

West Virginia State Police Disability Experience Annual Report Fiscal Year 2014



*Prepared by the West Virginia Consolidated Public Retirement Board
December 2014*

**WEST VIRGINIA STATE POLICE
DISABILITY EXPERIENCE
ANNUAL REPORT
FISCAL YEAR 2014**

WV STATE POLICE DEATH, DISABILITY AND RETIREMENT FUND - PLAN A

PLAN HISTORY

The West Virginia State Police Death, Disability and Retirement Fund, commonly referred to as Plan A, was established for all state troopers on July 1, 1935. Chapter 15, Article 2 of the West Virginia Code establishes the plan provisions for Plan A. State troopers hired on or after March 12, 1994 are not eligible for membership in Plan A. Members of Plan A are not covered by Social Security or Workers' Compensation.

Active members of Plan A contribute 9% of their total gross salary into the retirement plan for the member Normal Cost. The employer contributes an additional amount sufficient to fund the Plan benefits on an actuarially determined basis including both the employer Normal Cost plus amortizing the unfunded actuarial accrued liability as a level dollar amount through Fiscal Year 2025 (the ARC). For Fiscal Year 2014, this requirement was \$25,146,000. The State funds part of their ARC contribution to the system through arrest fees, accident report fees, criminal investigation reports, etc.

PLAN A - DISABILITY CRITERIA

“BOARD” when used in the following section of this report means the West Virginia Consolidated Public Retirement Board.

“AGENCY” when used in the following section of this report means the West Virginia State Police.

“FUND”, “PLAN” OR “SYSTEM” when used in the following section of this report means the West Virginia Death, Disability and Retirement Fund.

TOTAL DUTY DISABILITY – A member of the Fund who has not yet entered retirement status on the basis of age and service and who becomes permanently and totally disabled as the result of a physical or mental impairment resulting from any occupational risk or hazard inherent in or peculiar to the services required of employees of the agency or incurred pursuant to or while the employee was engaged in the performance of his or her duties as an employee of the agency shall qualify for a total duty disability, if, in the opinion of the Board, he or she is probably permanently unable to engage in substantial gainful activity by reason of such medically determined physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months.

PARTIAL DUTY DISABILITY – A member of the Fund who has not yet entered retirement status on the basis of age and service and who becomes partially disabled by injury, illness or disease resulting from any occupational risk or hazard inherent in or peculiar to the services required of employees of the agency or incurred pursuant to or while the employee was engaged in the performance of his or her duties as an employee of the agency shall qualify for a partial duty disability, if, in the opinion of the Board, he or she is by reason of that cause probably permanently unable to perform adequately the duties required of him or her as an employee of the agency, but is able to engage in any other gainful employment in a field other than law enforcement.

(A member who has applied for and commenced to receive a partial duty related disability award is permitted to apply to the Board for a total disability award, if the member believes that his or her condition has deteriorated to the point that he or she no longer retains the mental or physical ability to engage in any gainful employment.)

NON-DUTY DISABILITY – Any employee while in active service of the agency may qualify for a non-duty disability, if, in the opinion of the Board, the employee becomes permanently partially or totally disabled and is unable to adequately perform the duties required of an employee of the agency from any cause other than those set forth in the duty related disability provisions, and not due to vicious habits, intemperance or willful misconduct on his or her part.

CONTINUED DISABILITY – The Board may require subsequent medical evaluations to determine if a disability retiree has fully or partially recovered from such disability. The Board may also require a disability benefit recipient to file an annual statement of earnings and any other information required in rules adopted by the Board.

PLAN A - DISABILITY RETIREMENT BENEFITS

TOTAL DUTY DISABILITY

A total duty related disability benefit payable during the lifetime of the retiree, or until the disability eligibility sooner terminates, is an annual amount equal to 8.5% of the total salary which would have been earned by the employee during twenty-five years, or during actual service if more than twenty-five years of service in the Fund, based on the average earnings of the retiree while employed as an employee of the agency, but not less than \$15,000 annually.

PARTIAL DUTY DISABILITY

A partial duty related disability retirement benefit payable during the lifetime of the retiree, or until the disability eligibility sooner terminates, is an annual amount equal to 5.5% of the total salary which would have been earned by the member during twenty-five years, or during actual service if more than twenty-five years of service in the Fund, based on the average earnings of the retiree while employed as an employee of the agency, but not less than \$6,000 annually.

NON-DUTY DISABILITY

a) If the employee at the time of such retirement has served less than twenty years, the benefit payable shall be paid in equal monthly installments during a period equal to one-half the time he or she served as an employee of the agency, or until the disability eligibility sooner terminates, a sum equal to 5.5% of the total salary which would have been earned during twenty-five years of service. At the end of the one-half time period of service, the benefit payable for the remainder of the retiree’s life is an annual sum paid in monthly installments equal to one-half the base salary received by the retiree from the agency in the preceding twelve-month period immediately prior to the disability award.

b) If the employee at the time of such retirement has served twenty years or longer, the employee is entitled to receive annually a lifetime benefit, or until the disability eligibility sooner terminates, an amount equal to 5.5% of the aggregate of salary paid to the retiree through the day immediately preceding his or her disability award.

