

BILL AS PASSED BY THE HOUSE AND SENATE

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Introduced by Committee on Government Operations

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Date:

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Subject: Executive; Vermont state employees' retirement system; municipal

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government; municipal employees' retirement system; funds

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Statement of purpose: This bill proposes to amend contribution provisions in

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the state and municipal employees' retirement systems.

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An act relating to contributions to the state and municipal employees'

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retirement systems

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

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

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~~§ 473. FUNDS~~

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~~(a) All of the assets of the retirement system shall be credited to the~~

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~~Vermont state retirement fund.~~

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~~(b) Member contributions.~~

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~~* * *~~

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

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

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

Sec. ~~14~~ 1. 3 V.S.A. § 925 is amended to read:

§ 925. MEDIATION; FACT FINDING

* * *

(k) In the case of the state of Vermont, the decision of the board shall recommend its choice to the general assembly as the bargaining agreement which shall become effective subject to appropriations by the general assembly. The board shall determine the cost of the package selected and request the appropriation necessary to fund the recommendation be final, and the terms of the chosen agreement shall be binding on each party, subject to appropriations in accordance with subsection 982(d) of this title. In the case of the University of Vermont or the Vermont state colleges, the decision of the board shall be final and binding on each party. Nothing herein precludes the general assembly from enacting laws amending provisions of any collective bargaining agreement involving the state of Vermont arrived at under this section.

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Sec. ~~14~~ 2. 3 V.S.A. § 982 is amended to read:

§ 982. AGREEMENTS; LIMITATIONS, RENEGOTIATION, AND

RENEWAL

* * *

(d) When the parties are unable to reach agreement on a collective bargaining agreement, and the Vermont labor relations board recommends an agreement in accordance with subsection 925(k) of this title, the board shall determine the cost of the agreement selected and request the general assembly to appropriate the amount determined to be necessary to implement the selected agreement. If the general assembly chooses to appropriate sufficient funds, the agreement shall become effective at the beginning of the next fiscal year. If the general assembly appropriates less than the amount requested, the terms of the agreement effected by the lesser appropriation shall be renegotiated based on the amount of the funds actually appropriated, and the agreement with the negotiated changes shall become effective at the beginning of the next fiscal year.

(e) No portions of any agreement shall become effective separately except with mutual consent of both parties.

(e)(f) Such an agreement shall terminate at the expiration of its specified term. Negotiations for a new agreement to take effect upon the expiration of the preceding agreement shall be commenced at any time within one year next preceding the expiration date upon the request of either party and may be commenced at any time previous thereto with the consent of both parties.

(f)(g) In the event the state of Vermont, the University of Vermont, and the Vermont state colleges as employer and the collective bargaining unit are unable to arrive at an agreement and there is not an existing agreement in effect, the existing contract shall remain in force until a new contract is ratified by the parties. However, nothing in this subsection shall prohibit the parties from agreeing to a modification of certain provisions of the existing contract which, as amended, shall remain in effect until a new contract is ratified by the parties.

(g)(h) The board is authorized to enforce compliance with all provisions of a collective bargaining agreement upon complaint of either party. In the event a complaint is made by either party to an agreement the board shall proceed in the manner prescribed in section 965 of this title relating to the prevention of unfair labor practices.

1 ~~Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period July~~
2 ~~1, 2011 through June 30, 2012, contributions shall be made by group A~~
3 ~~members at the rate of 2.5 percent of earnable compensation, by group B~~
4 ~~members at the rate of 4.5 percent of earnable compensation, and by group C~~
5 ~~members at the rate of 9.25 percent of earnable compensation.~~

6 Sec. 3. REVIEW OF VERMONT STATE EMPLOYEES' RETIREMENT
7 MEMBER CONTRIBUTION RATE STRUCTURE

~~By July 1, 2016, *the governor or his or her designee*, the treasurer and~~
~~representatives from the judicial branch, the Vermont state employees'~~
~~association, and the Vermont troopers' association shall meet to review and~~
~~evaluate the Vermont state employees' member contribution rate structure~~
~~applicable to groups C, D, and F.~~

8 Sec. 4 ~~3~~. EFFECTIVE DATE

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