Journal of the House

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Tuesday, April 26, 2022

At ten o'clock in the forenoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Gianna Morin of South Burlington.

Pledge of Allegiance

Page Sylvia Kane of Westford led the House in the Pledge of Allegiance.

Message from the Senate No. 53

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposals of amendment to Senate bill of the following title:

S. 265. An act relating to expanding criminal threatening to include threats to third persons.

And has concurred therein.

The Senate has considered a bill originating in the House of the following title:

H. 534. An act relating to sealing criminal history records.

H. 736. An act relating to the Transportation Program and miscellaneous changes to laws related to transportation.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the House is requested.

The Senate has on its part adopted concurrent resolutions originating in the House of the following titles:

H.C.R. 144. House concurrent resolution congratulating Blake Hill Preserves’ owners Vicki Allard and Joe Hanglin on being named the U.S. Small Business Administration’s 2022 Vermont Small Business Persons of the Year.

H.C.R. 145. House concurrent resolution recognizing June 27, 2022 as
Post-Traumatic Stress Injury Awareness Day in Vermont.

**H.C.R. 146.** House concurrent resolution congratulating Megan Nick on winning the bronze medal in women’s individual aerials at the 2022 Winter Olympics.

**H.C.R. 147.** House concurrent resolution congratulating Ryan Cochran-Siegle of Starksboro on winning the silver medal in the super-G alpine skiing race at the 2022 Winter Olympics.

**H.C.R. 148.** House concurrent resolution recognizing April 2022 as World Landscape Architecture Month and designating April 26, 2022 as Fredrick Law Olmsted Day in Vermont.

**H.C.R. 149.** House concurrent resolution honoring former Sunderland Town Clerk and Treasurer Rose Keough.

**Message from the Senate No. 54**

A message was received from the Senate by Mr. Bloomer, its Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposal of amendment to Senate bill of the following title:

**S. 254.** An act relating to recovering damages for Article 11 violations by law enforcement and a report on qualified immunity.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

The Senate has considered a bill originating in the House of the following title:

**H. 399.** An act relating to incarceration terms for criminal defendants who are primary caretakers of dependent children.

And has passed the same in concurrence.

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on House bill entitled:

**H. 740.** An act relating to making appropriations for the support of government.
The President announced the appointment as members of such Committee on the part of the Senate:

Senator Kitchel
Senator Baruth
Senator Westman

Bill Referred to Committee on Ways and Means

H. 745

House bill, entitled

An act relating to the approval of the adoption of the charter of the Town of Montgomery

Appearing on the Notice Calendar, and pursuant to House Rule 35(a), affecting the revenue of the State or materially affecting the revenue of one or more municipalities, was referred to the Committee on Ways and Means.

Ceremonial Readings

H.C.R. 129

House concurrent resolution congratulating the 2022 Bellows Free Academy-St Albans Comets Division I girls’ championship ice hockey team

Offered by: Representatives Toof of St. Albans Town, Dickinson of St. Albans Town and McCarthy of St. Albans City and Senators Brock and Parent

Having been adopted in concurrence on Friday, April 1, 2022 in accord with Joint Rule 16b, was read.

H.C.R. 137

House concurrent resolution honoring Bellows Free Academy-St. Albans boys’ ice hockey Head Coach Toby Ducolon for his outstanding achievements

Offered by: Representatives Dickinson of St. Albans Town, McCarthy of St. Albans City and Toof of St. Albans Town and Senators Brock and Parent

Having been adopted in concurrence on Friday, April 8, 2022 in accord with Joint Rule 16b, was read.

Recess

At ten o'clock and seventeen minutes in the forenoon, the Speaker declared a recess until the fall of the gavel.

At ten o'clock and forty-three minutes in the forenoon, the Speaker called the House to order.
Third Reading; Bill Passed in Concurrence

S. 162

Senate bill, entitled
An act relating to the collective bargaining rights of teachers
Was taken up, read the third time, and passed in concurrence.

Amendment to Proposal of Amendment Offered and Withdrawn; Third Reading; Bill Passed in Concurrence with Proposal of Amendment

S. 210

Senate bill, entitled
An act relating to rental housing health and safety and affordable housing
Was taken up, and pending third reading of the bill, Rep. Sibilia of Dover moved to amend the House proposal of amendment as follows:

In Sec. 1, 20 V.S.A. chapter 172, in section 2678, in subsection (b), by striking out subdivision (1) in its entirety and inserting a new subdivision (1) to read:

(1) Unit registered with another program. The registration requirement imposed in subsection (a) of this section does not apply to a unit that is currently registered with a municipal, district, or other local government rental housing health and safety program that requires the owner to register the unit and provide the data required in subsection (a) of this section.

Thereupon, Rep. Sibilia of Dover asked and was granted leave of the House to withdraw her amendment. Thereafter, the bill was read the third time and passed in concurrence with proposal of amendment.

Amendment to Proposal of Amendment Agreed to; Third Reading; Bill Passed in Concurrence with Proposal of Amendment

S. 280

Senate bill, entitled
An act relating to miscellaneous changes to laws related to vehicles
Was taken up and, pending third reading of the bill, Reps. Rogers of Waterville, Hango of Berkshire, Pearl of Danville, Sims of Craftsbury, and Surprenant of Barnard moved to amend the House proposal of amendment as follows:
First: In Sec. 12, report on increasing gross weight limits on highways, in subsection (a), by striking out the words “in consultation with” and inserting in lieu thereof the words “in collaboration with”

Second: In Sec. 12, report on increasing gross weight limits on highways, in subsection (b), by striking out the word “and” in subdivision (5), by striking out the period in subdivision (6) and inserting in lieu thereof “; and”, and by inserting a subdivision (7) to read as follows:

(7) impacts of any additional special annual gross vehicle permits on the forest economy and on the management and forest cover of Vermont’s landscape.

Which was agreed to. Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

Second Reading; Bill Amended; Third Reading Ordered

H. 743

Rep. Lefebvre of Orange, for the Committee on Government Operations, to which had been referred House bill, entitled

An act relating to amending the charter of the Town of Hardwick

Reported in favor of its passage when amended as follows:

First: In Sec. 2, 24 App. V.S.A. chapter 123, in section 107, in subsection (c) immediately following the words “with or without amendment.” by striking out “If it the Board amends the ordinance prior to passage, it the Board shall cause the amended ordinance” and inserting in lieu thereof “If it the Selectboard amends the ordinance prior to passage, it the Selectboard shall cause the amended ordinance”

Second: In Sec. 2, 24 App. V.S.A. chapter 123, in section 116, immediately following the words “agreement with the United States of America or” and immediately before the words “the State of Vermont” by striking out the word “in”

Third: In Sec. 2, 24 App. V.S.A. chapter 123, in section 309, immediately following the words “Town Clerk,” and immediately before the words “the following oath” by inserting the words “and Treasurer”

Fourth: In Sec. 2, 24 App. V.S.A. chapter 123, in section 1103, immediately following the words “or special Town” by striking out the words “or Town School District”
Second Reading; Proposal of Amendment Agreed to;  
Third Reading Ordered  

S. 100  

Rep. Brady of Williston, for the Committee on Education, to which had been referred Senate bill, entitled  
An act relating to universal school breakfast and the creation of the Task Force on Universal School Lunch  
Reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:  

*** Title ***  

Sec. 1. SHORT TITLE  
This act may be cited as the “Universal School Meals Act.”  

*** Findings ***  

Sec. 2. FINDINGS  
The General Assembly finds that:  

(1) According to the Vermont Agency of Education, an average of 38 percent of students across all supervisory unions during the 2019–2020 school year qualified for free or reduced-price lunch. The General Assembly recognizes that students need fresh and nutritional foods to enable them to focus on their education and that many students come to school hungry. Providing universal school meals offered at no cost to students or their families creates a necessary foundation for learning readiness during the school day.  

(2) A 2021 study by the National Food Access and COVID Research Team found that in the first year of the pandemic, nearly one-third of people in Vermont faced hunger, and families with children were five times more likely to face hunger. Food insecurity rates remained above pre-pandemic levels a year after the start of the pandemic.  

(3) In a 2019 research report, the Urban Institute found that up to 42 percent of children living in food-insecure homes may not be eligible for free or reduced-price school meals.
(4) In 2016, the Center for Rural Studies at the University of Vermont partnered with the Vermont Farm to School Network to measure the economic contribution and impacts of Farm to School in Vermont. The final report found that school meal programs support a vibrant agricultural economy with every $1.00 spent on local food in schools contributing $1.60 to the Vermont economy.

(5) A study conducted by researchers at the University of Vermont and Hunger Free Vermont, and published in the Journal of Hunger and Environmental Nutrition, found that universal school meals programs in Vermont were associated with, among other benefits, improved overall school climate as a result of financial differences being less visible and improved readiness to learn among students overall.

* * * Universal Meals * * *

Sec. 3. UNIVERSAL MEALS

(a) Notwithstanding provision. The provisions of this section shall apply notwithstanding any provision of law to the contrary.

(b) Definition. As used in this section, “approved independent school” means an approved independent school physically located in Vermont.

(c) Universal food program.

(1) In addition to the requirements of 16 V.S.A. § 1264(a)(1) (food program), each school board operating a public school shall cause to operate within each school in the school district the same school breakfast and school lunch program made available to students who qualify for those meals under the National Child Nutrition Act and the National School Lunch Act, as amended, for each attending student every school day at no charge. An approved independent school located in Vermont may operate the same school lunch and the same school breakfast program made available to students who qualify for those meals under the National Child Nutrition Act and the National School Lunch Act, each as amended, to each student attending on public tuition every school day at no charge.

(2) In operating its school breakfast and lunch program, a school district and an approved independent school shall seek to achieve the highest level of student participation, which may include any or all of the following:

(A) providing breakfast meals that can be picked up by students;

(B) making breakfast available to students in classrooms after the start of the school day; and
(C) for school districts, collaborating with the school’s wellness community advisory council, as established under subsection 136(e) of this title, in planning school meals.

(3) A school district and an approved independent school shall count time spent by students consuming school meals during class as instructional time.

(d) Award of Grants.

(1) Public schools. From State funds appropriated to the Agency for this subsection, the Agency shall reimburse each school district that made available both school breakfast and lunch to students at no charge under subsection (c) of this section for the cost of each meal actually provided in the district during the previous quarter that qualifies as a paid breakfast or paid lunch under the federal school breakfast and federal school lunch programs. Reimbursement from State funds shall be available only to districts that maximize access to federal funds for the cost of the school breakfast and lunch program by participating in the Community Eligibility Provision or Provision 2 of these programs, or any other federal provision that in the opinion of the Agency draws down the most possible federal funding for meals served in that program.

(2) Approved independent schools.

(A) Subject to subdivision (B) of this subsection (2), from State funds appropriated to the Agency for this subsection (d), the Agency shall reimburse each approved independent school that made available both school breakfast and lunch to students attending on public tuition at no charge under subsection (c) of this section for the cost of each meal actually provided by the approved independent school to those students during the previous quarter that qualifies as a paid breakfast or paid lunch under the federal school breakfast and federal school lunch programs.

