

WEST VIRGINIA LEGISLATURE

FISCAL
NOTE

2024 REGULAR SESSION

Introduced

House Bill 5619

By Delegate Vance, Toney, Rohrbach, Worrell,
Nestor, Hornbuckle, Brooks, Dean, Bridges, Mallow,
and Young

[Introduced February 12, 2024; Referred to the
Committee on Introduced in House]

1 A BILL to amend and reenact §5-10-22n of the Code of West Virginia, 1931, as amended; and to
 2 amend and reenact §18-7A-26y of said code, all relating to the Public Employees
 3 Retirement System and the State Teachers Retirement System; and providing a graduated
 4 increase in retirement benefits over a three-year period.

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.

§5-10-22n. Minimum benefit for certain annuitants.

1 (a) For purposes of this section:

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

4 (2) "Temporary legislative employee" means any employee of the Clerk of the House of
 5 Delegates, the Clerk of the Senate, the Legislature or a committee thereof, including the Joint
 6 Committee on Government and Finance, whose employment is classified as temporary and who
 7 is employed to perform services required by the Clerk of the House of Delegates, the Clerk of the
 8 Senate, the Legislature or a committee thereof, as the case may be, for regular sessions,
 9 extraordinary sessions and/or interim meetings of the Legislature.

10 (b) If the retirement annuity of a retirant (or, if applicable, his or her beneficiary) at least 70
 11 years of age as of July 1, 2023, with at least 25 years of total service as of July 1, 2023, is less than
 12 \$1,000 per month (including any supplemental benefits or incentives provided by this article), then
 13 the monthly retirement benefit for the retirant (or if applicable, his or her beneficiary) beginning on

14 or before December 31, 2023, shall be increased to \$1,000 per month: *Provided*, That any year of
15 total service while an elected public official or a temporary legislative employee may not be taken
16 into account for purposes of this section.

17 (c) Notwithstanding any provision of subsection (b) of this section to the contrary, if the
18 retirement annuity of a beneficiary at least 70 years of age as of July 1, 2023, of a retirant who
19 chose option B – 50 percent joint and survivor annuity as provided in §5-10-24 of this code and
20 who had at least 25 years of total service is less than \$500 per month (including any supplemental
21 benefits or incentives provided by this article), then the monthly retirement benefit for the
22 beneficiary shall be increased to \$500 per month beginning on or before December 31, 2023:
23 *Provided*, That any year of total service while an elected public official or a temporary legislative
24 employee may not be taken into account for purposes of this section.

25 (d) The payment of any minimum benefit under this section is in lieu of, and not in addition
26 to, the payments of any retirement benefit or supplemental benefit or incentives otherwise
27 provided by law: *Provided*, That the minimum benefit provided in this section is subject to any
28 limitations thereon under Section 415 of the Internal Revenue Code of 1986, as amended, and §5-
29 10-27a of this code.

30 (e) Any minimum benefit conferred in this section is not retroactive to the time of retirement
31 and applies only to members who have retired prior to the effective date of this section, or, if
32 applicable, to beneficiaries receiving benefits under the retirement system prior to the effective
33 date.

34 (f) Notwithstanding any other provision of code to the contrary, beginning on July 1, 2025,
35 the retirement annuity of a retiree (or, if applicable, his or her beneficiary) shall be increased by
36 2.5% on July 1, 2025, by 1.5% on July 1, 2026, and by 1% on July 1, 2027.

ARTICLE 7A. STATE TEACHERS RETIREMENT SYSTEM.
§18-7A-26y. Minimum benefit for certain retired members.

1 (a) If the retirement annuity of a retirant (or applicable beneficiary thereof) at least 70 years
2 of age with at least 25 years of total service as of July 1, 2023, is less than \$1,000 per month
3 (including any supplemental or additional benefits provided by this article), then the monthly
4 retirement annuity for the retirant, beginning on or before December 31, 2023, shall be increased
5 to \$1,000 per month: *Provided*, That any year of service while an employee of an institution of
6 higher education may not be taken into account for purposes of this section if his or her salary was
7 capped under the retirement system at \$4,800 per year pursuant to §18-7A-14a of this code.

8 (b) Notwithstanding any provision of subsection (a) of this section to the contrary, if the
9 retirement annuity of a beneficiary at least 70 years of age as of July 1, 2023, of a retirant who
10 chose option B – 50 percent joint and survivor annuity under the retirement system and who had at
11 least 25 years of total service is less than \$500 per month (including any supplemental benefits or
12 incentives provided by this article), then the monthly retirement benefit for the beneficiary shall be
13 increased to \$500 per month beginning on or before December 31, 2023: *Provided*, That any year
14 of service while an employee of an institution of higher education may not be taken into account for
15 purposes of this section if his or her salary was capped under the retirement system at \$4,800 per
16 year pursuant to §18-7A-14a of this code.

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

22 (d) Any minimum benefit conferred in this section is not retroactive to the time of retirement
23 and applies only to members who have retired prior to the effective date of this section, or, if
24 applicable, to beneficiaries receiving benefits under the retirement system prior to the effective
25 date.

26 (e) Notwithstanding any other provision of code to the contrary, beginning on July 1, 2025,
27 the retirement annuity of a retiree (or, if applicable, his or her beneficiary) shall be increased by
28 2.5% on July 1, 2025, by 1.5% on July 1, 2026, and by 1% on July 1, 2027.

NOTE: The purpose of this bill is to provide a gradual increase in state retirement benefits through July 1, 2027.

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