

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5326

FISCAL
NOTE

By Delegates Foggin, Heckert, and Clark

[Introduced February 09, 2026; referred to the
Committee on Finance]

1 A BILL to amend and reenact §8-22-26a of the Code of West Virginia, 1931, as amended, relating
 2 to raising the cost-of-living increase from the first \$15,000 to the first \$30,000 for
 3 supplemental pension benefits for municipal police, firefighters, employees of waterworks
 4 systems, sewage systems, or combined waterworks/sewage systems.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 22. RETIREMENT BENEFITS GENERALLY; POLICEMEN'S PENSION AND
 RELIEF FUND; FIREMAN'S PENSION AND RELIEF FUND; ~~PENSION PLANS
 FOR EMPLOYEES OF WATERWORKS SYSTEM, SEWERAGE SYSTEM OR
 COMBINED WATERWORKS AND SEWERAGE SYSTEM.~~**

**§8-22-26a. Supplemental pension benefits entitlement; benefit payable; application of
 section; construction.**

1 (a) Except as otherwise provided in this section, all retirees, surviving beneficiaries,
 2 disability pensioners or future retirees shall receive as a supplemental pension benefit an
 3 annualized monthly amount commencing on July 1, based on a percentage increase equal to any
 4 increase in the consumer price index as calculated by the United States Department of Labor,
 5 Bureau of Statistics, for the preceding year: *Provided*, That the supplemental pension benefit
 6 specified herein shall not exceed four percent per year: *Provided, however*, That no retiree shall be
 7 eligible for the supplemental pension benefit specified herein until July 1, after the expiration of two
 8 years from the date of retirement of said retiree: *Provided further*, That persons retiring prior to the
 9 effective date of this section shall receive the supplemental benefit provided for in this section
 10 immediately upon retirement and shall not be subject to the two year delay: *And provided further*,
 11 That the supplemental benefit shall only be calculated on the allowable amount, which is the first
 12 ~~\$15,000~~ \$30,000 of the total annual benefit paid. If at any time, after the supplemental benefit
 13 becomes applicable, the total accumulated percentage increase in benefit on the allowable
 14 amount becomes less than seventy-five percent of the total accumulated percentage increase in

15 the consumer price index over that same period of time, the four percent limitation shall be
16 inapplicable until such time as the supplemental benefit paid equals seventy-five percent of the
17 accumulated increase in the consumer price index. The supplemental pension benefit payable
18 under the provisions of this section shall be paid in equal monthly installments.

19 (b) Upon commencement of the payment of death benefits pursuant to section twenty-six
20 of this article, there shall be calculated on the allowable amount, which is the first ~~\$15,000~~ \$30,000
21 of the annual allowable benefit under said section twenty-six, the supplemental benefit provided
22 for in subsection (a) of this section using the date that the retirement benefit provided for pursuant
23 to section twenty-five of this article began as the base year. The amount of the death benefit
24 provided pursuant to section twenty-six of this article shall be calculated without regard to any
25 supplemental benefit previously paid under this section. After the initial calculation made pursuant
26 to this subsection the beneficiary of the benefits provided for pursuant to section twenty-six, shall,
27 after reindexation, thereafter receive the supplemental benefit provided for in subsection (a).

28 (c) Persons becoming disabled and eligible for a benefit under subsection (d), section
29 twenty-four of this article after January 1, 1991, shall receive as an annualized monthly
30 supplemental benefit commencing on each July the first an amount based on a percentage
31 increase equal to any increase in the consumer price index as calculated by the United States
32 Department of Labor, Bureau of Statistics, for the preceding year: *Provided*, That the
33 supplemental pension benefit shall not exceed four percent per year: *Provided, however*, That the
34 benefit provided herein shall not commence until July 1, in the second year after what would have
35 been the earliest service retirement date pursuant to section twenty-five of this article for the
36 person receiving the disability benefit: *Provided further*, That for persons becoming eligible for a
37 benefit under subsection (d), article twenty-four of this section who were not employed in the
38 preceding year and file a copy of his or her income tax return by the fifteenth of April each year,
39 evidencing said lack of employment, the benefit provided herein shall commence on July 1, in the
40 second year after the date of disablement: *And provided further*, That the supplemental benefit