(B) An approved independent school is eligible for reimbursement under this subsection (d) only if it operates a food program that makes available a school lunch, as provided in the National School Lunch Act as amended, and a school breakfast, as provided in the National Child Nutrition Act as amended, to each attending student who qualifies for those meals under these Acts every school day.

(C) Reimbursement from State funds shall be available only to approved independent schools that maximize access to federal funds for the cost of the school breakfast and lunch program by participating in the Community Eligibility Provision or Provision 2 of these programs, or any
other federal provision that in the opinion of the Agency draws down the most possible federal funding for meals served in that program.

(3) Reimbursement amounts for public schools and approved independent schools. The reimbursement amount for breakfast shall be a sum equal to the federal reimbursement rate for a free school breakfast less the federal reimbursement rate for a paid school breakfast, using rates identified annually by the Agency of Education from payment levels established annually by the U.S. Department of Agriculture. The reimbursement amount for lunch shall be a sum equal to the federal reimbursement rate for a free school lunch less the federal reimbursement rate for a paid school lunch, using rates identified annually by the Agency of Education from payment levels established annually by the U.S. Department of Agriculture.

(e) Notwithstanding any provision of law to the contrary, 16 V.S.A. § 1265 shall not apply to school year 2022–2023.

Sec. 4. REPEAL

Sec. 3 of this act is repealed on July 1, 2023.

Sec. 5. APPROPRIATION; UNIVERSAL MEALS

Notwithstanding 16 V.S.A. § 4025(d) and any other provision of law to the contrary, the sum of $29,000,000.00 is appropriated from the Education Fund to the Agency of Education for fiscal year 2023 to provide reimbursement for school meals under Sec. 3 this act.

*** Agency of Education; Staffing ***

Sec. 6. AGENCY OF EDUCATION; STAFFING

(a) The following five positions are created in the Agency of Education:

(1) Two full-time, classified positions to develop and maintain the universal household income declaration form and provide guidance to school districts on its use; and

(2) Three full-time, classified positions to provide financial and data analysis for the Agency of Education.

(b) There is appropriated to the Agency of Education from the General Fund for fiscal year 2023 the amount of $500,000.00 for salaries, benefits, and operating expenses for the positions created under subsection (a) of this section.
Sec. 7. UNIVERSAL INCOME DECLARATION FORM

(a) A universal income declaration form is used by some other states and school districts in Vermont with universal school meals programs to collect household size and income information that was previously collected using the Free and Reduced-Price Meal Application. A universal income declaration form is used to collect income bracket information from all families, reducing stigma and resulting in the collection of more accurate pupil eligibility counts throughout a school district.

(b) On or before October 1, 2022, the Agency of Education shall convene a working group that includes school staff and hunger and nutrition experts to develop the universal income declaration form that shall be fully accessible to all Vermont families both in paper form and electronically. The new form shall be implemented statewide for the 2023–24 school year.

(c) The Agency of Education shall establish a process for verifying the accuracy of data collected through the universal income declaration form, which could include requesting that a sample of households submit additional documentation or using other sources of income data available to the Agency.

(d) The sum of $200,000.00 is appropriated from the Education Fund to the Agency of Education for fiscal year 2023 to fund operating expenses associated with the creation of the electronic universal income declaration form.

Sec. 8. AGENCY OF EDUCATION; CONSULTATION; REPORT

On or before January 15, 2023, the Agency of Education shall report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance on the impact and status of implementation under this act. The report shall include data on student participation rates in the universal meals program on an individual school level and, if possible, on a grade level; the relationship of federal rules to the State-funded program; and strategies for minimizing the use of State funds.

Sec. 9. JOINT FISCAL OFFICE; REPORT

On or before February 1, 2023, the Joint Fiscal Office (JFO) shall prepare a report examining possible revenue sources including expansion of the sales tax base, enactment of an excise tax on sugar sweetened beverages, and other sources of revenue not ordinarily used for General Fund purposes. The report shall include preliminary revenue estimates and other policy considerations.
Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

and that after passage the title of the bill be amended to read: “An act relating to universal school meals”

Rep. Durfee of Shaftsbury, for the Committee on Ways and Means, recommended that the House propose to the Senate to amend the bill as recommended by the Committee on Education and when further amended as follows:

First: In Sec. 3, universal meals, by adding a subsection (f) to read as follows:

(f) The Agency of Education may use the universal income declaration form to collect the household income information necessary for the implementation of a universal meals program.

Second: By striking out Secs. 6 and 7 and their reader assistance headings in their entireties and renumbering the remaining sections to be numerically correct.

Rep. Scheu of Middlebury, for the Committee on Appropriations, recommended that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committee on Education and the Committee on Ways and Means.

The bill, having appeared on the Notice Calendar, was taken up, read the second time, and the report of the Committee on Education was amended as recommended by the Committee on Ways and Means in a vote by division: Yeas, 93; Nays, 33. Thereupon, the report of the Committee on Education, as amended, was agreed to and third reading was ordered.

Recess

At twelve o'clock and twenty-one minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

At two o'clock and twelve minutes in the afternoon, the Speaker called the House to order.
Second Reading; Amendment Substituted; Proposal of Amendment Agreed to; Third Reading Ordered

S. 286

Rep. Gannon of Wilmington, for the Committee on Government Operations, to which had been referred Senate bill, entitled

An act relating to amending various public pension and other postemployment benefits

Reported in favor of its passage in concurrence with proposal of amendment as follows:

First: In Sec. 4, 3 V.S.A. § 459a, by striking out subdivision (b)(2) in its entirety and inserting in lieu thereof the following:

(2) Notwithstanding subdivision (1) of this subsection, for a Group C member who has attained the later of 50 years of age and has completed 20 or more years of service, in no event shall the member’s separately computed retirement allowance increase by an amount equal to more than one and one-half percent of the member’s average final compensation per year of service actually performed during the period beginning with the member’s last restoration to service.

Second: By striking out Sec. 5, 3 V.S.A. § 470, in its entirety and inserting in lieu thereof the following:

Sec. 5. 3 V.S.A. § 470 is amended to read:

§ 470. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

(a) For Group A, Group C, and Group D members, as of June 30th in each year, commencing June 30, 1972, a determination shall be made of any 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 30th of the most recent year subsequent thereto. In the event of an increase, and provided that the net increase following the application of any offset as provided in this subsection 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 by an equal percentage. Such increase shall commence on the January 1st immediately following such December 31st. Such percentage increase 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. 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; provided, however, that:

(1) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index when such increase equals or exceeds one percent, up to the full amount of such increase; and

(2) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.

Postretirement adjustments to retirement allowance. Beginning January 1, 2023 and each year thereafter, the retirement allowance of each beneficiary of the System who is in receipt of a retirement allowance and who meets the eligibility criteria set forth in this section shall be adjusted by the amount described in subsection (d) of this section. In no event shall a beneficiary receive a negative adjustment to the beneficiary’s retirement allowance.

(b) For Group F members, as of June 30th in each year, commencing January 1, 1991, a determination shall be made of any 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, and provided that there exists a net increase following the application of any offset as provided in this subsection, 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 amount equal to one-half of the net percentage increase. 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 by an amount equal to the net percentage increase. The increase shall commence on the January 1st immediately following such December 31st. The increase 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 31st of the year preceding any January adjustment. 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; provided, however, that:
such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index, up to the full amount of such increase; and

(2) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.

Calculation of net percentage increase.

(1) Consumer Price Index; maximum and minimum amounts. Prior to October 1 of each year, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for the month ending on June 30 of that year to the average of said index for the month ending on June 30 of the previous year. Any increase or decrease in the Consumer Price Index shall be subject to adjustment so as to remain within the following maximum and minimum amounts:

(A) For Group A members, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(B) For Group C members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022, or who are vested deferred members as of June 30, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(C) For Group C members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be four percent.

(D) For Group D members, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(E) For Group F members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022, or who are vested deferred members as of June 30, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent. In the event that there is an increase or decrease of less than one percent, the net percentage increase shall be assigned a value of one percent and shall not be subject to further adjustment pursuant to subsection (d) of this section.

(F) For Group F members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, the
maximum amount of any increase or decrease used to determine the net percentage increase shall be four percent.

(2) Consumer Price Index; decreases. In the event of a decrease in the Consumer Price Index, there shall be no adjustment to retirement allowances for the subsequent year beginning January 1; provided, however, that:

(A) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index, up to the full amount of such increase; and

(B) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.

(3) Consumer Price Index; increases. In the event of an increase in the Consumer Price Index, and provided there remains an increase following the application of any offset as in subdivision (2) of this subsection, that amount shall be identified as the net percentage increase and used to determine the members’ postretirement adjustment as described herein.

c) For purposes of subsection (a) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent. For purposes of subsection (b) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent, and any increase or decrease of less than one percent shall be assigned a value of one percent. Eligibility for postretirement adjustment. In order for a beneficiary to receive a postretirement adjustment to the beneficiary’s retirement allowance, the beneficiary must meet the following eligibility requirements:

(1) Retired and vested deferred on or before June 30, 2022. For all members who are retired or vested deferred on or before June 30, 2022, other than those Group F members on an early retirement allowance who have not reached normal retirement age, as specified in subdivision (4) of this subsection, the member must be in receipt of a retirement allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment.

(2) In service on or before June 30, 2022. For all Group A, C, and F members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022, and for Group D members first appointed or elected on or before June 30, 2022, the member must be in receipt of a retirement allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment.
(3) In service on or after July 1, 2022. For all Group A, C, and F members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, and for Group D members first appointed or elected on or after July 1, 2022, the member must be in receipt of a retirement allowance for at least 24 months prior to the January 1 effective date of any postretirement adjustment.

(4) Special rule for Group F early retirement. A Group F member in receipt of an early retirement allowance shall not receive a postretirement adjustment to the member’s retirement allowance until such time as the member has reached normal retirement age, provided the member has also met the other eligibility criteria set forth in this subsection.

(d) 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. Amount of postretirement adjustment. The postretirement adjustment for each member who meets the eligibility criteria set forth in subsection (c) of this section shall be as follows:

(1) The full amount of the net percentage increase calculated in subsection (b) of this section for the following:

(A) Group A and C members, provided that the net increase following the application of any offset as provided in this section equals or exceeds one percent;

(B) Group D members first appointed or elected on or before June 30, 2022, provided that the net increase following the application of any offset as provided in this section equals or exceeds one percent; and

(C) commencing January 1, 2014, any active contributing member of the Group F plan on or after June 30, 2008, and who retires as a Group F member on or after July 1, 2008;

(2) One-half of the net percentage increase calculated in subsection (b) of this section for Group F members who retired on or before June 30, 2008;

(3) for Group D members first appointed or elected on or after July 1, 2022, provided that the net increase following the application of any offset as provided in this section equals or exceeds one percent, the full amount of the net percentage increase calculated in subsection (b) of this section for amounts equal to or less than $75,000.00 of annual retirement allowance and one-half the net percentage increase calculated in subsection (b) of this section for amounts $75,000.01 or greater of annual retirement allowance.
(e) **Definition.** For purposes of this section:


2. “Vested deferred” means a member who receives a vested deferred allowance payable pursuant to subsection 465(a) of this title.

(f) **Deferred vested allowance.** No increase 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.