PLAN A - DISABILITY EXPERIENCE

APPLICATION STATUS ON JUNE 30	FY 2013	FY 2014
Total Applications Submitted	2	1
Applications Granted	2	1
Applications Denied	0	0
Applications Pending	0	0
Active Members	99	74
Disability Retirees	104	103
Regular Retirees	477	494
Total Retirees	581	597
% Disability Retirees Versus Active Members	105.1%	139.2%
% Disability Retirees Versus Total Retirees	17.9%	17.3%

WEST VIRGINIA STATE POLICE RETIREMENT SYSTEM - PLAN B

PLAN HISTORY

The West Virginia State Police Retirement System, commonly referred to as Plan B, was established by the enactment of Chapter 15, Article 2A of the West Virginia Code during the 1994 Legislative Session for all state troopers hired on or after March 12, 1994. State troopers hired before March 12, 1994 are not eligible for membership in Plan B. Members of Plan B are not covered by Social Security or Workers' Compensation.

During fiscal year 2014, active members of Plan B contributed 12% of their base salary into the retirement plan. For fiscal year 2014, the employer contributed 13.5 % of base salary into the plan.

PLAN B - DISABILITY CRITERIA

“BOARD” when used in the following section of this report means the West Virginia Consolidated Public Retirement Board.

“AGENCY” when used in the following section of this report means the West Virginia State Police.

TOTAL DUTY DISABILITY – Any employee of the agency who has not yet entered retirement status on the basis of age and service and who becomes physically or mentally disabled by injury, illness or disease on a probable permanent basis resulting from any occupational risk or hazard inherent in or peculiar to the services required of employees of the agency or such disability was incurred pursuant to or while the employee was engaged in the performance of his or her duties as an employee of the agency to the extent that the employee is incapacitated ever to engage in any gainful employment shall qualify for a total duty disability, if, in the opinion of the Board, he or she is probably permanently unable to engage in any gainful employment by reason of such medically determined physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months.

PARTIAL DUTY DISABILITY – Any employee of the agency who has not yet entered retirement status on the basis of age and service and who becomes partially disabled by injury, illness or disease resulting from any occupational risk or hazard inherent in or peculiar to the services required of employees of the agency or incurred pursuant to or while the employee was engaged in the performance of his or her duties as an employee of the agency shall qualify for a partial duty disability, if, in the opinion of the Board, he or she is by reason of that cause probably permanently unable to perform adequately the duties required of him or her as an employee of the agency, but is able to engage in other gainful employment in a field other than law enforcement.

(A member who has applied for and commenced to receive a partial duty related disability award is permitted to apply to the Board for a total disability award, if the member believes that his or her condition has deteriorated to the point that he or she no longer retains the mental or physical ability to engage in any gainful employment.)

NON-DUTY DISABILITY – Any employee while in active service of the agency may qualify for a non-duty disability, if, in the opinion of the Board, the employee becomes partially or totally

disabled on a probable permanent basis to the extent that the employee cannot adequately perform the duties required of an employee of the agency from any cause other than those set forth in the duty related

disability provisions, and not due to vicious habits, intemperance or willful misconduct on his or her part.

CONTINUED DISABILITY - The Board may require subsequent medical evaluations to determine if a disability retiree has fully or partially recovered from such disability. The Board may also require a disability benefit recipient to file an annual statement of earnings and any other information required in rules adopted by the Board.

PLAN B - DISABILITY RETIREMENT BENEFITS

TOTAL DUTY DISABILITY

A total duty related disability benefit payable during the lifetime of the retiree, or until the disability eligibility sooner terminates, is an annual amount equal to the base salary received by the employee in the preceding full 12 month employment period, payable in equal monthly installments.

PARTIAL DUTY DISABILITY

A partial duty related disability benefit payable during the lifetime of the retiree, or until the retiree attains age 55 or until disability eligibility sooner terminates, is an amount equal to 60% of the base salary received in the preceding 12 month employment period, but not less than \$6,000 annually. Beginning the month following the retiree attaining age 55, the retiree shall receive a regular retirement benefit as it would apply to his or her final average salary based on earnings from the agency through the day immediately preceding his or her disability award.

NON-DUTY DISABILITY

A non-duty related disability benefit payable during the lifetime of the retiree, or until the retiree attains the age of 55, is an amount equal to 50% of the base salary received in the preceding full 12 month employment period. Beginning the month following the retiree attaining age 55, the retiree shall receive a regular retirement benefit as it would apply to his or her final average salary based on earnings from the agency through the day immediately preceding his or her disability award.

PLAN B - DISABILITY EXPERIENCE

APPLICATION STATUS ON JUNE 30	FY 2013	FY 2014
Total Applications Submitted	1	2
Applications Granted	1	2
Applications Denied	0	0
Applications Pending	0	0
Active Members	558	597
Disability Retirees	9	9
Regular Retirees	5	5
Total Retirees	14	14
% Disability Retirees Versus Active Members	1.6%	1.5%
% Disability Retirees Versus Total Retirees	64.3%	64.3%