41 shall only be calculated on the allowable amount, which is the first ~~\$15,000~~ \$30,000 of the total
42 annual benefit paid. If at any time after the commencement of the payment of the supplemental
43 benefit provided under this subsection the total accumulated percentage increase in benefit on the
44 allowable amount becomes less than seventy-five percent of the total accumulated increase in the
45 consumer price index for that same period of time, the four percent limitation shall be inapplicable
46 until such time as the supplemental benefit paid equals seventy-five percent of the accumulated
47 increase in the consumer price index.

48 (d) Persons receiving a disability pension pursuant to section twenty-four of this article
49 prior to January 1, 1991, shall receive commencing each July first, as an annualized monthly
50 supplemental benefit an amount based on a percentage increase equal to any increase in the
51 consumer price index as calculated by the United States Department of Labor, Bureau of
52 Statistics, for the preceding year: *Provided*, That the supplemental benefit provided herein shall
53 not exceed two percent per year: *Provided, however*, That beginning July 1, two years after what
54 would have been the earliest service retirement date pursuant to section twenty-five of this article
55 the supplemental benefit provided herein shall not exceed four percent per year. The amount of
56 supplemental benefit provided in this subsection shall not exceed four percent beginning July 1, in
57 any twelve month period for any pensioner who files a certified copy of his or her tax return
58 evidencing that said pensioner was unemployed in the preceding year and received no earned
59 income. The tax return shall be filed by the fifteenth of April in any such year. If at any time after
60 July 1, in the second year from what would have been the earliest service retirement date pursuant
61 to section twenty-five of this article the total accumulated percentage increase in the supplemental
62 benefit provided pursuant to this subsection on the allowable amount becomes less than the
63 seventy-five percent of the total accumulated percentage increase in the consumer price index
64 over that same period of time, the maximum percentage shall be inapplicable until such time as
65 the percentage increase in the supplemental benefit paid equals seventy-five percent of the
66 accumulated increase in the consumer price index. The supplemental benefit provided in this

67 subsection shall only be calculated on the allowable amount, which is the first ~~\$15,000~~ \$30,000 of
68 the annual benefit paid.

69 (e) Any supplemental benefits paid during a period of nonentitlement may be withheld out
70 of subsequent regular monthly pension benefits.

71 (f) During the fiscal year ending on June 30, 1996, and each year thereafter, each
72 municipal policemen's and firemen's pension fund shall be reviewed by a qualified actuary who
73 shall make a determination as to its actuarial soundness. Based upon the actuary's determination
74 of the actuarial soundness of the fund, the actuary shall certify to the board of trustees of the fund
75 the amount of increase in supplemental benefits, if any, which may be paid, and which will
76 preserve the minimum standards for actuarial soundness of the fund, as set forth in section twenty
77 of this article. The board of trustees shall increase supplemental benefits by an amount which is
78 equal to the actuary's certified recommendation, up to the four percent limit contained in this
79 section or the increase in the consumer price index, whichever is less. If the actuary determines
80 that it is necessary to preserve the actuarial soundness of the fund, the board of trustees of the
81 fund shall increase the percentage of the members' contribution from seven percent to the amount
82 certified by the actuary not to exceed eight and one-half percent, but only for so long as is
83 necessary to achieve the minimum standards for actuarial soundness required by section twenty
84 of this article. In any year in which there is no supplemental benefit paid, such year shall not be
85 included in the reindexation calculation provided pursuant to this section.

86 (g) This section shall be construed liberally to effectuate the purpose of establishing
87 minimum pension benefits under this article for members and surviving spouses.

NOTE: The purpose of this bill is to raise the cost-of-living increase from the first \$15,000 to the first \$30,000 for supplemental pension benefits for certain municipal employees.

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