Third: By striking out Sec. 6, 3 V.S.A. § 473, in its entirety and inserting in lieu thereof the following:

Sec. 6. 3 V.S.A. § 473 is amended to read:

§ 473. **FUNDS**

(a) **Assets.** All of the assets of the Retirement System shall be credited to the Vermont State Retirement Fund.

(b) **Member contributions.**

1. **(A) Allocations.** 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 Group 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.
Periodic review. When 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. 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.

Group A members. Commencing on July 1, 2016, contributions shall be 6.55 percent of compensation for Group A, D, and E members and 8.43 percent of compensation for Group C members. When 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. 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.

Group C members.

(i) Commencing the first full pay period in fiscal year 2023, the contribution rate for Group C members shall be 8.93 percent of compensation.
(ii) Commencing the first full pay period in fiscal year 2024, the contribution rate for Group C members shall be 9.43 percent of compensation.

(iii) Commencing the first full pay period in fiscal year 2025 and annually thereafter, the contribution rate for Group C members shall be 9.93 percent of compensation.

(C) Group D members. Commencing on July 1, 2022, the contribution rate for Group D members shall be based on the quartile in which a member’s hourly rate of pay falls. Quartiles shall be determined annually in the first full pay period of each fiscal year by the Department of Human Resources based on the hourly rate of pay by all Group D members. The contribution rates shall be based on the schedule set forth below:

(i) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period below the 25th percentile of Group D member hourly rates of pay, the contribution rate shall be 6.55 percent of compensation.

(ii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 25th percentile and below the 50th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation; and

(III) commencing in fiscal year 2025 and annually thereafter, 8.05 percent of compensation.

(iii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 50th percentile and below the 75th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;
(III) commencing in fiscal year 2025, 8.05 percent of compensation; and

(IV) commencing in fiscal year 2026 and annually thereafter, 8.55 percent of compensation.

(iv) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at or above the 75th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation;

(IV) commencing in fiscal year 2026, 8.55 percent of compensation; and

(V) commencing in fiscal year 2027 and annually thereafter, 9.05 percent of compensation.

(D) Group F members. Commencing on July 1, 2022, the contribution rate for Group F members shall be based on the quartile in which a member’s hourly rate of pay falls. Quartiles shall be determined annually in the first full pay period of each fiscal year by the Department of Human Resources based on the hourly rate of pay of all Group F members. The contribution rates shall be based on the schedule set forth below:

(i) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period below the 25th percentile of Group F member hourly rates of pay, the contribution rate shall be 6.55 percent of compensation.

(ii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 25th percentile and below the 50th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;
(II) commencing in fiscal year 2024, 7.55 percent of compensation; and

(III) commencing in fiscal year 2025 and annually thereafter, 8.05 percent of compensation.

(iii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 50th percentile and below the 75th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation; and

(IV) commencing in fiscal year 2026 and annually thereafter, 8.55 percent of compensation.

(iv) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at or above the 75th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation;

(IV) commencing in fiscal year 2026, 8.55 percent of compensation; and

(V) commencing in fiscal year 2027 and annually thereafter, 9.05 percent of compensation.

(3) Deductions. The deductions provided for herein shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided herein and shall receipt for full
compensation, and payment of compensation less such deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to the benefits provided under this subchapter.

(4) Additional contributions. Subject to the approval of the Retirement Board, in addition to the contributions deducted from compensation as hereinbefore provided, any member may redeposit in the Fund by a single payment or by an increased rate of contribution an amount equal to the total amount which the member previously withdrew from this System or one of the predecessor systems; or any member may deposit therein by a single payment or by an increased rate of contribution an amount computed to be sufficient to purchase an additional annuity which, together with prospective retirement allowance, will provide for the member a total retirement allowance not in excess of one-half of average final compensation at normal retirement date, with the exception of Group D members for whom creditable service shall be restored upon redeposits of amounts previously withdrawn from the System, or for whom creditable service shall be granted upon deposit of amounts equal to what would have been paid if payment had been made during any period of service during which such a member did not contribute. Such additional amounts so deposited shall become a part of the member’s accumulated contributions as additional contributions.

(5) Beneficiaries. The contributions of a member and such interest as may be allowed thereon which are withdrawn by the member or paid to the member estate or to a designated beneficiary in event of the member’s death, shall be paid from the Fund.

(6) Scope. Contributions required under this subsection shall be limited to contributions from Group A, Group C, Group D, and Group F members.

(7) [Repealed.]

(c) Employer contributions, earnings, and payments.

* * *

(8) Annually, the Board shall certify an amount to pay the annual actuarially determined employer contribution, as calculated in this subsection, and additional amounts as follows:

(A) in fiscal year 2024, the amount of $9,000,000.00;

(B) in fiscal year 2025, the amount of $12,000,000.00; and

(C) in fiscal year 2026 and in any year thereafter when the Fund is calculated to have a funded ratio of less than 90 percent, the amount of $15,000,000.00.
Fourth: In Sec. 11, 16 V.S.A. § 1944, by striking out subdivision (c)(13)(C) and inserting in lieu thereof the following:

(C) in fiscal year 2026 and in any year thereafter when the Fund is calculated to have a funded ratio of less than 90 percent, the amount of $15,000,000.00.

Fifth: By striking out Sec. 11a, 16 V.S.A. § 1949a, in its entirety and inserting in lieu thereof the following:

Sec. 11a. 16 V.S.A. § 1949a is added to read:

§ 1949a. POSTRETIREMENT ADJUSTMENT ALLOWANCE ACCOUNT

(a) Intent. It is the intent of the General Assembly to recognize members who are in active service on or before June 30, 2022 and made contributions for the duration of fiscal year 2023 and members who are in active service on or after July 1, 2022 and made contributions for at least one year, as part of a broader effort to improve the health of the System. As an acknowledgment of these additional contributions, once the System is in a healthier financial position, it is the intent of the General Assembly that these members should receive postretirement adjustment allowances that will more fully reflect the net percentage increase in the Consumer Price Index. It is also the intent of the General Assembly that the postretirement adjustment allowance formula should be incrementally increased to 100 percent of the net percentage increase in the Consumer Price Index, but that no increase should occur to the formula unless the funded ratio of the System is at least 80 percent funded on an actuarial value basis and the accumulated assets of the Account are equal to or exceed the present value of the benefits to accrue to members.

(b) Creation. There is established the Postretirement Adjustment Allowance Account, to be maintained under the Retirement System, which shall be used to provide funding for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members pursuant to the requirements of subsection (d) of this section.

(c) Funds. The Account shall consist of:

(1) any amounts transferred to it from the General Fund Balance Reserve established in 32 V.S.A. § 308c;

(2) any amounts transferred or appropriated to it by the General Assembly; and

(3) interest earned pursuant to subsection (d) of this section.

(d) Fund administration. The Postretirement Adjustment Allowance Account shall be subordinate to the retirement benefits provided by the
Retirement System. Contributions to the Account shall be irrevocable, and it shall be impossible at any time before satisfaction of all liabilities to provide funding for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members for any part of the corpus or income of the Account to be used for, or diverted to, any purpose other than providing funding for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members. All balances in the Account at the end of the fiscal year shall be carried forward, and interest earned shall remain in the Account.

(e) Recommendation of Board. In any fiscal year, the Board may recommend to the General Assembly that the monies in the Account be used to provide for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members in the System, provided that:

(1) an evaluation has been conducted pursuant to section 1949b of this chapter;

(2) the actuary has certified that the System has a funded ratio of at least 80 percent in the most recent fiscal year; and

(3) the actuary has certified that the Fund has sufficient assets to pay for the present value of any benefit being recommended.

(f) Use of funds. In the event that the General Assembly approves of the Board’s recommended postretirement adjustment formula enhancements or other benefit change pursuant to subsection (e) of this section, the Board may direct that funds sufficient to pay the present value of change be charged from the Account for that purpose.

(g) Fund charges. In no event shall the funds charged from the Account exceed the outstanding Account balance.

(h) Fund assets.

(1) For funding purposes, any asset value utilized in the calculation of the actuarial value of assets of a system shall exclude the Account as of the asset determination date for such calculation.

(2) For all purposes other than funding, the funds in the Account shall be considered assets of the System.

(i) Definition. As used in this section, “eligible member” means:

(1) a member of the System who is in active service on or before June 30, 2022 and made contributions for the duration of fiscal year 2023; or

(2) a member of the System who is in active service on or after July 1, 2022 and made contributions for at least one year.
Sixth: In Sec. 18, 32 V.S.A. § 308c, in subdivision (a)(3)(B), by striking out “Fund” and inserting in lieu thereof “Account”

The bill, having appeared on the Notice Calendar, was taken up, and read the second time.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Government Operations? Reps. Gannon of Wilmington, Anthony of Barre City, Colston of Winooski, Copeland Hanzas of Bradford, Higley of Lowell, Hooper of Burlington, LaClair of Barre Town, Lefebvre of Orange, McCarthy of St. Albans City, Mrowicki of Putney, and Vyhovsky of Essex moved to substitute an amendment for the report of the Committee on Government Operations by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Intent * * *

Sec. 1. 32 V.S.A. § 311a is added to read:

§ 311a. PUBLIC RETIREMENT BENEFITS; UNFUNDED LIABILITY;

FINDINGS; PURPOSE; INTENT

(a) Findings. The General Assembly finds:

(1) The actuarially determined employer contribution (ADEC) for the Vermont State Employees' Retirement System (VSERS) has increased by an annual growth rate of 12.1 percent between FY 2009 and FY 2023, and the funded ratio of the VSERS has declined from 94.1 percent from FY 2008 to 67.6 percent by year-end FY 2021.

(2) The ADEC for the Vermont State Teachers’ Retirement System (VSTRS) has increased by an annual growth rate of 13 percent between FY 2009 and FY 2023, and the funded ratio of the VSTRS has declined from 80.9 percent from FY 2008 to 52.9 percent by year-end FY 2021.

(3) The General Assembly has appropriated sufficient funds to fully pay the ADEC for both VSERS and VSTRS at the recommended amounts since FY 2007 and throughout the current amortization period.

(4) Since FY 2009, the accrued liabilities of VSERS and VSTRS have grown faster than the assets of each plan, resulting in a gap between the expected payout of future benefits and the assets VSERS and VSTRS have to pay out those benefits to retired State employees and teachers. This gap is also known as the unfunded liabilities for VSERS and VSTRS.
In FY 2015, the General Assembly created the Retired Teachers’ Health and Medical Benefits Fund, and health care premiums are paid for on a pay-as-you-go basis from this Fund.

The FY 2022 State budget expense for retiree health care benefits, known as other postemployment benefits (OPEB), for State employees was approximately $37.2 million and $35.1 million for teachers.

As of the beginning of FY 2022, the State’s unfunded liabilities for health care benefits for retired State employees and teachers is $2.75 billion.

The purpose of this section is to provide economic stability for retired State employees and teachers by maintaining the financial health of VSERS and VSTRS, while also addressing the unfunded liabilities in the State’s pension and OPEB plans and the decline in the funded ratios of those retirement systems.

