

1 Introduced by Committee on Government Operations

2 Date:

3 Subject: Vermont Employees' Retirement System; pension calculation;

4 Municipal Employees' Retirement System; rates

5 Statement of purpose of bill as introduced: This bill proposes to make
6 miscellaneous changes to the laws concerning State and municipal employees'
7 pension calculations and rates.

8 An act relating to miscellaneous pension changes

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

10 Sec. 1. 3 V.S.A. § 455(a)(26) is amended to read:

11 (26) "Average compensable hours" shall mean average annual
12 compensable hours for a period of five full years immediately preceding the
13 years used to determine average final compensation for any member who
14 terminates their position after July 1, 2002. If a member's compensable hours
15 in any year used to calculate average final compensation exceeds 120 percent
16 of average compensable hours, the compensation for hours worked in excess of
17 120 percent shall be excluded from average final compensation for that
18 particular year. Average compensable hours form the benchmark to preclude
19 abuses by implementing a 20-percent limit on increases in compensable hours
20 in any year used to calculate average final compensation.

1 Sec. 2. REPEAL

2 2010 Acts and Resolves No. 139, Sec. 13(a) (repeal of provision excluding,
3 for purposes of calculating a State worker's average final compensation, an
4 increase in compensable hours that exceeds 120 percent of average
5 compensable hours) is repealed.

6 Sec. 3. 24 V.S.A. § 5053(c) is amended to read:

7 (c) A municipality may elect to join the Vermont Municipal Employees'
8 Retirement System by a vote of the legislative body of such municipality for
9 all its employees or for employees of one or more groups of employees ~~which~~
10 that have a similarity of interest, needs, and general conditions of employment
11 or dates of hire, as determined by the legislative body and approved by the
12 Board. The effective date of participation for such employers shall be
13 designated by the Retirement Board. The vote by the legislative body of a
14 municipality to join the Vermont Municipal Employees' Retirement System
15 shall be irrevocable.

16 Sec. 4. VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
17 RATES FOR FISCAL YEAR 2015

18 Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period
19 July 1, 2014 through June 30, 2015 contributions shall be made by group A
20 members at the rate of 2.5 percent of earnable compensation, by group B
21 members at the rate of 4.75 percent, and by group D members at the rate of

1 11.25 percent. For the period July 1, 2014 through December 31, 2014
2 contributions shall be made by group C members at the rate of 9.625 percent of
3 earnable compensation, and for the period January 1, 2015 through June 30,
4 2015 at the rate of 9.75 percent.

5 Sec. 5. EFFECTIVE DATE

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