Teacher Pension Policy in West Virginia

A report card on the sustainability, flexibility and fairness of state teacher pension systems

West Virginia’s pension system ratings

**Sustainability**
Pension system is stable and well-funded.

**Flexibility**
Pension system is flexible and fair to all teachers.

**Neutrality**
Retiree benefits to teachers accrue uniformly with each additional year of work.

- fully meets goal
- nearly meets goal
- meets goal in part
- meets a small part of goal
- does not meet goal

Snapshot of West Virginia’s pension system

Teacher pension system is well-funded (at least 90%).

- NO

Teachers have the option of a fully portable primary pension plan.

- NO

Teachers vest in three years or less.

- NO

Teachers leaving early can take at least a partial employer contribution with them.

- NO

Teacher and employer contribution rates are reasonable.

- NO

Retirement eligibility is based on age only.

- NO

Pension benefits accrue in a way that treats each year of work uniformly.

- NO

West Virginia’s pension system characteristics

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of plan</td>
<td>Defined benefit (DB)</td>
</tr>
<tr>
<td>Unfunded liabilities (percent of system funded)</td>
<td>$4,179,234,000 (57.9%)</td>
</tr>
<tr>
<td>Vesting period</td>
<td>5 years</td>
</tr>
<tr>
<td>Teacher contribution rate (percent of salary)</td>
<td>6%</td>
</tr>
<tr>
<td>Employer contribution rate (percent of salary)</td>
<td>29.9%</td>
</tr>
<tr>
<td>Basis for retirement eligibility</td>
<td>Years of service</td>
</tr>
<tr>
<td>Cost of living adjustments</td>
<td>No COLA</td>
</tr>
<tr>
<td>Participation in Social Security</td>
<td>Yes</td>
</tr>
<tr>
<td>Contributions teachers may withdraw from plans if</td>
<td>Own with interest</td>
</tr>
<tr>
<td>they leave after 5 years</td>
<td></td>
</tr>
<tr>
<td>Policy for purchasing time for prior teaching or</td>
<td>Limited (prior teaching); Not permitted (approved leave)</td>
</tr>
<tr>
<td>approved leave</td>
<td></td>
</tr>
<tr>
<td>Cost per teacher of allowing retirement before age</td>
<td>$635,455</td>
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</tbody>
</table>

For more information about West Virginia and other states’ teacher retirement policies, including full narrative analyses, recommendations and state responses, see www.nctq.org/statePolicy

National Council on Teacher Quality | January 2015
Teacher pension trends in the U.S.

Just seven states offer a fully or nearly fully portable primary pension plan for teachers.

Other indicators also reflect worrisome trends.

- Number of states where pension funding ratios have decreased since 2008: 43
- Number of states that require excessive contributions of teachers, employers or both: 43
- Number of states that have increased teacher contribution rates since 2008: 29
- Number of states that have ten-year teacher vesting periods: 15

Teacher pension system debt has reached a half trillion dollars.