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H.712

Introduced by Representatives Pugh of South Burlington, Jerman of Essex and
Sharpe of Bristol

Referred to Committee on

Date:

Subject: Executive; state employees; retirement; retirement incentive

Statement of purpose: This bill proposes to extend a previous retirement
incentive for state employees.

An act relating to a state employee retirement incentive

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. STATE EMPLOYEE RETIREMENT INCENTIVE

(a) In the spirit of the retirement incentive program established in Sec.
E.135.2. of No. 1 of the Acts of the 2009 Special Session of the General
Assembly, Vermont state employees who met the defined criteria and who
applied for the voluntary incentive retirement program no later than July 31,
2009 and were selected by lottery shall be included in the incentive program.

To be eligible for the retirement incentive program, a person shall have:

(1) been employed as a state employee on June 1, 2009;

(2) participated in either the defined benefit or defined contribution

retirement plan;

1 (3) as of July 1, 2009, either 30 years of service or will be age 62 with at
2 least five years of service; and

3 (4) not initiated a purchase of service after May 1, 2009.

4 (b) Incentives under this section shall be calculated based on years of
5 creditable service. Employees with five or more years of creditable service,
6 but less than 15 years, shall receive \$750.00 for each creditable year served.
7 Employees with 15 years or more of creditable service will receive \$1,000.00
8 for each year of creditable service. The largest cash retirement incentive an
9 eligible employee may receive shall be capped at \$15,000.00. Incentives shall
10 be paid in two equal amounts in fiscal years 2010 and 2011.

11 (c) In addition to the cash incentive, the state also shall continue to pay 80
12 percent of the cost for the employee's premium for health insurance. This
13 coverage shall be provided through the plan currently offered to retired state
14 employees, as long as the retiree maintains eligibility requirements for at least
15 seven years following retirement. Employees covered under this section shall
16 be retired no later than March 1, 2010. No employee may return to state
17 employment for at least 12 consecutive months from the date of his or her
18 retirement without the approval of the secretary of administration for an
19 executive branch employee; chief justice of the supreme court for a judicial
20 branch employee; or the speaker of the house and the president pro tempore of
21 the senate for a legislative branch employee.

- 1 Sec. 2. EFFECTIVE DATE
- 2 This act shall take effect upon passage.