

1 H.556

2 Introduced by Representative Townsend of South Burlington

3 Referred to Committee on

4 Date:

5 Subject: Education; State Teachers' Retirement System of Vermont;

6 restoration of service

7 Statement of purpose of bill as introduced: This bill proposes to end the
8 requirement that a retired teacher who returns to work and earns more than 60
9 percent of a teacher's average salary must pay back all pension payments
10 received during the fiscal year.

11 An act relating to ending the requirement that a retired teacher who returns
12 to work and earns more than 60 percent of a teacher's average salary must
13 pay back all pension payments received during the fiscal year

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

15 Sec. 1. 16 V.S.A. § 1939 is amended to read:

16 § 1939. RESTORATION TO SERVICE

17 (a) ~~In any fiscal year in which~~ When a beneficiary resumes service, as that
18 term is defined in section 1931 of this title, he or she shall again become a
19 member of the system, shall contribute at the rate established for members of
20 his or her group₂, and shall not be entitled to receive a retirement allowance, if
21 he or she is:

1 (1) compensated in excess of the allowable number of days per school
2 year as established by the board for substitute teaching; or

3 (2) receives compensation in excess of 60 percent of the average
4 compensation in the teacher system.

5 (b) ~~If a person once again becomes a member under subsection (a) of this~~
6 ~~section, membership shall be retroactive to the beginning of the fiscal year in~~
7 ~~which the person resumed service and the member shall not be entitled to any~~
8 ~~retirement allowance received during that fiscal year. If the person received a~~
9 ~~retirement allowance during the fiscal year in which he or she resumed service,~~
10 ~~upon subsequent retirement the board shall suspend his or her retirement~~
11 ~~allowance for a period necessary to reimburse the system for the total~~
12 ~~retirement allowance received during the period in which the beneficiary~~
13 ~~resumed service and became a member.~~

14 (e) Upon subsequent retirement of a person who once again becomes a
15 member under subsection (a) of this section, the beneficiary's former
16 retirement allowance shall be restored, but the beneficiary shall not be entitled
17 to cost of living adjustments for the period during which he or she was restored
18 to service. In addition to the former retirement allowance, a beneficiary shall
19 be entitled to a retirement allowance separately computed for the period
20 beginning with his or her last restoration to service for which the member has
21 made a contribution.

1 Sec. 2. EFFECTIVE DATE

2 This act shall take effect on July 1, 2014.