internal Revenue Code of 1986, as amended.

(c) The one-time bonus payment provided by this section shall be payable pro rata to any beneficiaries of a qualifying retirant who currently receive an annuity or other benefit payable by the retirement system.

§18-7A-26y. Minimum benefit for certain retired members.

(a)  If the retirement annuity of a retirant (or applicable beneficiary thereof) at least 70 years of age with at least 25 years of total service as of July 1, 2023 is less than $1,000 per month (including any supplemental or additional benefits provided by this article), then the monthly retirement annuity for the retirant shall be increased to $1,000 per month: *Provided*, That any year of service while an employee of an institution of higher education may not be taken into account for purposes of this section if his or her salary was capped under the retirement system at $4,800 per year pursuant to §18-7A-14a of this code.

(b) Notwithstanding any provision of subsection (a) of this section to the contrary, if the retirement annuity of a beneficiary at least 70 years of age as of July 1, 2023 of a retirant who chose option B – 50% joint and survivor annuity under the retirement system and who had at least 25 years of total service is less than $500 per month (including any supplemental benefits or incentives provided by this article), then the monthly retirement benefit for the beneficiary shall be increased to $500 per month: *Provided*, That any year of service while an employee of an institution of higher education may not be taken into account for purposes of this section if his or her salary was capped under the retirement system at $4,800 per year pursuant to §18-7A-14a of this code.

(c) The payment of any minimum benefit under this section is in lieu of, and not in addition to, the payments of any retirement annuity or supplemental or additional benefits otherwise provided by this article: *Provided*, That the minimum benefit provided in this section is subject to any limitations thereon under §415 of the Internal Revenue Code of 1986, as the same may be amended, and §18-7A-28a of this code.

(d) Any minimum benefit conferred in this section is not retroactive to the time of retirement and applies only to members who have retired prior to the effective date of this section, or, if applicable, to beneficiaries receiving benefits under the retirement system prior to the effective date.

NOTE: The purpose of this bill is to provide a one-time bonus payment for certain retirants in the Public Employees Retirement System and the Teachers Retirement System payable on July 28, 2023 and establish a minimum monthly annuity benefit.

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