It is the intent of the General Assembly to address the unfunded liabilities and decline in funded ratios of VSERS and VSTRS by implementing several measures, including:

(A) continuing the General Assembly’s policy since FY 2007 to fully fund the actuarially determined employer contributions rates for the VSERS and VSTRS at the amounts recommended by the respective boards of each retirement system to the General Assembly each year; and

(B) beginning in FY 2024, annually funding an additional payment to the actuarially recommended unfunded liability amortization payments for VSERS and VSTRS that will increase to not more than $15,000,000.00 each year to each retirement system and remain until the VSERS plan and the VSTRS plan respectively reach a 90 percent funded ratio.

It is also the intent of the General Assembly to prefund other postemployment benefits to create more security and predictability in health care benefits for retired State employees and teachers.

* * * Vermont State Employees’ Retirement System * * *

* * * Pension Benefits * * *

Sec. 2. 3 V.S.A. § 455 is amended to read:

§ 455. DEFINITIONS

(a) As used in this subchapter:

* * *

(4) “Average final compensation” means:
(A) For a Group A and a, Group F, or Group G member, the average annual earnable compensation of a member during the three consecutive fiscal years beginning July 1 and ending June 30 of creditable service affording the highest average, or during all of the years of creditable service if fewer than three years. If the member’s highest three years of earnable compensation are the three years prior to separation of service and the member separates prior to the end of a fiscal year, average final compensation shall be determined by adding:

(i) The actual earnable compensation earned in the fiscal year of separation through the date of separation and the service credit to correspond with the last pay date.

(ii) The earnable compensation and service credit earned in the preceding two fiscal years.

(iii) The remaining service credit that is needed to complete the three full years, which shall be factored from the fiscal year preceding the two fiscal years described in subdivision (ii) of this subdivision (A). The earnable compensation associated with this remaining service credit shall be calculated by multiplying the annual earnable compensation reported by the remaining service credit that is needed.

** **

(C) For purposes of determining average final compensation for Group A or Group C members, a member who has accumulated unused sick leave at retirement shall be deemed to have worked the full normal working time for his or her the member’s position for 50 percent of such leave, at his or her the member’s full rate of compensation in effect at the date of his or her the member’s retirement. For purposes of determining average final compensation for Group F or Group G members, unused annual or sick leave, termination bonuses, and any other compensation for service not actually performed shall be excluded. The average final compensation for a State’s Attorney and the Defender General shall be determined by the State’s Attorney’s or the Defender General’s highest annual compensation earned during his or her the member’s creditable service.

(D) For purposes of determining average final compensation for a member who has accrued service in more than one group plan within the System, the highest consecutive years of earnings shall be based on the formulas set forth in subdivision (A) or (B) of this subdivision (4) using the earnable compensation received while a member of the System.

(E) For Group A, C, or F, or G members who retire on or after July 1, 2012, an increase in compensable hours in any year used to calculate
average final compensation that exceeds 120 percent of average compensable hours shall be excluded from that year when calculating average final compensation.

(F) For a Group D member:

(i) Who retires on or before June 30, 2022, the member’s final salary.

(ii) Who retires on or after July 1, 2022, but who, on or before June 30, 2022, has five years or more of service as a Supreme Court Justice, a Superior judge, an Environmental judge, a District judge, or a Probate judge, or any combination thereof, and has attained 57 years of age or older, or is a Group D member on or before June 30, 2022 and has 15 years or more of creditable service, the member’s final salary.

(iii) Who retires on or after July 1, 2022 and who does not meet the requirements set forth in subdivisions (i) and (ii) of this subdivision (F), the average annual earnable compensation of a member during the two consecutive fiscal years beginning on July 1 and ending on June 30 of creditable service affording the highest such average, or during all of the years in the member’s creditable service if fewer than two years. If the member separates prior to the end of a fiscal year, average final compensation shall be determined by adding:

(I) The actual earnable compensation earned in the fiscal year of separation through the date of separation and the service credit to correspond with the last pay date.

(II) The earnable compensation and service credit earned in the preceding fiscal year.

(III) The remaining service credit that is needed to complete the two full years, which shall be factored from the fiscal year preceding the fiscal year described in subdivision (II) of this subdivision (F)(iii). The earnable compensation associated with this remaining service credit shall be calculated by multiplying the annual earnable compensation reported by the remaining service credit that is needed.

* * *

(11) “Member” shall mean any employee included in the membership of the Retirement System under section 457 of this title.

(A) “Group A members” shall mean employees classified under subdivision (A) of subdivision (9) of this subsection (a).

(B) [Repealed.]
(C) “Group C members” shall mean employees classified under subdivision (B) of subdivision (9) of this subsection (a) who become members as of the date of establishment, any person who is first included in the membership of the System on or after July 1, 1998, any person who was a Group B member on June 30, 1998, who was in service on that date, and any person who was a Group B member on June 30, 1998, who was absent from service on that date who returns to service on or after July 1, 1998.

(D) “Group D members” shall mean Justices of the Supreme Court, Superior judges, district judges, environmental judges, and probate judges.

(E) “Group F member” shall mean any person who is first included in the membership of the System on or after January 1, 1991, any person who was a Group E member on December 31, 1990, who was in service on that date, and any person who was a Group E member on December 31, 1990, who was absent from service on that date who returns to service on or after January 1, 1991.

(F) “Group G member” means the following employees who are first employed in the positions listed in this subdivision (F) on or after July 1, 2022, or who are members of the System as of June 30, 2022 and make an irrevocable election to prospectively join Group G on or before June 30, 2023, pursuant to the terms set by the Board: facility employees of the Department of Corrections, as Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, as employees of a facility for justice-involved youth, or as Vermont State Hospital employees or as employees of its successor in interest, who provide direct patient care.

* * *

(13) “Normal retirement date” shall mean:

(A) with respect to a Group A member, the first day of the calendar month next following (i) attainment of age 65 years of age, and following completion of five years of creditable service for those members hired on or after July 1, 2004, or (ii) attainment of age 62 and completion of 20 years of creditable service, whichever is earlier;

(B) with respect to a Group C member, the first day of the calendar month next following attainment of age 55 years of age, and following completion of five years of creditable service for those members hired on or after July 1, 2004, or completion of 30 years of service, whichever is earlier;

(C) with respect to a Group D member,
(i) for those members first appointed or elected on or before June 30, 2022, the first day of the calendar month next following attainment of age 62 years of age and completion of five years of creditable service; or

(ii) for those members first appointed or elected on or after July 1, 2022, the first day of the calendar month next following attainment of 65 years of age and completion of five years of creditable service; and

(D) with respect to a Group F member, the first day of the calendar month next following attainment of age 62 years of age, and following completion of five years of creditable service for those members hired on or after July 1, 2004, or completion of 30 years of creditable service, whichever is earlier; and with respect to a Group F member first included in the membership of the system on or after July 1, 2008, the first day of the calendar month next following attainment of age 65 years of age and following completion of five years of creditable service, or attainment of 87 points reflecting a combination of the age of the member and number of years of service, whichever is earlier.

(E) with respect to a Group G member:

(i) for facility employees of the Department of Corrections, Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, employees of a facility for justice-involved youth, or employees of the Vermont State Hospital or its successor in interest, who provide direct patient care, who were first included in the membership of the System on or before June 30, 2008, who were employed as of June 30, 2022, and who made an irrevocable election to prospectively join Group G on or before July 1, 2023, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of (I) 62 years of age and following completion of five years of creditable service, (II) completion of 30 years of creditable service, or (III) 55 years of age and following completion of 20 years of creditable service; or

(ii) for facility employees of the Department of Corrections, Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, as employees of a facility for justice-involved youth, or employees of the Vermont State Hospital or its successor in interest, who provide direct patient care, who were first included in the membership of the System on or after July 1, 2008, who were employed as of June 30, 2022, and who made an irrevocable election to prospectively join Group G on or before July 1, 2023, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of (I) 65 years of age and following completion of five years of creditable service, (II) attainment of 87 points reflecting a
combination of the age of the member and number of years of service, or (III) 55 years of age and following completion of 20 years of creditable service; or

(iii) for facility employees of the Department of Corrections, Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, employees of a facility for justice-involved youth, or employees of the Vermont State Hospital or its successor in interest, who provide direct patient care, who first become a Group G member on or after July 1, 2023, the first day of the calendar month next following attainment of 55 years of age and following completion of 20 years of creditable service.

***

Sec. 3. 3 V.S.A. § 457 is amended to read:
§ 457. MEMBERS

***

(d) Should any Group A, C, D, or F, or G member who has less than five years of creditable service in any period of five consecutive years after last becoming a member be absent from service more than three years or should he or she the member withdraw his or her contributions, or become a beneficiary or die, he or she the member shall thereupon cease to be a member. However, the membership of any employee entering such classes of military or naval service of the United States as may be approved by resolution of the Retirement Board, shall be continued during such military or naval service if he or she the member does not withdraw his or her contributions, but no such member shall be considered in the service of the State for the purpose of the Retirement System during such military or naval service, except as provided in subsection 458(e) of this title.

***

Sec. 4. 3 V.S.A. § 458 is amended to read:
§ 458. CREDITABLE SERVICE; MILITARY SERVICE

***

(b) All service of a Group A, Group C, Group D, or Group F, or Group G member since he or she the member last became a member on account of which contributions are made shall be credited as membership service.
Sec. 5. 3 V.S.A. § 459 is amended to read:

§ 459. NORMAL AND EARLY RETIREMENT

(a) Normal retirement.

(1) Group A, group Group D, and group Group F, and Group G members. Any group Group A, group Group D, or group Group F, or Group G member who has reached his or her the member’s normal retirement date may retire on a normal retirement allowance on the first day of any month after his or her the member’s separation from service by filing an application in the manner outlined in subdivision (3) of this subsection.

(2) Group C members. Any group Group C member who is an officer or employee of the Department of Public Safety assigned to police and law enforcement duties, including the Commissioner of Public Safety appointed before July 1, 2000, and who has reached his or her normal retirement date may retire on a normal retirement allowance, on the first day of any month after he or she the member may have separated from service, by filing an application in the manner outlined in subdivision (3) of this subsection. Any group Group C member in service shall be retired on a normal retirement allowance on the first day of the calendar month next following attainment of age 55 57 years of age. Notwithstanding, it is provided that any such member who is an official appointed for a term of years may remain in service until the end of his or her the member’s term of office or any extension thereto, resulting from reappointment.

* * *

(b) Normal retirement allowance.

(1) Upon normal retirement, a group Group A member shall receive a normal retirement allowance which shall be equal to 50 percent of his or her the member’s average final compensation; provided, however, that if the member has not completed 30 years of creditable service at retirement, or, if earlier, the date of attainment of such age as may be applicable under the provisions of subdivision (a)(4) of this section, his or her the member’s allowance shall be multiplied by the ratio that the number of his or her the member’s years of creditable service at retirement, or such earlier date, bears to 30.

(2) Upon normal retirement, a group Group C member shall receive a normal retirement allowance which shall be equal to 50 percent of his or her the member’s average final compensation; provided, however, that if the member has not completed 20 years of creditable service at retirement, or, if earlier, the date of attainment of such age as may be applicable under the provisions of subdivision (a)(4) of this section, the member’s allowance shall
be multiplied by the ratio that the number of his or her the member’s years of creditable service at retirement, or such earlier date, bears to 20.

