

Miscellaneous Retirement Systems Bill – 2016 Amendments

3 V.S.A. § 462(c)

(c) Every recipient of disability benefits who has not reached his or her normal retirement date shall, annually on a date determined by the retirement board, file with the State Treasurer a statement certifying, under penalty of perjury and in such form as the retirement board shall prescribe, the full amount of his or her earnings from earned income during the preceding calendar year. The State Treasurer may request, and the beneficiary shall provide within 60 days of such request, additional financial information and records pertinent to the beneficiary's earned income. The beneficiary's statement and accompanying forms and schedules, and any other financial information and records provided by the beneficiary to the State Treasurer shall be confidential. In the event that a beneficiary fails to submit the certification or any required or requested financial information or records pertinent to the beneficiary's earned income, the beneficiary's retirement allowance shall be suspended until all such information and records have been submitted, and in the event that the failure continues for one year, all the beneficiary's rights in and to his or her pension and any pending reemployment rights under this section may be revoked by the board. Notwithstanding any provision of this section to the contrary, if the beneficiary's earned income for the preceding year exceeded the difference between the beneficiary's retirement allowance and his or her average final compensation at retirement, the beneficiary shall refund the portion of the preceding year's retirement allowance that is equal to the amount of the reduction specified in subsection (b), and the refund amount may be offset against the beneficiary's monthly pension benefits. Prior to suspension or revocation of the beneficiary's retirement allowance, reemployment rights, or inception of any offset under this subsection (c), the retirement board shall provide the beneficiary with written notice and an opportunity to be heard.

3 V.S.A. § 465(g)

(g) The provisions of subsections (b)(1), (c), (d), (e), (f), and (g) of this section shall not apply if benefits are payable under section 464 of this title. The provisions of subsection (b)(2) of this section shall not apply if benefits are paid under section 464(d) of this title.

3 V.S.A. § 470

(a) For group A, group C, and group D members, as of June 30 in each year, commencing June 30, 1972, a determination shall be made of ~~any~~^{the} increase ~~or decrease~~, to the nearest one-tenth of a percent, in the ratio of the average of the Consumer Price Index for the month ending on that date to the average of said index for the month ending on June 30, 1971, or the month ending on June 30 of the most recent year subsequent thereto ~~as of which an increase or decrease in retirement allowance was made. In the event of an increase in such ratio, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31st shall be increased by an equal percentage. If the increase or decrease, so determined, equals or exceeds one percent, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31st shall be increased or decreased, as the case may be, by an equal percentage.~~ Such increase ~~or decrease~~ shall commence on the January 1st immediately following such December 31st. Such percentage increase ~~or decrease~~ shall also be made in the retirement allowance payable to a beneficiary in receipt of an allowance under an optional election, provided the member on whose account the allowance is payable and such other person shall have received a total of at least 12 monthly payments by such December 31st. The maximum ~~increase~~^{adjustment} of any retirement allowance resulting from any such determination shall be five percent, ~~and the minimum shall be one percent, and no retirement allowance shall be reduced below the amount payable to the beneficiary without regard to the provisions of this section. In the event of a decrease of the Consumer Price Index as of June 30th for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1st.~~

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(b) For group F members, as of June 30 in each year, commencing January 1, 1991, a determination shall be made of ~~any~~^{the} increase ~~or decrease~~, to the nearest one-tenth of a percent of the Consumer Price Index for the preceding fiscal year. ~~In the event of an increase,~~ ~~The retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31st shall be increased~~ ~~or decreased, as the case may be,~~ by an amount equal to one-half of the percentage increase ~~or decrease~~. Commencing January 1, 2014, the retirement allowance of each beneficiary who was an active contributing member of the group F plan on or after June 30, 2008, and who retires on or after July 1, 2008, shall be increased ~~or decreased, as the case may be,~~ by an equal percentage of the Consumer Price Index for the preceding year. The increase ~~or decrease~~ shall commence on the January 1st immediately following such December 31st. The ~~increase~~^{adjustment} shall apply to group F members receiving an early retirement allowance only in the year following attainment of normal retirement age, provided the member has received benefits for at least 12 months as of December 31 of the year preceding any January adjustment. The maximum ~~increase~~^{adjustment}

of any retirement allowance resulting from any such determination shall be five percent, ~~and the minimum shall be one percent, and no retirement allowance shall be reduced below the amount payable to the beneficiary without regard to the provisions of this section. In the event of a decrease of the Consumer Price Index as of June 30th for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1st.~~

(c) Notwithstanding subsections (a) and (b) of this section, any decrease of the Consumer Price Index as of June 30th for the preceding year shall be applied as an offset against the first subsequent year's increase, up to the full amount of such increase. To the extent that any year's decrease is greater than the subsequent year's increase, the decrease shall be offset in the same manner against two or more years of increases, for up to but not exceeding five subsequent years in which there is an increase, until fully offset.

