



# **Municipal Pensions Oversight Board**

Policemen's and Firemen's Pensions Disability  
Calculation (Legislative Rule Title 211, Series 1)

# Title 211, Series 1

## Policemen's and Firemen's Pensions Disability Calculation

- ▶ *Scope – this legislative rule governs the methodology used to calculate disability pensions paid from the municipal policemen's and firemen's pension plans.*
- ▶ *Authority – W.Va. Code §8-22-18a(g).*
- ▶ *Filing Date – March 28, 2014*
- ▶ *Effective Date – April 28, 2014*

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## Policemen's and Firemen's Pensions Disability Calculation

### ▶ Definitions

- **“Member”** means any paid police officer or firefighter participating in a municipal pension fund who has applied for a disability retirement (temporary or permanent)
- **“Salary or compensation”** means remuneration actually received by a member, plus the members deferred compensation under sections 125, 401(k), 414(h) and 457 of the US Internal Revenue Code, as amended: Provided that the remuneration received by the member during any twelve-consecutive -month period used in determining benefits, which is in excess of an amount which is twenty percent greater than the “average adjusted salary” received by the member in the two consecutive twelve-month-periods immediately preceding the twelve-consecutive-month period used in determining benefits shall be disregarded.

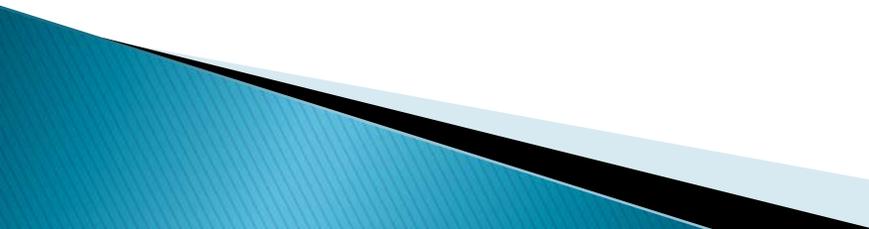
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- **“Year-one”** means the second twelve-consecutive-month period preceding the twelve-consecutive-month period used in determining benefits.
- **“Year-two”** means the twelve-consecutive-month period preceding the twelve-consecutive-month period used in determining benefits.
- **“Year-three”** means the twelve-consecutive-month period used in determining benefits.

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- **“Active military duty”** means at least one full year of continuous, chronological military service.
  - **“Pension secretary”** means the person appointed by the policemen's or firefighter's pension board of trustees to keep a full and permanent record of all the proceedings of the board.
  - **“Municipal treasurer”** means the treasurer or other municipal officer, exercising the power and authority commonly exercised by a treasurer. The municipal treasurer is custodian and fund fiduciary of all the assets of the municipal policemen's and firemen's pension and relief funds.
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- **“Base salary”** means remuneration received by a member, exclusive of all overtime and other remuneration.
  - **“Total salary”** means all remuneration received by a member, including any deferred compensation.
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### ▶ Qualified Military Experience

- Members qualify for benefit enhancement for up to four years of qualified military experience. To meet the criteria, a member SHALL:
  - Have been on active military duty
  - Have received an honorable discharge from the United States armed forces; and

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### ▶ Qualified Military Experience

- If the member is returning to employment following active duty:
  - The member presents himself/herself for resumption of duty within 6 months from his or her date of discharge, or within 2 years if the member has been hospitalized for, or was convalescing from, an illness or injury incurred in, or aggravated during military service; and
  - Be accepted by two medical examiners, at least one of which is appointed by the oversight board, as being mentally and physically capable of performing the required duties as a member of the paid police or fire department at the time of hire or resumption of duty.

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- ▶ Total and Temporary Disability and Total and Permanent Disability Calculations
  - The Pension secretary and the municipal treasurer shall independently determine the monthly amount paid to a member awarded a total and temporary or total and permanent disability
  - Disabilities are determined in accordance with §8-22-24 using the definition of “salary or compensation” as defined in §8-22-16(d)
  - Disability pensions shall be equal to 60% of the monthly salary being received by the member or the sum of \$500 whichever is greater.

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### ▶ The following formulas SHALL be used to calculate disability awards

- Year one adjusted salary = year 3 base salary / year 1 base salary X year 1 total salary
- Year two adjusted salary = year 3 base salary / year 2 base salary X year 2 total salary
- Average adjusted salary = (year one adjusted salary + year two adjusted salary) X 50%
- One hundred twenty percent of average adjusted salary = average adjusted salary X 120%
- Annual Salary = the lesser of one hundred twenty percent (120%) of average adjusted salary or year three total salary
- Monthly salary = annual salary / 12
- If a member does not have qualifying military experience, then monthly disability salary = monthly salary X 60%



# Questions and Contact Information

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