(B) For a Group C member, for each year of service that is completed on or after July 1, 2022 after attaining the later of 50 years of age or completing 20 years of service, a member’s maximum normal retirement allowance shall increase by an amount equal to one and one-half percent of the member’s average final compensation.

(3)(A) Group D members who are Justices of the Supreme Court, Superior judges, Environmental judges, and District judges; additional retirement allowance. Justices of the Supreme Court, Superior judges, Environmental judges, and District judges, upon normal retirement under this section, shall receive a normal retirement allowance equal to one and two-thirds percent of the member’s average final compensation times the years of Group D membership service up to 12 years. Group D members shall receive an additional retirement allowance according to years of service as a Supreme Court Justice, a Superior judge, an Environmental judge, or a District judge, or a Probate judge, or any combination thereof, as follows:

(i) After 12 years of service, an additional retirement allowance of an amount which that, together with the normal service retirement allowance for the first 12 years, will make the total equal to two-fifths of their salary at retirement average final compensation.

(ii) For each year of service in excess of 12 years, an amount equal to three and one-third percent of their salary at retirement average final compensation shall be added to the retirement allowance as computed in subsection (a) subdivision (i) of this section subdivision (b)(3)(A). However, at no time shall the total retirement allowance exceed their salary at retirement. Such In addition to the normal retirement allowance, such additional retirement allowance shall be treated as the normal retirement allowance for all purposes of the retirement act.

(B) In order to qualify for the benefits provided by this title each Justice or judge shall have the maximum employee contribution in accordance with the requirements of the State Employees’ Retirement System. These provisions shall apply to surviving Justices and judges retired before its enactment, but only from the effective date of its enactment, and not retroactively. The total retirement allowance for Group D members shall be as follows:

(i) For a Group D member who retires on or before June 30, 2022, the total retirement allowance shall not exceed the member’s salary at retirement.
(ii) For a Group D member who, on or before June 30, 2022, has
five years or more of service as a Supreme Court Justice, a Superior judge, an
Environmental judge, a District judge, or a Probate judge, or any combination
thereof, and has attained 57 years of age or older, or is a Group D member on
or before June 30, 2022 and has 15 years or more of creditable service, the
total retirement allowance shall not exceed the member’s salary at retirement.

(iii) For a Group D member who retires on or after July 1, 2022,
and who does not meet the requirements set forth in subdivision (i) or (ii) of
this subdivision (B), the member’s total retirement allowance shall not exceed
80 percent of the member’s average final compensation.

(C) For the purposes of this section, years of service as a municipal
judge are to be counted as years of service in determining the additional
retirement allowance, insofar as they represent years of membership service.
[Repealed.]

(4) Group D members who are Probate judges; additional retirement
allowance. Probate judges, having retired under this section, shall be entitled
to an additional retirement allowance according to their years in service as
follows:

(A) Upon completion of 12 years of service an amount which with
service retirement allowance will equal two-fifths of the salary at retirement.

(B) For each additional year of service, an amount equal to 3 1/3
percent of the salary at retirement shall be added to the retirement allowance as
computed in subsection (a) of this section. Such additional retirement
allowance shall be treated as the normal retirement allowance for all purposes
of the retirement act. [Repealed.]

* * *

(6)(A) Upon normal retirement pursuant to subdivisions
455(a)(13)(E)(i) and (iii) of this chapter, a group G member shall receive a
normal retirement allowance equal to two and one-half of a percent of the
member’s average final compensation times years of membership service in
Group G. The maximum retirement allowance shall be 50 percent of average
final compensation.

(B) Upon normal retirement pursuant to subdivision
455(a)(13)(E)(ii) of this chapter, a Group G member shall receive a normal
retirement allowance equal to two and one-half of a percent of the member’s
average final compensation times years of membership service in Group G.
The maximum retirement allowance shall be 60 percent of average final
compensation.
(c) Early retirement.

***

(4) Group G members. Any Group G member who has attained 55 years of age and has completed five years of creditable service may retire on an early retirement allowance.

(d) Early retirement allowance.

***

(3) Upon early retirement, a group Group D member shall receive an early retirement allowance which shall be equal to the normal retirement allowance reduced by one-quarter of one percent for each month the member is under age 62 the member’s normal retirement date at the time of early retirement.

(4)(A) Upon early retirement, a Group G member who was previously a Group F member first included in the membership of the System on or before June 30, 2008, and who elected to transfer into Group G on July 1, 2023 pursuant to the terms set by the Board, shall receive an early retirement allowance that shall be equal to the normal retirement allowance reduced by the lesser of (i) one-half of one percent for each month equal to the difference between the 240 months and the member’s months of creditable service, or (ii) an amount that shall be the actuarial equivalent of the normal retirement allowance computed under subsection (b) of this section.

(B) Upon early retirement, a Group G member who was previously a Group F member first included in the membership of the System on or after July 1, 2008, and who elected to transfer into Group G on July 1, 2023 pursuant to the terms set by the Board, shall receive an early retirement allowance that shall be equal to the normal retirement allowance reduced by the lesser of (i) five-ninths of one percent for each month equal to the difference between the 240 months and the member’s months of creditable service, or (ii) an amount that shall be the actuarial equivalent of the normal retirement allowance computed under subsection (b) of this section.

(C) Upon early retirement, all Group G members other than those specified in subdivision (d)(4)(A) of this section shall receive an early retirement allowance that shall be equal to the normal retirement allowance reduced by an amount that shall be the actuarial equivalent of the normal retirement allowance computed under subsection (b) of this section.

(4)(5) Notwithstanding subdivisions (1) and (2) of this subsection, an employee of the Department of Fish and Wildlife assigned to law enforcement duties, an employee of the Military Department assigned to airport firefighting
duties, or a group Group C member shall, upon early retirement, receive an early retirement allowance which shall be equal to his or her the normal retirement allowance computed under subsection (b) of this section.

(5)(6) Notwithstanding subdivisions (1) and (2) of this subsection, a State’s Attorney, the Defender General, or sheriff who has completed 20 years of creditable service, of which 15 years has been as a State’s Attorney, the Defender General, or sheriff, shall receive an early retirement allowance equal to the normal retirement allowance, at age 55 years of age, without reductions.

Sec. 6. 3 V.S.A. § 459a is amended to read:
§ 459a. RESTORATION OF SERVICE

(b)(1) Upon the subsequent retirement of an employee who once again became a member under subsection (a) of this section, the employee shall once again become a beneficiary whose former retirement allowance shall be restored under the same plan provisions applicable at the time of the initial retirement, but the beneficiary shall not be entitled to cost of living adjustments for the period during which he or she the beneficiary was restored to service. In addition to the former retirement allowance, a beneficiary shall be entitled to a retirement allowance separately computed for the period beginning with his or her the beneficiary’s last restoration to service for which the member has made a contribution. If the beneficiary is not vested in the system since he or she the beneficiary was last restored to service, the member’s contributions plus accumulated interest shall be returned to him or her the beneficiary.

(2) Notwithstanding subdivision (1) of this subsection, for a Group C member who has attained the later of 50 years of age and has completed 20 or more years of service, in no event shall the member’s separately computed retirement allowance increase by an amount equal to more than one and one-half percent of the member’s average final compensation per year of service actually performed during the period beginning with the member’s last restoration to service.

Sec. 7. 3 V.S.A. § 460 is amended to read:
§ 460. ORDINARY DISABILITY RETIREMENT

(a) Upon the application of a member or of his or her the member’s department head not later than 90 days, or longer for cause shown, after the date the member may have separated from service, any group Group A, group Group C, group Group D, or group Group F, or Group G member who has had
five or more years of creditable service may be retired by the retirement board on an ordinary disability retirement allowance, not less than 30 nor more than 90 days after filing such application; provided he or she the member is not eligible for accidental disability retirement; provided he or she the member has requested application prior to death; and provided that the Medical Board, after a medical examination of such member, shall certify that the member is mentally or physically incapacitated for the further performance of duty, that such incapacity has existed since the time of the member’s separation from service and is likely to be permanent, and that he or she should be retired. The Retirement Board may consider, or may ask the Medical Board or a certified vocational rehabilitation counselor to consider whether the individual is disabled from performing other types of suitable work. However, if disability is denied because the individual is found to be suitable for other work, the member shall be advised at the time of denial of the following provisions which shall apply:

1. the individual will retain his or her the individual’s existing retirement accrual status;
2. the State shall provide any necessary retraining;
3. there shall be no loss in pay;
4. involuntary geographical moves beyond normal commuting distance are not permitted; and
5. before any individual who is reassigned to another position rather than retired on disability may be terminated for performance reasons, the individual must first be reconsidered for disability retirement by the Retirement Board.

(b)(1) Upon ordinary disability retirement, a group Group A, group Group D, or group Group F, or Group G member shall receive a normal retirement allowance equal to the normal retirement benefit accrued to the effective date of the disability retirement; provided, however, that such allowance shall not be less than 25 percent of his or her the member’s average final compensation at the time of his or her the member’s disability retirement.

2. Employees who are not eligible for representation by the Vermont State Employees’ Association, including managerial, confidential, elected, and appointed officials, judicial, legislative, and exempt employees, who are employed on February 1, 1997, and whose application for the State’s long-term disability plan is denied solely because of a preexisting condition, shall, if they are otherwise eligible for ordinary disability retirement, be entitled to a retirement allowance which, when added to Social Security and/or other
disability payments, equals $\frac{662}{3}$ percent of the employee’s final average compensation at the time of the disability retirement.

* * *

Sec. 8. 3 V.S.A. § 464 is amended to read:

§ 464. ACCIDENTAL AND OCCUPATIONALLY RELATED DEATH BENEFIT

(a) If the Retirement Board shall find on the basis of such evidence as may come before it that a Group A, Group D, or Group F, or group G member in service died prior to his or her retirement under the system as the natural and proximate result of an accident occurring at a definite time and place during the course of his or her performance of duty as an employee and that such accident was not the result of the member’s own gross negligence or willful misconduct, a retirement allowance shall be paid to his or her designated dependent beneficiary during his or her life.

* * *

Sec. 9. 3 V.S.A. § 465 is amended to read:

§ 465. TERMINATION OF SERVICE; ORDINARY DEATH BENEFIT

* * *

(c) If a Group A, Group D, or Group G member dies in service after becoming eligible for early retirement or after completing 10 years of creditable service, a retirement allowance will be payable to the member’s designated dependent beneficiary during his or her life. If the designated dependent beneficiary so elects, however, the return of the member’s accumulated contributions shall be made in lieu thereof.

* * *

Sec. 10. 3 V.S.A. § 470 is amended to read:

§ 470. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

(a) For Group A, Group C, and Group D members, as of June 30th in each year, commencing June 30, 1972, a determination shall be made of any 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 30th of the most recent year subsequent thereto. In the event of an increase, and provided that the net increase following the application of
any offset as provided in this subsection 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 by an equal percentage. Such increase shall commence on the January 1st immediately following such December 31st. Such percentage increase 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. 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; provided, however, that:

(1) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index when such increase equals or exceeds one percent, up to the full amount of such increase; and

(2) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. Postretirement adjustments to retirement allowance. Beginning January 1, 2023 and each year thereafter, the retirement allowance of each beneficiary of the System who is in receipt of a retirement allowance and who meets the eligibility criteria set forth in this section shall be adjusted by the amount described in subsection (d) of this section. In no event shall a beneficiary receive a negative adjustment to the beneficiary’s retirement allowance.

