

**WEST VIRGINIA LEGISLATURE**  
***Joint Committee on Pensions and Retirement***

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**Senator Jenkins, Chair**

**Dave Pethel, Chair  
House of Delegates**

**West Virginia Legislature  
Joint Committee on Pensions and Retirement  
2012 - 2013 Interims**

**FINAL REPORT OF**

**THE JOINT COMMITTEE  
ON PENSIONS AND RETIREMENT**

**TO THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
February 12, 2013**

In addition to its charge under Rule 29 of the Joint Rules of the Senate and the House of Delegates, Your Joint Committee on Pensions and Retirement was assigned the interim study of the following topics during the 2012-2013 legislative interim period:

***Legislative employee retirement issues***

***Municipal police & fire pension funding***

***Standardizing military service credit***

***State employment after receiving state pension***

***TRS & PERS pension reform***

***Enhancement of retiree benefits***

***Retiree tax exemptions***

***Return to defined benefit retirement plan***

***SCR 73--Military service retirement credits for public employees***

During the 2012-2013 legislative interim period, Your Committee met and received information on several of these

topics of study from the following state agencies, political subdivisions and other sources:

Representatives from the Consolidated Public Retirement Board; representatives of the West Virginia Municipal Pensions Oversight Board; representatives of the West Virginia Investment Management Board; the West Virginia Legislative Auditor and representatives of the Legislative Post Audit Division; representatives of Southern West Virginia Community and Technical College; representatives of West Virginia University; a representative of the City of Charleston; and a representative of AFSCME Retiree Chapter 77 and the Coalition of Retired Public Employees.

Based on the testimony of all of the above and information submitted, Your Committee makes the following recommendations:

Regarding **Legislative employee retirement issues** and **State employment after receiving state pension**, Your Committee **RECOMMENDS** that during its upcoming regular session, the Legislature consider continuing to monitor the actions of other states on this topic and potential IRS rulings as it might impact post-retirement employment in the same job ("hot-seating") and post-retirement employment as a substitute teacher.

Regarding **Municipal police & fire pension funding**, Your Committee **RECOMMENDS** that during its upcoming regular session, the Legislature consider and enact legislation similar to Enrolled Committee Substitute for HB4489 (2012 Regular Session - Vetoed for Title) to clarify and strengthen the authority of the West Virginia Municipal Pensions Oversight Board in the exercise of its responsibilities and duties in the oversight of the local police and firemen pension plans. In addition Your Committee Recommends that during its upcoming regular session, the Legislature consider and enact legislation similar to Enrolled Committee Substitute for SB634 (2012 Regular Session - Vetoed) to allow municipalities to impose additional fees to contribute to the funding for both fire and police pensions.

Regarding **Standardizing military service credit** and **SCR 73--Military service retirement credits for public employees**, Your Committee **RECOMMENDS** that the Legislature either standardize military service credit across the public retirement systems in the state at an amount that does not increase costs to the pension plans affected (which would require, for future retirees, lowering the amount of certain credits now available to military retirees), or continue to search for the significant funding necessary to standardize military service credit across the public retirement systems in the state at the highest amount of credits now available to military retirees.

Regarding **TRS & PERS pension reform**, Your Committee **RECOMMENDS** that the Legislature continue to study the issues related to proposals for the reform of these two retirement systems.

Regarding **Enhancement of retiree benefits**, Your Committee **RECOMMENDS** that the Legislature work with the Governor in an effort to find funding that can be made available to enhance the benefits paid to current public retirees.

Regarding **Retiree tax exemptions**, Your Committee **RECOMMENDS** that the Legislature work with the Governor in an effort to find funding that can be made available to reduce state income taxes and county real property taxes imposed on public retirees.

Regarding **Return to defined benefit retirement plan**, Your Committee **RECOMMENDS** that the Legislature continue to gather the information it deems necessary to appropriately assess the impact of recent decisions made regarding the previously available opportunity to transfer from the Teacher's Defined Contribution retirement system to the Teacher's Retirement.

Your Committee also received reports on current federal consideration of proposals to modify IRS regulations affecting the "normal retirement age" for public retirement systems, including a review of efforts being made on behalf of public retirement systems in this state to protect those plans' participants and the principles of state sovereignty from unwarranted modifications in that regard, and **RECOMMENDS** that the Legislature continue to monitor any future federal actions taken in this regard.

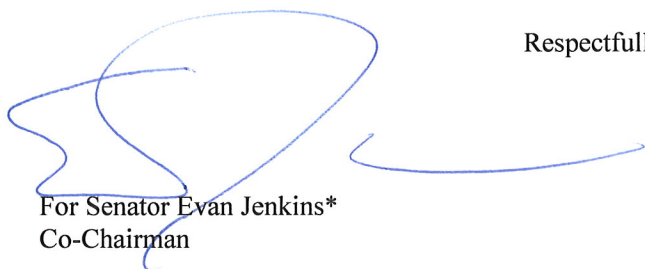
Finally, pursuant to West Virginia Code 18B-1-1d, on the meeting dates indicated, Your Committee approved the following:

July 23, 2012 - The West Virginia University Voluntary Separation Incentives Plan

November 27, 2012 - Southern West Virginia Community and Technical College Severance Benefit Plan.

The Committee also received the final report of the West Liberty University severance plan which ended December 31, 2012.

Respectfully Submitted,



For Senator Evan Jenkins\*  
Co-Chairman



Delegate Dave Pethtel  
Co-Chairman

\*Senator Jenkins succeeded Senator Dan Foster as Co-Chairman of the Committee for its February 12, 2013 meeting.