

1 H.119

2 Introduced by Representatives Beck of St. Johnsbury, Canfield of Fair Haven,
3 McCoy of Poultney, and Page of Newport City

4 Referred to Committee on

5 Date:

6 Subject: Vermont Employees' Retirement System; State Teachers' Retirement
7 System of Vermont; pension

8 Statement of purpose of bill as introduced: This bill proposes to require the
9 State Treasurer to create a new State Employees' Retirement System and State
10 Teachers' Retirement System for employees and teachers not vested on or after
11 July 1, 2023.

12 An act relating to a new State Employees' Retirement System and State
13 Teachers' Retirement System

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

15 Sec. 1. STATE TREASURER; FY 2024; NEW STATE EMPLOYEES'
16 RETIREMENT SYSTEM AND STATE TEACHERS'
17 RETIREMENT SYSTEM

18 On or before December 15, 2021, the State Treasurer shall submit a
19 proposal to the House Committees on Appropriations and on Government
20 Operations and to the Senate Committees on Appropriations and on

1 Government Operations to establish a new Vermont State Employees'
2 Retirement System and a new State Teachers' Retirement System (new
3 systems) for members not vested on or after July 1, 2023. The State Treasurer
4 shall work with an actuary to conduct an actuarial valuation to determine the
5 percentage rates that shall be paid annually by the employer and members to
6 support the new systems. The proposal shall also include the following:

7 (1) The existing Vermont State Employees' System, established in
8 3 V.S.A. chapter 16, and the existing Teachers' Retirement System, established
9 in 16 V.S.A. chapter 55, (legacy systems) shall be closed to members vested on
10 or before June 30, 2023.

11 (2) The assets and accounting of the new systems shall be separate from
12 the legacy systems.

13 (3) The Board of Trustees for the existing State Employees' Retirement
14 System shall be the Board of Trustees for the new State Employees'
15 Retirement System, and the Board of Trustees for the existing State Teachers'
16 Retirement System shall be the Board of Trustees for the new State Teachers'
17 Retirement System.

18 (4) A schedule to pay the unfunded liability of the legacy systems with a
19 fixed amount until 2050, which shall be adjusted annually.

20 (5) For the new State Teachers' Retirement System, the employee
21 contributions shall not be funded by the General Fund.

1 (6) For the new systems, the costs of other pension benefits shall not be
2 funded by the General Fund.

3 Sec. 2. EFFECTIVE DATE

4 This act shall take effect on July 1, 2021.