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S.98

Introduced by Senators Pearson, Baruth, Branagan, Clarkson, Pollina,
Sirotkin, and White

Referred to Committee on

Date:

Subject: Treasurer; retirement; Public Retirement Study Committee

Statement of purpose of bill as introduced: This bill proposes to authorize the
Public Retirement Study Committee to develop a proposal for a Multiple
Employer Plan model.

An act relating to the Public Retirement Study Committee

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

Sec. 1. THE SECURE RETIREMENT FOR ALL VERMONTERS PLAN

(a) Vermont shall adopt and implement the Multiple Employer Plan (MEP)
public retirement plan which shall be called the “Green Mountain Secure
Retirement Plan” plan and which shall:

(1) be available on a voluntary basis to:

(A) employers:

(i) with 50 employees or fewer; and

(ii) who do not currently offer a retirement plan to their

employees; and

1 (B) self-employed individuals;

2 (2) automatically enroll all employees of employers who choose to
3 participate in the MEP;

4 (3) allow employees the option of withdrawing their enrollment and
5 ending their participation in the MEP;

6 (4) be funded by employee contributions with an option for future
7 voluntary employer contributions; and

8 (5) be overseen by a board which shall:

9 (A) set program terms;

10 (B) prepare and design plan documents; and

11 (C) be authorized to appoint an administrator to assist in the selection
12 of investments, managers, custodians, and other support services.

13 (b) Vermont shall implement the “Secure Retirement for All Vermonters”
14 plan on or before January 15, 2019, based on the recommendations of the
15 Public Retirement Plan Study Committee as set forth in Sec. 2 of this act.

16 Sec. 2. 2016 Acts and Resolves No. 157, Sec. F.1 is amended to read:

17 Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF

18 ESTABLISHING A PUBLIC RETIREMENT PLAN

19 (a) Creation of Committee.

20 (1) There is created a Public Retirement Plan Study Committee to
21 evaluate the feasibility of establishing a public retirement plan.

1 (2) It is the intent of the General Assembly that the Committee continue
2 the work of the Public Retirement Plan Study Committee created in 2014 Acts
3 and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves
4 No. 58, Sec. C.100, which ceased to exist on January 15, 2016, and to develop
5 specific recommendations concerning the design, creation, and implementation
6 of the Multiple Employer Plan (MEP) pursuant to Sec. 1 of this act and as set
7 forth in the January 6, 2017 report issued by the Committee.

8 (b) Membership.

9 (1) The Public Retirement Plan Study Committee shall be composed of
10 eight members as follows:

11 (A) the State Treasurer or designee;

12 (B) the Commissioner of Labor or designee;

13 (C) the Commissioner of Disabilities, Aging, and Independent Living
14 or designee;

15 (D) an individual with private sector experience in the area of
16 providing retirement products and financial services to small businesses, to be
17 appointed by the Speaker;

18 (E) an individual with experience or expertise in the area of the
19 financial needs of an aging population, to be appointed by the Committee
20 on Committees;

1 (F) an individual with experience or expertise in the area of the
2 financial needs of Vermont youth or young working adults, to be appointed by
3 the Treasurer;

4 (G) a representative of employers, to be appointed by the
5 Speaker; and

6 (H) a representative of employees who currently lack access to
7 employer-sponsored retirement plans, to be appointed by the Committee
8 on Committees.

9 (2) Unless another appointee is specified pursuant to the authority
10 granted under subdivision (1) of this subsection, the members of the Public
11 Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179,
12 Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which
13 ceased to exist on January 15, 2016, shall serve as the members of the
14 Committee created pursuant to this section.

15 (c) Powers and duties.

16 (1)(A) The Committee shall ~~study the feasibility of establishing a~~
17 develop specific recommendations concerning the design, creation, and
18 implementation time line of the Multiple Employer Plan (MEP) public
19 retirement plan, including the following pursuant to Sec. 1 of this act, which
20 shall:

