

1 S.86

2 Introduced by Senators Brock and McCormack

3 Referred to Committee on

4 Date:

5 Subject: Executive; Vermont employees retirement system; postretirement
6 adjustments to retirement allowances

7 Statement of purpose: This bill proposes to require that postretirement
8 adjustments to retirement allowances be made pursuant to the Northeast
9 Region Consumer Price Index.

10 An act relating to requiring that postretirement adjustments to retirement
11 allowances be made pursuant to the Northeast Region Consumer Price
12 Index

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

14 Sec. 1. 3 V.S.A. § 470 is amended to read:

15 § 470. ~~POST RETIREMENT~~ POSTRETIREMENT ADJUSTMENTS TO
16 RETIREMENT ALLOWANCES

17 (a) For group A, group C and group D members, as of June 30 in each year,
18 commencing June 30, 1972, a determination shall be made of the increase or
19 decrease, to the nearest one-tenth of a percent, in the ratio of the average of the
20 Northeast Region Consumer Price Index for the month ending on that date to
21 the average of said index for the month ending on June 30, 1971, or the month

1 ending on June 30 of the most recent year subsequent thereto as of which an
2 increase or decrease in retirement allowance was made. If the increase or
3 decrease, so determined, equals or exceeds one percent, the retirement
4 allowance of each beneficiary in receipt of an allowance for at least one year
5 on the next following December 31st shall be increased or decreased, as the
6 case may be, by an equal percentage. Such increase or decrease shall
7 commence on the January 1st immediately following such December 31st.
8 Such percentage increase or decrease shall also be made in the retirement
9 allowance payable to a beneficiary in receipt of an allowance under an optional
10 election, provided the member on whose account the allowance is payable and
11 such other person shall have received a total of at least 12 monthly payments
12 by such December 31st. The maximum adjustment of any retirement
13 allowance resulting from any such determination shall be five percent and the
14 minimum shall be one percent, and no retirement allowance shall be reduced
15 below the amount payable to the beneficiary without regard to the provisions
16 of this section.

17 (b) For group F members, as of June 30 in each year, commencing
18 January 1, 1991, a determination shall be made of the increase or decrease, to
19 the nearest one-tenth of a percent of the Northeast Region Consumer Price
20 Index for the preceding fiscal year. The retirement allowance of each
21 beneficiary in receipt of an allowance for at least one year on the next

1 following December 31st shall be increased or decreased, as the case may be,
2 by an amount equal to one-half of the percentage increase or decrease.
3 Commencing January 1, 2014, the retirement allowance of each beneficiary
4 who was an active contributing member of the group F plan on or after June
5 30, 2008, and who retires on or after July 1, 2008, shall be increased or
6 decreased, as the case may be, by an equal percentage of the Northeast Region
7 Consumer Price Index for the preceding year. The increase or decrease shall
8 commence on the January 1st immediately following such December 31st.

9 The adjustment shall apply to group F members receiving an early retirement
10 allowance only in the year following attainment of age 62, provided the
11 member has received benefits for at least 12 months as of December 31 of the
12 year preceding any January adjustment. The maximum adjustment of any
13 retirement allowance resulting from any such determination shall be five
14 percent and the minimum shall be one percent, and no retirement allowance
15 shall be reduced below the amount payable to the beneficiary without regard to
16 the provisions of this section.

17 (c) For purposes of this section, Northeast Region Consumer Price Index
18 shall mean the Consumer Price Index for all urban consumers, designated as
19 "CPI-U," in the northeast region, as published by the United States Department
20 of Labor, Bureau of Labor Statistics.

21 * * *

1 Sec. 2. EFFECTIVE DATE

2 This act shall take effect on July 2, 2011.