

1 H.448

2 Introduced by Committee on Government Operations

3 Date:

4 Subject: Executive; Vermont state employees' retirement system; municipal
5 government; municipal employees' retirement system; funds

6 Statement of purpose: This bill proposes to amend contribution provisions in
7 the state and municipal employees' retirement systems.

8 An act relating to contributions to the state and municipal employees'
9 retirement systems

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

11 Sec. 1. 3 V.S.A. § 473 is amended to read:

12 § 473. FUNDS

13 (a) All of the assets of the retirement system shall be credited to the
14 Vermont state retirement fund.

15 (b) Member contributions.

16 * * *

17 (2) Contributions shall be made on and after the date of establishment at
18 the rate of ~~five~~ 6.3 percent of compensation ~~except for each group A, D, and F~~
19 member and at a rate of ~~6.18~~ 8.18 percent of compensation for each group C
20 member ~~unless the member was a group C member on June 30, 1998 in which~~

1 ~~ease contributions shall be at the rate of six percent of compensation for each~~
2 ~~group C member who has elected not to have his or her compensation from the~~
3 ~~state be subject to Social Security withholding or at the rate of five percent of~~
4 ~~compensation if the member elected to have compensation from the state~~
5 ~~subject to Social Security withholding and at the rate of five percent of~~
6 ~~compensation for each group F member and, commencing July 1, 2019, at the~~
7 ~~rate of 4.75 percent of compensation for each group F member. For the period~~
8 ~~of July 1, 2011 through June 30, 2016, should the annual value of 1.3 percent~~
9 ~~of the total group C, D, and F member contributions exceed \$5,300,000.00 per~~
10 ~~year on an aggregate basis, any amount in excess of \$5,300,000.00 shall~~
11 ~~remain in the retirement system and the state's contribution shall not be~~
12 ~~reduced by the amount in excess of \$5,300,000.00. Commencing July 1, 2016~~
13 ~~or when the state employees' retirement system has been determined by the~~
14 ~~actuary to have assets at least equal to its accrued liability, whichever occurs~~
15 ~~first, contributions shall be five percent of compensation for group A, D, and F~~
16 ~~members and 6.88 percent of compensation for group C members.~~
17 ~~Commencing July 1, 2019, the rate of contribution applicable to all active~~
18 ~~group F members shall be 4.75 percent of compensation.~~ In determining the
19 amount earnable by a member in a payroll period, the retirement board may
20 consider the annual or other periodic rate of earnable compensation payable to
21 such member on the first day of the payroll period as continuing throughout

1 such payroll period, and it may omit deduction from compensation for any
2 period less than a full payroll period if an employee was not a member on the
3 first day of the payroll period, and to facilitate the making of deductions it may
4 modify the deduction required of any member by such an amount as, on an
5 annual basis, shall not exceed one-tenth of one percent of the annual earnable
6 compensation upon the basis of which such deduction is to be made. Each of
7 the amounts shall be deducted until the member retires or otherwise withdraws
8 from service, and when deducted shall be paid into the annuity savings fund,
9 and shall be credited to the individual account of the member from whose
10 compensation the deduction was made.

11 * * *

12 Sec. 2. VERMONT MUNICIPAL RETIREMENT FUND

13 Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period July
14 1, 2011 through June 30, 2012, contributions shall be made by group A
15 members at the rate of 2.5 percent of earnable compensation, by group B
16 members at the rate of 4.5 percent of earnable compensation, and by group C
17 members at the rate of 9.25 percent of earnable compensation.

18 Sec. 3. REVIEW OF VERMONT STATE EMPLOYEES' RETIREMENT
19 MEMBER CONTRIBUTION RATE STRUCTURE

20 By July 1, 2016, the treasurer and representatives from the judicial branch,
21 the Vermont state employees' association, and the Vermont troopers'

1 association shall meet to review and evaluate the Vermont state employees'

2 member contribution rate structure applicable to groups C, D, and F.

3 Sec. 4. EFFECTIVE DATE

4 This act shall take effect on July 1, 2011.