

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Committee Substitute

for

House Bill 2887

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[Enter References]

1 A BILL to amend and reenact §18B-1-1d of the Code of West Virginia, 1931, as amended, relating
2 to retirement and separation incentives; providing that higher education institutions may
3 provide incentives for retirement in response to a decline in state revenues supporting
4 said higher education institutions; providing that higher education institutions must present
5 policies involving incentives for retirement to the Joint Committee on Pensions and
6 Retirement and those policies must be approved before being implemented; allowing a
7 lump sum payment to an employee to be excluded from calculation of employees average
8 final salary; allowing for continuation of employee's full salary for a predetermined time to
9 be a reduced continuation salary; allowing an employee who is sixty-five or older, eligible
10 for retirement and vested to retire without additional costs to the higher education
11 institution; and requiring that the institution must enter into a memoranda of understanding
12 with the Public Employees Insurance Agency and any affected retirement system and that
13 memoranda of understanding must be approved by the Joint Committee on Pensions and
14 Retirement prior to implementation of any incentive plan.

Be it enacted by the Legislature of West Virginia:

ARTICLE 1. GOVERNANCE.

§18B-1-1d. Retirement and separation incentives.

1 (a) Notwithstanding any other provisions of this code to the contrary, each state institution
2 of higher education may ~~include in its strategic plan, pursuant to section one c of this article~~ adopt
3 policies that offer various incentives for voluntary, early or phased retirement of employees or
4 voluntary separation from employment when necessary to respond to a decline in state revenues
5 supporting higher education, or to implement programmatic changes effectively pursuant to ~~the~~
6 findings, directives, goals and objectives of this article and as established by the institution's board
7 of governors: *Provided,* That such incentives for voluntary, early or phased retirement of
8 employees or voluntary separation from employment must be submitted by the governing board
9 to the Legislative Joint Committee on Pensions and Retirement and approved before such policies

10 are adopted as part of the institution's strategic plan.

11 ~~(b) Effective the first day of July, two thousand one, each state institution of higher~~
12 ~~education may implement, under its institutional compact, created pursuant to section two, article~~
13 ~~one-a of this chapter, policies that offer various incentives for voluntary, early or phased retirement~~
14 ~~of employees, or voluntary separation from employment, when necessary to implement~~
15 ~~programmatic changes effectively: Provided, That the institution shall meet all the requirements,~~
16 ~~including the requirement for obtaining legislative approval, set forth in this section~~

17 ~~(e)~~ (b) The policies may include the following provisions:

18 (1) Payment of a lump sum to an employee to resign or retire, which lump sum will be
19 excluded from the calculation of the employee's average final salary under §18-7-1 et seq. of this
20 code;

21 (2) Continuation of full or a reduced salary to an employee for a predetermined period of
22 time prior to the employee's resignation or retirement and a reduction in the employee's hours of
23 employment during the predetermined period of time;

24 (3) Continuation of insurance coverage pursuant to the provisions of article sixteen,
25 chapter five of this code for a predetermined period;

26 (4) Continuation of full employer contributions to an employee's retirement plan during a
27 phased retirement period; and

28 (5) That an employee retiring pursuant to an early or phased retirement plan may begin
29 collecting an annuity from the employee's retirement plan prior to the statutorily designated
30 retirement date without terminating his or her service with the institution.

31 ~~(d)~~ (c) No incentive provided for in this section shall be granted except to respond to a
32 decline in state revenues supporting higher education or in furtherance of programmatic changes
33 undertaken pursuant to the findings, directives, goals and objectives set forth in this article.

34 ~~(e) No incentive proposed by an institution pursuant to this section shall become a part of~~
35 ~~the institution's approved strategic plan or institutional compact or be implemented without~~

36 ~~approval of the legislative joint committee on pensions and retirement.~~

37 (d) Any costs associated with any incentive adopted or implemented in accordance with
38 this section shall be borne entirely by the institutions and no incentive shall be granted that
39 imposes costs on the retirement systems of the state or the Public Employees Insurance Agency
40 unless those costs are paid entirely by the institutions: Provided, That if an employee is sixty-five
41 years of age or older and vested and eligible to retire under a retirement system of the state at
42 the time the employee voluntarily separates from the institution pursuant to a plan authorized
43 under this section, there shall be no costs attributable to, or required to be paid by, a state
44 institution of higher education, to the applicable retirement system of the state resulting from that
45 voluntary separation. Any state institution of higher education shall enter into memoranda of
46 understanding with the Public Employees Insurance Agency and any affected retirement system
47 prior to implementation of any incentive with any employee which must state any cost to the
48 retirement system or the Public Employees Insurance Agency and that this cost is to be paid by
49 the institution upon the implementation of any incentive with any employee. No incentive may be
50 granted unless memoranda of understanding are filed with the retirement system, the Public
51 Employees Insurance Agency and the institution that sets forth any cost to the retirement system
52 and the Public Employees Insurance Agency and the agreement of the institution to pay the same
53 by a date certain, or if there is no cost, the agreement of the parties to the same. Any incentive
54 granted without such memoranda of understanding are unlawful. Any memoranda of
55 understanding entered into by a state institution of higher education pursuant to this subsection
56 must be presented to, and approved by, the Legislative Joint Committee on Pensions and
57 Retirement along with the policy as required by subsection (a) of this section.

58 (f) (e) The Legislature further finds and declares that there is a compelling state interest in
59 restricting the availability and application of these incentives to individual employees determined
60 by the institutions to be in furtherance of the aims of this section and nothing herein shall be
61 interpreted as granting a right or entitlement of any such incentive to any individual or group of

62 individuals. Any employee granted incentives shall be ineligible for reemployment by the
63 institutions during or after the negotiated period of his or her incentive concludes, including
64 contract employment in excess of five thousand dollars per fiscal year.

65 ~~(g)~~ (f) The West Virginia Network for Educational Telecomputing, the Higher Education
66 Policy Commission and the Council for Community and Technical Colleges may ~~utilize~~ use the
67 incentives contained in any policy approved by ~~the legislative joint committee on pensions and~~
68 ~~retirement~~ a state institution of higher education pursuant to this section and are subject to the
69 same requirements in this section as if they were a state institution of higher education.