

WEST VIRGINIA LEGISLATURE

2020 REGULAR SESSION

Introduced

Senate Bill 146

FISCAL
NOTE

BY SENATORS SYPOLT AND SMITH

[Introduced January 8, 2020; referred
to the Committee on Pensions; and then to the
Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §5-10-22m; and to amend said code by adding thereto a new section,
 3 designated §18-7A-26x, all relating to establishing a minimum monthly retirement annuity
 4 of \$750 for those retirants with 20 or more years of credited 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. Minimum benefit for certain retirants; legislative declaration; state interest and public purpose.

1 The Legislature hereby finds and declares that an important state interest exists in
 2 providing a minimum retirement annuity for certain retirants, or the beneficiaries of those retirants
 3 who have 20 or more years of credited service; that such program constitutes a public purpose;
 4 and that the exclusions of credited service while an elected public official or while a temporary
 5 legislative employee are reasonable and equitable exclusions for purposes of determining
 6 eligibility for the minimum benefits. For purposes of this section:

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

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

14 If the retirement annuity of a retirant (or, if applicable, his or her beneficiary) with at least
15 20 years of credited service as of the effective date of this section is less than \$750 per month
16 (including any supplemental benefits or incentives provided by this article), then the monthly
17 retirement benefit for the retired member (or if applicable, his or her beneficiary) shall be increased
18 to \$750 per month: *Provided*, That any year of credited service while an elected public official or
19 a temporary legislative employee shall not be taken into account for purposes of this section:
20 *Provided, however*, That a retirant or beneficiary having elected a joint and survivor annuity or
21 modified joint and survivor annuity pursuant to §5-10-24 of this code shall receive a prorated
22 portion of the minimum monthly benefit described in this section proportional to that received
23 under the retirant's selected annuity.

24 The payment of any minimum benefit under this section shall be in lieu of, and not in
25 addition to, the payments of any retirement benefit, supplemental benefit, or incentives otherwise
26 provided by law: *Provided*, That the minimum benefit provided herein shall be subject to any
27 limitations thereon under Section 415 of the Internal Revenue Code of 1986, as amended, and
28 §5-10-27a of this code.

29 Any minimum benefit conferred herein shall not be retroactive to the time of retirement
30 and shall apply only to members who have retired prior to the effective date of this section, or, if
31 applicable, to beneficiaries receiving benefits under the retirement system prior to the effective
32 date.

CHAPTER 18. EDUCATION.

ARTICLE 7A. STATE TEACHERS RETIREMENT SYSTEM.

§18-7A-26x. Minimum benefit for certain retired members; legislative declaration; state interest and public purpose.

1 The Legislature hereby finds and declares that an important state interest exists in
2 providing a minimum retirement annuity for certain retired members who are credited with 20 or

3 more years of total service; that such program constitutes a public purpose; and that the exclusion
4 of total service for certain employees of institutions of higher education is a reasonable and
5 equitable exclusion for purposes of determining eligibility for such minimum benefits.

6 If the retirement annuity of a retired member (or applicable beneficiary thereof) with at
7 least 20 years of total service is less than \$750 per month (including any supplemental or
8 additional benefits provided by this article), then the monthly retirement annuity for the retired
9 member shall be increased to \$750 per month: *Provided*, That any year of service while an
10 employee of an institution of higher education shall not be taken into account for purposes of this
11 section if his or her salary is capped under the retirement system at \$4,800 per year pursuant to
12 §18-7A-14a of this code; *Provided, however*, That a retirant or beneficiary having elected to
13 receive a reduced annuity shall receive a prorated portion of the minimum monthly benefit
14 described in this section proportional to that received under the retirant's selected annuity.

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

20 Any minimum benefit conferred herein shall not be retroactive to the time of retirement
21 and shall apply only to members who have retired prior to the effective date of this section, or, if
22 applicable, to beneficiaries receiving benefits under the retirement system prior to the effective
23 date.

NOTE: The purpose of this bill is to establish \$750 as the minimum monthly retirement benefit for certain retirants (and applicable beneficiaries) of the Public Employees Retirement System and State Teachers Retirement System with 20 or more years of credited service.

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