(b) For Group F members, as of June 30th in each year, commencing January 1, 1991, a determination shall be made of any 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, and provided that there exists a net increase following the application of any offset as provided in this subsection, 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 amount equal to one-half of the net percentage increase. 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 by an amount equal to the net percentage increase. The increase shall commence on the January 1st immediately following such December 31st. The increase 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 31st of
the year preceding any January adjustment. 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; provided, however, that:

(1) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index, up to the full amount of such increase; and

(2) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. Calculation of net percentage increase.

(1) Consumer Price Index; maximum and minimum amounts. Prior to October 1 of each year, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for the month ending on June 30 of that year to the average of said index for the month ending on June 30 of the previous year. Any increase or decrease in the Consumer Price Index shall be subject to adjustment so as to remain within the following maximum and minimum amounts:

(A) For Group A members, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(B) For Group C members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022, or who are vested deferred members as of June 30, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(C) For Group C members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be four percent.

(D) For Group D members, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(E) For Group F members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022, or who are vested deferred members as of June 30, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent. In the event that there is an increase or decrease of less than one percent, the net percentage increase shall be assigned a value of one percent.
and shall not be subject to further adjustment pursuant to subsection (d) of this section.

(F) For Group F and Group G members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be four percent.

(2) Consumer Price Index; decreases. In the event of a decrease in the Consumer Price Index, there shall be no adjustment to retirement allowances for the subsequent year beginning January 1; provided, however, that:

(A) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index, up to the full amount of such increase; and

(B) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.

(3) Consumer Price Index; increases. In the event of an increase in the Consumer Price Index, and provided there remains an increase following the application of any offset as in subdivision (2) of this subsection, that amount shall be identified as the net percentage increase and used to determine the members’ postretirement adjustment as described herein.

(c) For purposes of subsection (a) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent. For purposes of subsection (b) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent, and any increase or decrease of less than one percent shall be assigned a value of one percent. Eligibility for postretirement adjustment. In order for a beneficiary to receive a postretirement adjustment to the beneficiary’s retirement allowance, the beneficiary must meet the following eligibility requirements:

(1) Retired and vested deferred on or before June 30, 2022. For all members who are retired or vested deferred on or before June 30, 2022, other than those Group F members on an early retirement allowance who have not reached normal retirement age, as specified in subdivision (4) of this subsection, the member must be in receipt of a retirement allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment.

(2) In service on or before June 30, 2022. For all Group A, C, and F members who are first eligible for normal retirement or unreduced early
retirement on or before June 30, 2022, and for Group D members first appointed or elected on or before June 30, 2022, the member must be in receipt of a retirement allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment.

(3) In service on or after July 1, 2022. For all Group A, C, F, and G members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, and for Group D members first appointed or elected on or after July 1, 2022, the member must be in receipt of a retirement allowance for at least 24 months prior to the January 1 effective date of any postretirement adjustment.

(4) Special rule for Group F and Group G early retirement. A Group F or Group G member in receipt of an early retirement allowance shall not receive a postretirement adjustment to the member’s retirement allowance until such time as the member has reached normal retirement age, provided the member has also met the other eligibility criteria set forth in this subsection.

(d) 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. Amount of postretirement adjustment. The postretirement adjustment for each member who meets the eligibility criteria set forth in subsection (c) of this section shall be as follows:

1. The full amount of the net percentage increase calculated in subsection (b) of this section for the following:

   (A) Group A and C members, provided that the net increase following the application of any offset as provided in this section equals or exceeds one percent;

   (B) Group D members first appointed or elected on or before June 30, 2022, provided that the net increase following the application of any offset as provided in this section equals or exceeds one percent; and

   (C) commencing January 1, 2014, any active contributing member of the Group F or Group G plan on or after June 30, 2008, and who retires as a Group F or Group G member on or after July 1, 2008;

2. One-half of the net percentage increase calculated in subsection (b) of this section for Group F members who retired on or before June 30, 2008;

3. For Group D members first appointed or elected on or after July 1, 2022, provided that the net increase following the application of any offset as provided in this section equals or exceeds one percent, the full amount of the net percentage increase calculated in subsection (b) of this
section for amounts equal to or less than $75,000.00 of annual retirement allowance and one-half the net percentage increase calculated in subsection (b) of this section for amounts $75,000.01 or greater of annual retirement allowance.

(e) Definition. For purposes of this section:

(1) “Consumer Price Index” means 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.

(2) “Vested deferred” means a member who receives a vested deferred allowance payable pursuant to subsection 465(a) of this title.

(f) Deferred vested allowance. No increase 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.

Sec. 11. 3 V.S.A. § 473 is amended to read:

§ 473. FUNDS

(a) Assets. All of the assets of the Retirement System shall be credited to the Vermont State Retirement Fund.

(b) Member contributions.

(1) (A) Allocations. 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 Group 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 that is the
actuarial equivalent of such amount, in the same manner as the benefit otherwise payable under the System.

(B) Periodic review. When 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. 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.

(2)(A) Group A members. Commencing on 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. When 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. 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.
(B) Group C members.

(i) Commencing the first full pay period in fiscal year 2023, the contribution rate for Group C members shall be 8.93 percent of compensation.

(ii) Commencing the first full pay period in fiscal year 2024, the contribution rate for Group C members shall be 9.43 percent of compensation.

(iii) Commencing the first full pay period in fiscal year 2025 and annually thereafter, the contribution rate for Group C members shall be 9.93 percent of compensation.

(C) Group D members. Commencing on July 1, 2022, the contribution rate for Group D members shall be based on the quartile in which a member’s hourly rate of pay falls. Quartiles shall be determined annually in the first full pay period of each fiscal year by the Department of Human Resources based on the hourly rate of pay by all Group D members. The contribution rates shall be based on the schedule set forth below:

(i) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period below the 25th percentile of Group D member hourly rates of pay, the contribution rate shall be 6.55 percent of compensation.

(ii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 25th percentile and below the 50th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation; and

(III) commencing in fiscal year 2025 and annually thereafter, 8.05 percent of compensation.

(iii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 50th percentile and below the 75th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;
(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation; and

(IV) commencing in fiscal year 2026 and annually thereafter, 8.55 percent of compensation.

(iv) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at or above the 75th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation;

(IV) commencing in fiscal year 2026, 8.55 percent of compensation; and

(V) commencing in fiscal year 2027 and annually thereafter, 9.05 percent of compensation.

(D) Group F members. Commencing on July 1, 2022, the contribution rate for Group F members shall be based on the quartile in which a member’s hourly rate of pay falls. Quartiles shall be determined annually in the first full pay period of each fiscal year by the Department of Human Resources based on the hourly rate of pay of all Group F members. The contribution rates shall be based on the schedule set forth below:

(i) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period below the 25th percentile of Group F member hourly rates of pay, the contribution rate shall be 6.55 percent of compensation.

(ii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 25th percentile and below the 50th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:
(I) commencing in fiscal year 2023, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation; and

(III) commencing in fiscal year 2025 and annually thereafter, 8.05 percent of compensation.

(iii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 50th percentile and below the 75th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation; and

(IV) commencing in fiscal year 2026 and annually thereafter, 8.55 percent of compensation.

(iv) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at or above the 75th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation;

(IV) commencing in fiscal year 2026, 8.55 percent of compensation; and

(V) commencing in fiscal year 2027 and annually thereafter, 9.05 percent of compensation.

(E) Group G members. Commencing on July 1, 2023, the contribution rate for Group G members shall be based on the quartile in which
a member’s hourly rate of pay falls. Quartiles shall be determined annually in the first full pay period of each fiscal year by the Department of Human Resources based on the hourly rate of pay of all Group G members. The contribution rates shall be based on the schedule set forth below:

(i) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period below the 25th percentile of Group G member hourly rates of pay, the contribution rate shall be 11.23 percent of compensation.

(ii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 25th percentile and below the 50th percentile of Group G member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2024, 12.23 percent of compensation; and

(II) commencing in fiscal year 2025 and annually thereafter, 12.73 percent of compensation.

(iii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 50th percentile and below the 75th percentile of Group G member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2024, 12.23 percent of compensation;

(II) commencing in fiscal year 2025, 12.73 percent of compensation; and

(III) commencing in fiscal year 2026 and annually thereafter, 13.23 percent of compensation.

(iv) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at or above the 75th percentile of Group G member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2024, 12.23 percent of compensation;
(II) commencing in fiscal year 2025, 12.73 percent of compensation;

(III) commencing in fiscal year 2026, 13.23 percent of compensation; and

(IV) commencing in fiscal year 2027 and annually thereafter, 13.73 percent of compensation.

(3) Deductions. The deductions provided for herein shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided herein and shall receipt for full compensation, and payment of compensation less such deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to the benefits provided under this subchapter.

(4) Additional contributions. Subject to the approval of the Retirement Board, in addition to the contributions deducted from compensation as hereinbefore provided, any member may redeposit in the Fund by a single payment or by an increased rate of contribution an amount equal to the total amount which that the member previously withdrew from this System or one of the predecessor systems; or any member may deposit therein by a single payment or by an increased rate of contribution an amount computed to be sufficient to purchase an additional annuity which that, together with prospective retirement allowance, will provide for the member a total retirement allowance not in excess of one-half of average final compensation at normal retirement date, with the exception of Group D members for whom creditable service shall be restored upon redeposits of amounts previously withdrawn from the System, or for whom creditable service shall be granted upon deposit of amounts equal to what would have been paid if payment had been made during any period of service during which such a member did not contribute. Such additional amounts so deposited shall become a part of the member’s accumulated contributions as additional contributions.

(5) Beneficiaries. The contributions of a member and such interest as may be allowed thereon which that are withdrawn by the member or paid to the member estate or to a designated beneficiary in event of the member’s death, shall be paid from the Fund.

(6) Scope. Contributions required under this subsection shall be limited to contributions from Group A, Group C, Group D, and Group F, and Group G members.

(7) [Repealed.]
(c) Employer contributions, earnings, and payments.

* * *

(8) Annually, the Board shall certify an amount to pay the annual actuarially determined employer contribution, as calculated in this subsection, and additional amounts as follows:

(A) in fiscal year 2024, the amount of $9,000,000.00;
(B) in fiscal year 2025, the amount of $12,000,000.00; and
(C) in fiscal year 2026 and in any year thereafter when the Fund is calculated to have a funded ratio of less than 90 percent, the amount of $15,000,000.00.

* * *

Sec. 12. 3 V.S.A. § 477a is amended to read:

§ 477a. ELECTIONS

* * *

(h) When a Group F member has a minimum of 25 years of creditable service, the member may elect to purchase up to five years of additional service credit. A member who makes an election under this subsection shall deposit in the fund by a single contribution, an amount computed at regular interest to be sufficient to provide at normal retirement an annuity equal to 1-2/3 percent of the member’s average final compensation multiplied by the number of years purchased.

