

**WEST VIRGINIA LEGISLATURE**  
*Legislative Post Audit Division*

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Denny Rhodes  
Director

January 9, 2017

The Honorable William P. Cole III, President  
West Virginia State Senate  
Post Audits Subcommittee, Co-Chair  
Room 229M, Building 1  
State Capitol Complex  
Charleston, West Virginia 25305

The Honorable Tim Armstead, Speaker  
West Virginia House of Delegates  
Post Audits Subcommittee, Co-Chair  
Room 228M, Building 1  
State Capitol Complex  
Charleston, West Virginia 25305

Dear Mr. President and Mr. Speaker:

It was brought to the attention of the Legislative Auditors' Office that the length of time between an employee retiring from state government to the payment of the first retirement paycheck may have increased with the implementation of the state's new accounting software, wvOASIS, and the switch to bi-weekly pay. We have concluded this does not appear to be an issue, and on average, retirees are receiving their first retirement paycheck quicker.

**Average time between retirement date and the first pay check has decreased.**

We requested retiree information from the Consolidated Public Retirement Board (CPRB) for calendar years 2011, 2015 and 2016<sup>1</sup>. The information included the employee's date of retirement and the date of the first retirement paycheck. For 2015 and 2016, employees were classified as bi-weekly or semi-monthly.

- Bi-weekly: Employee retired from an agency being paid on a bi-weekly payroll. Wave 1 implementation of bi-weekly pay began June 12, 2015. Wave 2 implementation of bi-weekly pay began May 14, 2016.
- Semi-monthly: Employee retired from an agency still being paid on a semi-monthly payroll.

The information provided shows the average time between retirement date and payment of the first retirement paycheck has decreased. As shown in the table below, the average duration for 2011 was 86

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<sup>1</sup> The data does not include retirees currently waiting for their first pay check. There is no way for the agency pull this data electronically in the current system; however, CPRB will have the ability to pull this information when the new system is fully operational. Additionally, 2016 data only includes January 1 through October 1.

days. In 2015 and 2016, the average duration for all employees decreased to 61 days and 64 days, respectively. Retirees from semi-monthly paid agencies are receiving their first payment quicker than retirees from bi-weekly paid agencies. However, the gap has tightened in 2016, and the duration is still less than 2011.

<b>Average Duration From Retirement Date to First Payment</b>			
	<b>Semi Monthly</b>	<b>Bi-weekly</b>	<b>All</b>
<b>2011</b>	86	-	86
<b>2015</b>	58	73	61
<b>2016</b>	59	65	64

*Source: Retirement Data Provided by CPRB*

There were three employees whose wait time was greater than one year. The CPRB stated they did not receive the retirement application for those employees until several months after their actual retirement date. This, along with delays in employer verification of information and volume of retirements per employer are the primary reasons retirees may experience longer wait time between their date of retirement and receipt of their first retirement paycheck. As discussed in the following section, the new system will allow for “real time” data and increased communication resulting in improved turnaround time.

**CPRB is implementing a new system designed to further reduce time between an employee’s retirement date and the first retirement paycheck.**

CPRB has been in the process of implementing a new computer system called COMPASS (Consolidated Multi-plan Pension Administration Service System). The first phase went live in February 2016 and included two major changes: 1) retiree payroll was set up so all retirees now receive their payments through the COMPASS system, and 2) retirees can access a Retiree Self-Service (RSS) portal which includes features such as viewing their payment history and 1099-R forms, and the ability to make changes to their tax withholding and address.

The next phase is planned to go live by April 2017. This phase will change how employers report retiree information to CPRB, resulting in the ability to expedite the retirement process. CPRB will receive “real time” information from the employers instead of relying on the completion of paper forms to verify leave balances, service time and other pertinent information. Currently, retirees are told to expect their first payment in 6-8 weeks. The goal with the COMPASS system is for payment to be received within 30 days of the retirement date. This phase will also include a Member Self-Service (MSS) portal and Employer Self-Service (ESS) portal to provide functionality that will allow the CPRB to better meet the needs of the customers.

**Conclusion**

We have concluded that the implementation of wvOASIS and bi-weekly pay has not increased the time between an employee’s retirement date and receiving their first retirement paycheck. The data shows retirees in 2015 and 2016, whether retiring from an agency with bi-weekly or semi-monthly pay, are

receiving their first retirement paycheck quicker. Additionally, CPRB is in the process of implementing a new system intended to further reduce the wait time and make the process more efficient.

Sincerely,

A handwritten signature in blue ink that reads "Denny Rhodes". The signature is written in a cursive style with a large initial "D".

Denny Rhodes