

1 H.778

2 Introduced by Committee on Government Operations

3 Date:

4 Subject: Retirement; state employees; teachers; municipal employees; retirees

5 Statement of purpose: This bill proposes to: (1) add one more member to the  
6 Vermont pension investment committee who will chair the committee;  
7 (2) increase the contribution rate for group C members of the Vermont  
8 municipal employees' retirement system; and (3) ensure that teachers who  
9 were hired prior to July 1, 2009, are not required to be licensed in order to  
10 participate as members in the state teachers' retirement system of Vermont.

11 An act relating to amending miscellaneous provisions in Vermont's public  
12 retirement systems

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

14 Sec. 1. 3 V.S.A. § 522 is amended to read:

15 § 522. VERMONT PENSION INVESTMENT COMMITTEE

16 (a) There is created the Vermont pension investment committee to be  
17 ~~comprised of six~~ comprise seven members as follows:

18 (1) one member and one alternate, who may or may not be trustees of  
19 the board of the Vermont state employees' retirement system, elected by the  
20 employee and retiree members of that board;



1 state treasurer for administrative support, and the expenses of the committee  
2 and the treasurer's office in support of the committee shall be paid  
3 proportionately from the funds of the three retirement systems and any  
4 individual municipalities that have been allowed to invest their retirement  
5 funds pursuant to subsection 523(a) of this title.

6 ~~(f)~~(g) Public employee members and alternates shall be granted reasonable  
7 leave time by their employers to attend committee meetings and  
8 committee-related educational programs.

9 ~~(g)~~(h) The committee shall provide an annual report to the respective  
10 authorities responsible for electing and appointing members and alternates  
11 regarding attendance at committee meetings and relevant educational programs  
12 attended.

13 ~~(h)~~(i) A vacancy of an elected or appointed member or alternate shall be  
14 filled for the remainder of the term by the authority responsible for electing or  
15 appointing that member or alternate.

16 Sec. 2. 3 V.S.A. § 523 is amended to read:

17 § 523. VERMONT PENSION INVESTMENT COMMITTEE; DUTIES

18 (a) The Vermont pension investment committee shall be responsible for the  
19 investment of the assets of the state teachers' retirement system of Vermont,  
20 the Vermont state employees' retirement system, and the Vermont municipal  
21 employees' retirement system pursuant to section 472 of this title, ~~section~~

1 ~~16 V.S.A. § 1943 of Title 16, and section 24 V.S.A. § 5063 of Title 24.~~ The  
2 committee shall strive to maximize total return on investment, within  
3 acceptable levels of risk for public retirement systems, in accordance with the  
4 standards of care established by the prudent investor rule under ~~chapter 147 of~~  
5 ~~Title 9~~ 14A V.S.A. § 902. The committee may, in its discretion, subject to  
6 approval by the attorney general, also enter into agreements with  
7 municipalities administering their own retirement systems to invest retirement  
8 funds for those municipal pension plans. The state treasurer shall serve as the  
9 custodian of the funds of all three retirement systems.

10 (b) Members and alternates of the committee who are not public employees  
11 shall be entitled to compensation as set forth in ~~section 32 V.S.A. § 1010 of~~  
12 ~~Title 32~~ and reimbursement for all necessary expenses that they may incur  
13 through service on the committee from the funds of the retirement systems.  
14 The chair of the committee may be compensated at a level not to exceed  
15 one-third of the salary of the state treasurer, as determined by the other  
16 members of the committee.

17 (c) The committee shall keep a record of all its proceedings which shall be  
18 open for public inspection.

19 (d) The committee ~~may~~ shall formulate policies and procedures deemed  
20 necessary and appropriate to carry out its functions. ~~Notwithstanding the~~  
21 ~~foregoing, the committee shall consider, consistent with chapter 147 of Title 9,~~

1 ~~subsection 472a(b) of this title, 16 V.S.A. § 1943a(b), and 24 V.S.A.~~  
2 ~~§ 5063a(b), investing up to \$17,500,000.00 with the Vermont housing finance~~  
3 ~~agency to assist in its homeownership financing programs for persons and~~  
4 ~~families of low and moderate income as defined in 10 V.S.A. § 601(11),~~  
5 ~~including a written statement of the responsibilities of and expectations for the~~  
6 ~~chair of the committee.~~