Sec. 13. 3 V.S.A. § 479 is amended to read:

§ 479. GROUP INSURANCE

(a) As provided under section 631 of this title, a member who is insured by the respective group insurance plans immediately preceding the member’s effective date of retirement shall be entitled to continuation of group insurance as follows:

(1)(A) coverage in the group medical benefit plan provided by the State of Vermont for active State employees; or

(B) for a Group F and Group G plan member first included in the membership of the system on or after July 1, 2008, coverage in the group medical benefit plan offered by the State of Vermont for active State employees and pursuant to the following, provided:
(i) a member who has completed five years and less than 10 years of creditable service at his or her retirement shall pay the full cost of the premium;

(ii) a member who has completed 10 years and less than 15 years of creditable service at his or her retirement shall pay 60 percent of the cost of the premium;

(iii) a member who has completed 15 years and less than 20 years of creditable service at his or her retirement shall pay 40 percent of the cost of the premium;

(iv) a member who has completed 20 years or more of creditable service at his or her retirement shall pay 20 percent of the cost of the premium;

and

(2) members who have completed 20 years of creditable service at their effective date of retirement shall be entitled to the continuation of life insurance in the amount of $10,000.00.

* * *

(g) A member of the Group F or Group G plan who is first included in the membership of the System on or after July 1, 2008, who separates from service prior to being eligible for retirement benefits under this chapter, who has at least 20 years of creditable service, and who participated in the group medical benefit plan at the time of separation from service shall have a one-time option at the time retirement benefits commence to reinstate the same level of coverage, in the group medical benefit plan provided by the State of Vermont for active State employees, that existed at the date of separation from service. Premiums for the plan shall be prorated between the retired member and the Retirement System pursuant to subsection 479(a) of this title.

* * *

Sec. 14. ONE-TIME IRREVOCABLE ELECTION FOR CERTAIN CORRECTIONS WORKERS

(a) On or before September 15, 2022, the Department of Human Resources, in consultation with the State Treasurer’s office, shall establish a list of positions eligible for Group G of the Vermont State Employees’ Retirement System. The list of Group G-eligible positions shall be limited to the following State employees:

(1) facility employees of the Department of Corrections;

(2) Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community;
employees of a facility for justice-involved youth; and

employees of the Vermont State Hospital or its successor in interest, who provide direct patient care.

(b) It is the intent of the General Assembly that Group G-eligible positions include those positions that are currently eligible for unreduced early retirement pursuant to 3 V.S.A. § 459(d)(2).

(c) In establishing any new corrections position on and after July 1, 2023, the Department of Human Resources shall identify that position as eligible for either Group G, pursuant to the criteria set forth in subsection (a), or Group F.

(d)(1) Each person employed in a Group G-eligible position on or before June 30, 2023 shall have a one-time option to transfer to the Group G plan pursuant to the following schedule:

(A) For Group G-eligible employees who are employed on or before March 31, 2023, election to join Group G under this subsection (d) shall be made on or before June 1, 2023.

(B) For Group G-eligible employees who are first employed on or after April 1, 2023, election to join Group G under this subsection (d) shall be made not more than 60 days from the employee’s date of hire.

(2) Election to join the Group G plan under this subsection shall be irrevocable.

(e) The effective date of participation in a new group plan for those employees covered under this section and who elect to transfer shall be the first full pay period in fiscal year 2024. All past service accrued through the date of transfer shall be calculated based upon the plan in which it was accrued, with all provisions and penalties, if applicable, applied.

*** Other Postemployment Benefits ***

Sec. 15. 3 V.S.A. § 479a is amended to read:

§ 479a. STATE EMPLOYEES’ POSTEMPLOYMENT BENEFITS TRUST FUND

***

(b) Into the Benefits Fund shall be deposited:

(1) all assets remitted to the State as a subsidy on behalf of the members of the Vermont State Employees’ Retirement System for employer-sponsored qualified prescription drug plans pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, except that any subsidy received from an Employer Group Waiver Program is not subject to this requirement;
(2) any appropriations by the General Assembly for the purposes of paying current and future retiree postemployment benefits for members of the Vermont State Employees’ Retirement System; and

(3) amounts contributed or otherwise made available by members of the System or their beneficiaries for the purpose of paying current or future postemployment benefits costs; and

(4) any monies pursuant to subsection (e) of this section.

(c) The Benefits Fund shall be administered by the State Treasurer. The Treasurer may invest monies in the Benefits Fund in accordance with the provisions of 32 V.S.A. § 434 or, in the alternative, may enter into an agreement with the Commission to invest such monies in accordance with the standards of care established by the prudent investor rule under 14A V.S.A. § 902, in a manner similar to the Committee’s investment of retirement system monies. All balances in the Benefits Fund at the end of the fiscal year shall be carried forward. Interest earned shall remain in the Benefits Fund. The Treasurer’s annual financial report to the Governor and the General Assembly shall contain an accounting of receipts, disbursements, and earnings of the Benefits Fund.

* * *

(e) State Contribution.

(1) Beginning on July 1, 2022 and annually thereafter, the State shall make annual contributions to the Benefits Fund known as the “normal contribution” and the “accrued liability contribution,” each of which shall be fixed on the basis of the liabilities of the System as shown by the most recent actuarial valuation and made by the payroll assessment included in annual agency and department budgets:

(A) The “normal contribution” shall be the amount that, if contributed over each member’s prospective period of service, will be sufficient to provide for the payment of all future retiree postemployment benefits after subtracting the unfunded actuarial liability and the total assets of the Benefits Fund. The “normal contribution” shall be identified using the actuarial cost method known as “projected unit credit” and applying a rate of return equal to the most recently adopted actuarial rate of return pursuant to section 523 of this title.

(B) The “accrued liability contribution” shall be the annual payment set forth in the most recent actuarial valuation that is necessary to liquidate the unfunded accrued liability over a closed period of 26 years and determined based on the funding schedule set forth in this section.
(i) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability for the payment of retiree health and medical benefits.

(ii) Beginning on July 1, 2022, until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 26 years ending on June 30, 2048, provided that the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 26-year period in installments.

(2) Any variation in the contribution of normal or accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 26-year period.

(3) The Board shall review annually the amount of State contributions recommended by the actuary. Based on this review, the Board shall determine the amount of State contribution necessary for the next fiscal year to achieve and preserve the financial integrity of the funds and certify a statement of the percentage of the payroll of all members sufficient to fund the normal cost and the accrued liability contribution. On or before December 15 of each year, the Board shall inform the Governor and the House and Senate Committees on Government Operations and on Appropriations in writing about the amount needed. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

* * * VSERS Actuarial Studies * * *

Sec. 16. 3 V.S.A. § 523 is amended to read:

§ 523. VERMONT PENSION INVESTMENT COMMISSION; DUTIES

* * *

(f) Asset and liability study. Beginning on July 1, 2022 2023, and every three years thereafter, based on the most recent actuarial valuations of each Plan, the Commission shall study the assets and liabilities of each Plan over a 20-year period. The study shall:

(1) project the expected path of the key indicators of each Plan’s financial health based on all current actuarial and investment assumptions; current contribution and benefit policies, including the Plans’ mark-to-market funded ratio; actuarially required contributions by source; payout ratio; and related liquidity obligations; and

(2) project the effect on each Plan’s financial health resulting from:
(A) possible material deviations from Plan assumptions in investment assumptions, including returns versus those expected and embedded in the actuary’s estimate of actuarially required contributions and any material changes in capital markets volatility; and

(B) possible material deviations from key plan actuarial assumptions, including retiree longevity, potential benefit increases, and inflation.

* * *

Sec. 17. 3 V.S.A. § 471 is amended to read:

§ 471. RETIREMENT BOARD; MEDICAL BOARD; ACTUARY; RATES OF CONTRIBUTION; SAFEKEEPING OF SECURITIES

* * *

(j) The Retirement Board shall designate an actuary who shall be the technical advisor of the Board on matters regarding the operation of the Fund of the Retirement System, and shall perform such other duties as are required in connection therewith. Immediately after the establishment of the Retirement System, the Retirement Board shall adopt for the Retirement System such mortality and service tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this subchapter. At Beginning July 1, 2023, at least once in each three-year period every three fiscal years following the establishment of the System, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the Retirement System, and taking into account the results of such investigation, the Retirement Board shall adopt for the Retirement System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this subchapter.

* * *

* * * Vermont State Teachers’ Retirement System * * *

* * * VSTRS Actuarial Studies * * *

Sec. 18. 16 V.S.A. § 1942 is amended to read:

§ 1942. BOARD OF TRUSTEES; MEDICAL BOARD; ACTUARY; RATE OF CONTRIBUTION; SAFEKEEPING OF SECURITIES

* * *

(m) Immediately after the establishment of the System, the actuary shall make such investigation of the mortality, service, and compensation experience of the members of the System, as the actuary shall recommend and the Board
shall authorize, for the purpose of determining the proper mortality and service tables to be prepared and submitted to the Board for adoption. Having regard to such investigation and recommendation, the Board shall adopt for the System such mortality and service tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter. At least once in each three-year period Beginning July 1, 2023, at least once every three fiscal years following the establishment of the System, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the System, and taking into account the results of such investigation, the Board shall adopt for the System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter.

***

*** Pension Benefits ***

Sec. 19. 16 V.S.A. § 1944 is amended to read:

§ 1944. VERMONT TEACHERS’ RETIREMENT FUND

(a) Pension Fund. All of the assets of the System shall be credited to the Vermont Teachers’ Retirement Fund.

(b) Member contributions.

(1) Contributions deducted from the compensation of members shall be accumulated in the Pension Fund and separately recorded for each member.

(2) The proper authority or officer responsible for making up each employer payroll shall cause to be deducted from the compensation:

(A) Of each Group A member, five and one-half percent of the member’s total earnable compensation, including compensation paid for absence as provided by subsection 1933(d) of this title.

(B) From each Group C member with at least five years of membership service as of July 1, 2014, five percent of the member’s earnable compensation; and from each Group C member with less than five years of membership service as of July 1, 2014, six percent of the member’s earnable compensation, including the following shall apply:

(i) Beginning on July 1, 2022, a Group C member shall have the rate set forth in this subdivision (b)(2)(B)(i) applied to the member’s total earnable compensation for the fiscal year, which shall include compensation paid for absence as provided by subsection 1933(d) of this title. A member’s effective rate shall not be adjusted during any fiscal year.
(I) If a member’s base salary is at or below $40,000.00, the rate is 6.0 percent.

(II) If a member’s base salary is $40,000.01 or more but not more than $50,000.00, the rate is 6.05 percent.

(III) If a member’s base salary is $50,000.01 or more but not more than $60,000.00, the rate is 6.10 percent.

(IV) If a member’s base salary is $60,000.01 or more but not more than $70,000.00, the rate is 6.20 percent.

(V) If a member’s base salary is $70,000.01 or more but not more than $80,000.00, the rate is 6.25 percent.

(VI) If a member’s base salary is $80,000.01 or more but not more than $90,000.00, the rate is 6.35 percent.

(VII) If a member’s base salary is $90,000.01 or more but not more than $100,000.00, the rate is 6.50 percent.

(VIII) If a member’s base salary is $100,000.01 or more, the rate is 6.65 percent.