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

~~(ed)~~ No ~~increase~~ adjustment shall be made pursuant to this section in a deferred vested allowance payable pursuant to subsection 465(a) of this title prior to its commencement.

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3 V.S.A. § 473(b)(2)

(b) Member contributions.

(1) Contributions deducted from the compensation of members together with any member contributions transferred thereto from the predecessor systems shall be accumulated in the Fund and separately recorded for each member. The amounts so transferred on account of group A members shall be allocated between regular and additional contributions. The amounts so allocated as regular contributions shall be determined as if the rate of contribution of four percent has been continuously in effect in the predecessor system from which such amounts were transferred and the balance of any amount so transferred on account of any group A member shall be deemed additional contributions. In the case of group C members who were members as of the date of establishment and D members, all contributions transferred from predecessor systems shall be deemed regular contributions. Those members who, prior to the date of establishment of this system, had been contributing at a rate less than

four percent shall have any benefit otherwise payable on their behalf actuarially reduced to reflect such prior contribution rate of less than four percent. Upon a member's retirement or other withdrawal from service on the basis of which a retirement allowance is payable, the member's additional contributions, with interest thereon, shall be paid as an additional allowance equal to an annuity which is the actuarial equivalent of such amount, in the same manner as the benefit otherwise payable under the System.

~~(2) Contributions shall be made on and after the date of establishment at the rate of 6.3 percent of compensation for each group A, D, and F member and at a rate of 8.18 percent of compensation for each group C member. For the period of July 1, 2011 through June 30, 2016, should the annual value of the total increased contributions of group C, D, and F member contributions exceed \$5,300,000.00 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, contributions shall be 6.55 percent of compensation for group A, D, and F members and 8.43 percent of compensation for group C members. or wWhen the State Employees' Retirement System has been determined by the actuary to have assets at least equal to its accrued liability, contribution rates will be reevaluated by the actuary with a subsequent recommendation to the General Assembly, whichever occurs first, contributions shall be 6.55five percent of compensation for group A, D, and F members and 8.436.88 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 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.

24 V.S.A. § 5054(f)

(f) The board may enter into a prior service purchase agreement with any member who has participated in a public retirement system other than this system. A member who desires to

purchase creditable service for service with a public retirement system outside this system must make application to the board to purchase such creditable service. Upon approval by the board, a member who desires to purchase additional creditable service must deposit in the fund, a lump sum equal to the accrued liability (based on the assumptions and methodology adopted by the board) for such additional creditable service. In lieu of a single payment, a member may, subject to the approval of the board, contribute in installments of equal monthly payments (over a period not to exceed ~~60~~³⁶ months) the actuarial equivalent value (based on assumptions adopted by the board) of the lump sum payment described in this section. Any member who terminates prior to completing all required installment payments as approved by the board shall receive pro rata credit for service purchased before the member's date of termination, but if so elected at the time of termination, the member may pay as much in a single sum as is necessary to provide full credit at this time. The payments made by the member pursuant to this subsection shall be treated for all purposes as member contributions. No application may be accepted for purchase of credit for prior service in a public retirement system if at the time of application the member has a vested right to retirement benefits in such public retirement system.

NOTE: To be listed as separate Section of the bill. The rates for Group A and Group B are final and the rates for Groups D and C are placeholders for percentages to be inserted later.

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
RATES FOR FISCAL YEAR 2017

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Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period July 1, 201~~6~~⁵ through June 30, 201~~7~~⁶, contributions shall be made by Group A members at the rate of 2.5 percent of earnable compensation, by Group B members at the rate of 4.875 percent of earnable compensation, and by Group D members at the rate of ~~___ 11.350~~ percent of earnable compensation. For the period July 1, 201~~6~~⁵ through ~~June 30, 2017~~^{December 31, 2015}, contributions shall be made by Group C members at the rate of ~~___ 9.875~~ percent of earnable compensation, ~~and for the period January 1, 2016 through June 30, 2016, at the rate of 10.0 percent.~~