

State Rep Pensions on Par: Legislator Plans Better Than None; Governor Fares Well
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(Source: The Dominion Post (Morgantown, W.Va.))By Brandy Brubaker, The Dominion Post,
Morgantown, W.Va.

Dec. 14--West Virginia's elected state officials receive retirement pensions -- if they serve long enough -- but no other benefits, such as medical insurance.

At the current public employee benefit formula, a career state legislator serving 25 years would receive \$7,500 a year, based on a salary of \$15,000.

State Sen. Michael Oliverio, D-Monongalia, said he's glad to get the pension.

"I appreciate the opportunity to be in the pension system," he said. "A lot of people don't have the opportunity to be in a pension system where they work. Our retirement compensation won't be significant, but every little bit helps when you retire."

According to a January report released by the West Virginia Center on Budget and Policy, more than 300,000 working West Virginians -- or about 55 percent -- have no employer-related retirement plans. West Virginia's pension plan for state officials, such as the governor and legislators, is determined by length of service and average salary.

Anne Lambright, executive director of the West Virginia Consolidated Public Retirement Board, said public employee pensions are calculated using the following formula: .02 times the number of years of service times the final average salary.

The funding formula is typical and the percentage represents the national average for state legislators, according to the National Conference of State Legislators. Conference data indicates that funding formula percentages generally fall between 2 percent and 2.5 percent.

The final average salary is determined by averaging the highest consecutive three years of employment during the past 10 years of employment. State elected officials must serve at least five years to qualify for a pension.

The years of service includes any state, local or county position that is a member of the Consolidated Public Retirement Board. For example, Gov. Joe Manchin formerly served as secretary of state and as a member of both the state Senate and House of Delegates. Those years of service will count toward Manchin's pension, although his salary as governor will trump the other positions for final average salary.

Manchin will make \$150,000 per year during his second and final term, which, if he doesn't take another eligible job after serving his two terms, will average out to be his highest pay. During his first term he was paid \$95,000 per year, but those years will be canceled out if he serves at least three years of his final term.

Counting Manchin's service as secretary of state, a legislator and as a two-term governor, he will have served 24 years as a public employee at the end of his term, Lambright said.

According to the formula, Manchin's pension would be about \$72,000 per year.

State legislators' pensions are not often that high, Lambright said.

The secretary of state's office lists the salaries of both branches of the Legislature at \$15,000 per year, a part-time salary. Legislators also get paid extra for interim sessions they attend, Lambright said. Senators serve four-year terms. Delegates serve two-year terms.

Part-time employees don't always get pensions, but legislators are an exception and each year of a term counts as a full year, Lambright said.

One-term legislators do not get a pension unless they have other years of service from another qualifying state, county or local position.

If a state senator, for example, serves two four-year terms -- at \$15,000 per year -- and does no other qualifying work, his pension would be about \$2,400 a year. The pension would be higher if the senator participated in interim sessions.

Public employees can retire at age 55 if they have 25 years of service, Lambright said.

If you have at least five years of service, you can retire at age 60 if you are still employed in a qualifying position. If not, you have to wait until you are 62 to start collecting your pension, Lambright said.

State legislators do not receive medical insurance while they are serving or upon retirement, unless they pay for it.

Oliverio said they are able to buy coverage through the Public Employee Insurance Agency, but they would have to pay both the employee portion and the employer portion because they are considered part-time employees.

"That is more expensive than a legislator's pay," he said.

"A couple of the guys do that. They don't get paid and at the end of the year, they write a check to settle up the difference."

Oliverio, who has been a state senator for 14 years, said legislators don't get sick time, vacation pay or holidays. They will, however, get a raise in 2009, going from a \$15,000 base salary to \$20,000 a year. It will be Oliverio's first pay raise as a state senator.

Today, Oliverio will have earned an annual pension of \$4,200, calculated on his base legislator salary.