- 1 (i) ~~the access Vermont residents currently have to~~
2 ~~employer-sponsored retirement plans and the types of employer-sponsored~~
3 ~~retirement plans;~~
- 4 (ii) ~~data and estimates on the amount of savings and resources~~
5 ~~Vermont residents will need for a financially secure retirement;~~
- 6 (iii) ~~data and estimates on the actual amount of savings and~~
7 ~~resources Vermont residents will have for retirement, and whether those~~
8 ~~savings and resources will be sufficient for a financially secure retirement;~~
- 9 (iv) ~~current incentives to encourage retirement savings, and the~~
10 ~~effectiveness of those incentives;~~
- 11 (v) ~~whether other states have created a public retirement plan and~~
12 ~~the experience of those states;~~
- 13 (vi) ~~whether there is a need for a public retirement plan~~
14 ~~in Vermont;~~
- 15 (vii) ~~whether a public retirement plan would be feasible and~~
16 ~~effective in providing for a financially secure retirement for Vermont residents;~~
- 17 (viii) ~~other programs or incentives the State could pursue in~~
18 ~~combination with a public retirement plan, or instead of such a plan, in order to~~
19 ~~encourage residents to save and prepare for retirement; and be available on a~~
20 ~~voluntary basis to:~~

1 (I) employers:

2 (aa) with 50 employees or fewer; and

3 (bb) who do not currently offer a retirement plan to their
4 employees; and

5 (II) self-employed individuals;

6 (ii) automatically enroll all employees of employers who choose
7 to participate in the MEP;

8 (iii) allow employees the option of withdrawing their enrollment
9 and ending their participation in the MEP;

10 (iv) be funded by employee contributions with an option for future
11 voluntary employer contributions; and

12 (v) be overseen by a board which shall:

13 (I) set programs terms;

14 (II) prepare and design plan documents; and

15 (III) be authorized to appoint an administrator to assist in the
16 selection of investments, managers, custodians, and other support services.

17 ~~(B) if the Committee determines that a public retirement plan is~~
18 ~~necessary, feasible, and effective, the Committee shall study:~~

19 ~~(i) potential models for the structure, management, organization,~~
20 ~~administration, and funding of such a plan;~~

1 ~~(ii) how to ensure that the plan is available to private sector~~
2 ~~employees who are not covered by an alternative retirement plan;~~

3 ~~(iii) how to build enrollment to a level where enrollee costs can~~
4 ~~be lowered;~~

5 ~~(iv) whether such a plan should impose any obligation or liability~~
6 ~~upon private sector employers; The Committee shall also study and make~~
7 ~~specific recommendations concerning:~~

8 (i) options to provide access to retirement plans to individuals who
9 are not eligible to participate in, or choose not to participate in, the MEP public
10 retirement plan;

11 (ii) options for funding the MEP for the period during which
12 program costs may exceed revenues, including allowing financial service
13 providers to subsidize costs in exchange for longer term contracts;

14 (iii) the composition, membership, and powers of the board which
15 shall oversee the MEP; and

16 ~~(iv)~~ any other issue the Committee deems relevant.

17 (2) The Committee shall:

18 (A) continue monitoring U.S. Department of Labor guidance
19 concerning State Savings Programs for Non-Governmental Employees
20 regarding ERISA rules and other pertinent areas of analysis;

1 (B) further analyze the relationship between the role of states and the
2 federal government; and

3 (C) continue its collaboration with educational institutions, other
4 states, and national stakeholders.

5 (3) The Committee shall have the assistance of the staff of the Office of
6 the Treasurer, the Department of Labor, and the Department of Disabilities,
7 Aging, and Independent Living.

8 (d) Report. On or before January 15, 2018, the Committee shall report to
9 the General Assembly its findings and ~~any~~ recommendations for legislative
10 ~~action~~. In its report, the Committee shall state its findings as to every factor set
11 forth in ~~subdivision~~ subdivisions (c)(1)(A) of this section, ~~whether it~~
12 ~~recommends that a public retirement plan be created, and the reasons for that~~
13 ~~recommendation. If the Committee recommends that a public retirement plan~~
14 ~~be created, the Committee's report shall include specific recommendations as~~
15 ~~to the factors listed in subdivision~~ and (c)(1)(B) of this section.

16 (e) Meetings; term of Committee; Chair. The Committee may meet
17 as frequently as necessary to perform its work and shall cease to exist on
18 January 15, 2018. The State Treasurer shall serve as Chair of the Committee
19 and shall call the first meeting.

20 (f) Reimbursement. For attendance at meetings, members of the
21 Committee who are not employees of the State of Vermont shall be reimbursed

1 at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for
2 mileage and travel expenses.

3 Sec. 3. EFFECTIVE DATE

4 This act shall take effect on passage.