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Memorandum of Understanding re: Vermont Retirement Systems:

In 2009, a study was conducted on the merits of changing to a defined contribution plan vs. maintaining the defined benefit plan in the State Retirement Systems. The decision was made to maintain the defined benefit plan.

Over the last several years, various legislators have shown continued interest in amending the State Retirement Systems by addition of a defined contribution plan...most recently as embodied in H.772 (proposing a hybrid retirement plan, with both defined benefit and defined contribution plans).

On March 31, 2016, House Government Operations heard testimony regarding an amendment to H.863 (Miscellaneous retirement laws). In the course of her remarks, the State Treasurer underscored her willingness to meet during the summer with interested parties to talk through concerns and issues related to defined benefit and defined contribution plans.

It was verbally agreed that such discussion would take place, including the employee groups involved in the three State Retirement Systems. It is anticipated that the State Treasurer will issue an invitation and that there will subsequently be a report made to House Government Operations by the beginning of the next legislative session. It would be helpful for the report to cover not only an overview of the gist of the talks, but also if any path is envisioned to increase portability of individual retirement funds and to increase individual control over individual retirement funds, while maintaining the stability and security of the State Retirement Systems.

Representative Donna Sweaney
April 14, 2016