7 \* \* \*

8 ~~Sec. 3. 24 V.S.A. § 5064(b) is amended to read:~~

9 ~~(b) Member savings. Contributions deducted from the compensation of~~  
10 ~~members together with any member contributions transferred from a~~  
11 ~~predecessor system shall be accumulated in the fund and separately recorded~~  
12 ~~for each member. Contributions shall be made by group A members at the rate~~  
13 ~~of three percent of earnable compensation. Contributions shall be made by~~  
14 ~~group B members at the rate of five percent of earnable compensation.~~  
15 ~~Contributions shall be made by group C and group D members at a rate of 11~~  
16 ~~percent of earnable compensation. Additionally, if an employee remains in~~  
17 ~~group C and is employed by an employer who elects to revoke its group C~~  
18 ~~membership in accordance with subsection 5068(f) of this title, the rate~~  
19 ~~established in this subsection will be adjusted. This adjustment shall be~~  
20 ~~determined by subtracting the group B rate, or if not applicable, the group A~~  
21 ~~rate determined in subdivision (c)(1) of this section from the group C rate~~

1 ~~determined in subdivision (c)(1) of this section. Notwithstanding the~~  
2 ~~provisions of this subsection, for the period July 1, 2000 through June 30, 2010~~  
3 ~~2011, contributions shall be made by group A members at the rate of two and~~  
4 ~~one-half percent of earnable compensation, by group B members at the rate of~~  
5 ~~four and one-half percent of earnable compensation, and by group C members~~  
6 ~~at the rate of nine and one-half percent of earnable compensation.~~

*Sec. 3. 24 V.S.A. § 5064(b) is amended to read:*

*(b) Member savings. Contributions deducted from the compensation of members together with any member contributions transferred from a predecessor system shall be accumulated in the fund and separately recorded for each member. Contributions shall be made by group A members at the rate of three percent of earnable compensation. Contributions shall be made by group B members at the rate of five percent of earnable compensation. Contributions shall be made by group C and group D members at a rate of 11 percent of earnable compensation. Additionally, if an employee remains in group C and is employed by an employer who elects to revoke its group C membership in accordance with subsection 5068(f) of this title, the rate established in this subsection will be adjusted. This adjustment shall be determined by subtracting the group B rate, or if not applicable, the group A rate determined in subdivision (c)(1) of this section from the group C rate determined in subdivision (c)(1) of this section. ~~Notwithstanding the provisions of this subsection, for the period July 1, 2000 through June 30, 2010, contributions shall be made by group A members at the rate of two and one-half percent of earnable compensation, by group B members at the rate of four and one-half percent of earnable compensation, and by group C members at the rate of nine percent of earnable compensation.~~*

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*Sec. 3a. VERMONT MUNICIPAL RETIREMENT FUND*

*Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period July 1, 2010 through June 30, 2011, contributions shall be made by group A members at the rate of two and one-half percent of earnable compensation, by group B members at the rate of four and one-half percent of earnable compensation, and by group C members at the rate of nine and one-half percent of earnable compensation.*

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1       Sec. 4. STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT;  
2                               MEMBERSHIP

3               Notwithstanding any provision of law to the contrary, amendments to  
4       16 V.S.A. § 1931(20) in Sec. 5 of No. 24 of the Acts of 2009 (retirement  
5       system available only to licensed teachers) shall not apply to:

6               (1) Any person who was a member of the state teachers' retirement  
7       system of Vermont under chapter 55 of Title 16 on June 30, 2009.

8               (2) Any person who signed a contract prior to July 1, 2009, for  
9       employment in an independent school beginning on that date if the contract  
10       included provisions ensuring membership in the state teachers' retirement  
11       system of Vermont under chapter 55 of Title 16.

*Sec. 5. EFFECTIVE DATES*

*This Sec. 5 shall take effect upon passage; Secs. 1 and 2 (pension investment committee), Sec. 3 (municipal pension contribution rates) and Sec. 3a (municipal retirement fund session law) of this act shall take effect July 1, 2010; and Sec. 4 (state teachers' retirement) of this act shall take effect July 1, 2009.*