(ii) Beginning on July 1, 2023, a Group C member shall have the rate set forth in this subdivision (b)(2)(B)(ii) applied to the member’s total earnable compensation for the fiscal year, which shall include compensation paid for absence as provided by subsection 1933(d) of this title. A member’s rate shall not be adjusted during any fiscal year unless the member’s full-time equivalency status changes, which shall require that the member’s rate be recalculated and the new rate applied for the remainder of that fiscal year.

(I) If a member’s base salary is at or below $40,000.00, the rate is 6.10 percent.

(II) If a member’s base salary is $40,000.01 or more but not more than $50,000.00, the rate is 6.15 percent.

(III) If a member’s base salary is $50,000.01 or more but not more than $60,000.00, the rate is 6.25 percent.

(IV) If a member’s base salary is $60,000.01 or more but not more than $70,000.00, the rate is 6.35 percent.

(V) If a member’s base salary is $70,000.01 or more but not more than $80,000.00, the rate is 6.50 percent.

(VI) If a member’s base salary is $80,000.01 or more but not more than $90,000.00, the rate is 6.75 percent.
(VII) If a member’s base salary is $90,000.01 or more but not more than $100,000.00, the rate is 7.0 percent.

(VIII) If a member’s base salary is $100,000.01 or more, the rate is 7.25 percent.

(iii) Beginning on July 1, 2024 and annually thereafter, a Group C member shall have an effective rate, rounded to the nearest hundredth of a percent, that is calculated based on the member’s base salary as of July 1 each year, which equals the member’s total earnable compensation, including compensation paid for absence as provided by subsection 1933(d) of this title, and any additional stipends identified as of July 1 for the next fiscal year. A member’s effective rate shall not be adjusted during any fiscal year unless the member’s full-time equivalency status changes, which shall require that the member’s effective rate be recalculated and the new rate applied for the remainder of that fiscal year. For a member who works a part-time equivalency status, the effective rate shall apply to the member’s total earnable compensation and not on an amount equal to an annualized base salary. If a member is employed on a part-time equivalency status with two or more employers, the highest effective rate shall be applied to the amounts deducted from each employer. A member’s effective rate shall be calculated according to the following marginal rates and income brackets:

(I) if a member’s base salary is at or below $40,000.00, the rate is 6.25 percent;

(II) if a member’s base salary is $40,000.01 or more but not more than $60,000.00, the rate is the equivalent of $2,900.00 on $40,000.00 and 6.75 percent of the member’s salary that is $40,000.01 or more;

(III) if a member’s base salary of $60,000.01 or more but not more than $80,000.00, the rate is the equivalent of $3,850.00 on $60,000.00 and 7.5 percent of the member’s salary that is $60,000.01 or more;

(IV) if a member’s base salary is $80,000.01 or more but not more than $100,000.00, the rate is the equivalent of $5,350.00 on $80,000.00 and 8.25 percent of the member’s salary that is $80,000.01 or more; and

(V) if a member’s base salary is $100,000.01 or more, the rate is the equivalent of $7,000.00 on $100,000.00 and 9.0 percent of the member’s salary that is $100,000.01 or more.

(C) In determining the amount earnable by a member set forth in this subdivision (2) in a payroll period, the Board may consider the rate of compensation payable to such member on the first day of a payroll period as continuing throughout the payroll period, and it may omit deduction from compensation for any period less than a full payroll period if a teacher 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 shall not exceed one-tenth of one percent of the annual earnable compensation upon the basis of which such deduction is made. The actuary shall make annual valuations of the reduction to the recommended State contribution attributable to the increase from five to six percent, and the Board shall include the amount of this reduction in its written report pursuant to subsection 1942(r) of this title.

* * *

(c) State contributions, earnings, and payments.

(1) All State appropriations and all reserves for the payment for all pensions including all interest and dividends earned on the assets of the Retirement System shall be accumulated in the Pension Fund. All benefits payable under the System, except for retired teacher health and medical benefits, shall be paid from the Pension Fund. Annually, the Retirement Board shall allow regular interest on the individual accounts of members in the Pension Fund which shall be credited to each member’s account.

(2) Beginning with the actuarial valuation as of June 30, 2006, the contributions to be made to the Pension Fund by the State shall be determined on the basis of the actuarial cost method known as “entry age normal.” On account of each member, there shall be paid annually by the State into the Pension Fund a percentage of the earnable compensation of each member to be known as the “normal contribution” and an additional percentage of the member’s earnable compensation to be known as the “accrued liability contribution.” The percentage rate of such contributions shall be fixed on the basis of the liabilities of the System as shown by actuarial valuation. “Normal contributions” and “accrued liability contributions” shall be by separate appropriation in the annual budget enacted by the General Assembly.

(3) The normal contribution shall be the uniform percentage of the total compensation of members that, if contributed over each member’s prospective period of service and added to such member’s prospective contributions, if any, will be sufficient to provide for the payment of all future pension benefits after subtracting the sum of the unfunded accrued liability and the total assets of the Pension Fund.

(4) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability to the System. Beginning on July 1, 2008, until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 30 years ending on June 30, 2038, provided that:
(A) From July 1, 2009 to June 30, 2019, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of five percent per year.

(B) Beginning on July 1, 2019 and annually thereafter, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of three percent per year.

(C) Any variation in the contribution of normal or unfunded accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 30-year period.

* * *

(13) Annually, the Board shall certify an amount to pay the annual actuarially determined employer contribution, as calculated in this subsection, and additional amounts as follows:

(A) in fiscal year 2024, the amount of $9,000,000.00;

(B) in fiscal year 2025, the amount of $12,000,000.00; and

(C) in fiscal year 2026 and in any year thereafter until the Fund is calculated to have a funded ratio of at least 90 percent, the amount of $15,000,000.00.

* * *

Sec. 20. FISCAL YEAR 2024; VERMONT STATE TEACHERS’ RETIREMENT SYSTEM; CONTRIBUTION RATES; STUDY

(a) The Secretary of Digital Services and the State Treasurer, in consultation with the Vermont Association of School Business Officers, the Vermont Superintendents Association, and the Vermont-NEA, shall study and make recommendations on the implementation of the marginal rates set forth in 16 V.S.A. § 1944(b)(2)(B)(iii) in FY 2024 and annually thereafter, including whether any adjustments need to be made to the marginal rate structure.

(b) On or before January 15, 2023, the Secretary of Digital Services and the State Treasurer shall submit a report on the study and recommendations described in subsection (a) of this section to the Joint Pension Oversight Committee and the House and Senate Committees on Appropriations and on Government Operations.
§ 1949a. POSTRETIREMENT ADJUSTMENT ALLOWANCE ACCOUNT

(a) Intent. It is the intent of the General Assembly to recognize members who are in active service on or before June 30, 2022 and made contributions for the duration of fiscal year 2023 and members who are in active service on or after July 1, 2022 and made contributions for at least one year, as part of a broader effort to improve the health of the System. As an acknowledgment of these additional contributions, once the System is in a healthier financial position, it is the intent of the General Assembly that these members should receive postretirement adjustment allowances that will more fully reflect the net percentage increase in the Consumer Price Index. It is also the intent of the General Assembly that the postretirement adjustment allowance formula should be incrementally increased to 100 percent of the net percentage increase in the Consumer Price Index, but that no increase should occur to the formula unless the funded ratio of the System is at least 80 percent funded on an actuarial value basis and the accumulated assets of the Account are equal to or exceed the present value of the benefits to accrue to members.

(b) Creation. There is established the Postretirement Adjustment Allowance Account, to be maintained under the Retirement System, which shall be used to provide funding for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members pursuant to the requirements of subsection (d) of this section.

(c) Funds. The Account shall consist of:

(1) any amounts transferred to it from the General Fund Balance Reserve established in 32 V.S.A. § 308c;

(2) any amounts transferred or appropriated to it by the General Assembly; and

(3) interest earned pursuant to subsection (d) of this section.

(d) Fund administration. The Postretirement Adjustment Allowance Account shall be subordinate to the retirement benefits provided by the Retirement System. Contributions to the Account shall be irrevocable, and it shall be impossible at any time before satisfaction of all liabilities to provide funding for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members for any part of the corpus or income of the Account to be used for, or diverted to, any purpose other than providing funding for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members. All balances in the Account at the end of the fiscal year shall be carried forward, and interest earned shall remain in the Account.
(e) Recommendation of Board. In any fiscal year, the Board may recommend to the General Assembly that the monies in the Account be used to provide for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members in the System, provided that:

(1) an evaluation has been conducted pursuant to section 1949b of this chapter;

(2) the actuary has certified that the System has a funded ratio of at least 80 percent in the most recent fiscal year; and

(3) the actuary has certified that the Fund has sufficient assets to pay for the present value of any benefit being recommended.

(f) Use of funds. In the event that the General Assembly approves of the Board’s recommended postretirement adjustment formula enhancements or other benefit change pursuant to subsection (e) of this section, the Board may direct that funds sufficient to pay the present value of change be charged from the Account for that purpose.

(g) Fund charges. In no event shall the funds charged from the Account exceed the outstanding Account balance.

(h) Fund assets.

(1) For funding purposes, any asset value utilized in the calculation of the actuarial value of assets of a system shall exclude the Account as of the asset determination date for such calculation.

(2) For all purposes other than funding, the funds in the Account shall be considered assets of the System.

(i) Definition. As used in this section, “eligible member” means:

(1) a member of the System who is in active service on or before June 30, 2022 and made contributions for the duration of fiscal year 2023; or

(2) a member of the System who is in active service on or after July 1, 2022 and made contributions for at least one year.

Sec. 22. 16 V.S.A. § 1949b is added to read:

§ 1949b. POSTRETIREMENT ADJUSTMENT TO RETIREMENT ALLOWANCE: FORMULA; EVALUATION

(a) On or before September 1, 2027 and every three years thereafter, or at the request of the Board in conjunction with any proposed changes to the amortization schedule, the Board shall consider the intent set forth in subsection 1949a(a) of this chapter and evaluate whether to modify the postretirement adjustment formula or any other benefit that may accrue to the
members of the System who are in active service on or before June 30, 2022 and made contributions for the duration of fiscal year 2023 and members in active service on or after July 1, 2022 and made contributions for at least one year. The evaluation shall only include a proposed benefit change if the Postretirement Adjustment Allowance Fund has sufficient assets to pay for the present value of that benefit.

(b) On or before January 15, 2028 and every three years thereafter, or following a request for an evaluation by the Board, the Board shall submit a report to the House and Senate Committees on Government Operations with the results of the evaluation described in subsection (a) of this section.

Sec. 23. 16 V.S.A. § 1949 is amended to read:

§ 1949. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

(a) For all Group A members, as of June 30 in each year, beginning June 30, 1972, the Board shall determine any increase or decrease, to the nearest one tenth of one percent, in the ratio of the average of the Consumer Price Index for the month ending on that date to the average of the Index for the month ending on June 30, 1971, or the month ending on June 30 of the most recent year thereafter. In the event of an increase, and provided that the net increase following the application of any offset as provided in this subsection 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 31 shall be increased by an equal percentage. Such increase shall begin on the January 1 immediately following that December 31. An equivalent percentage increase 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 31. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1; provided, however, that:

(1) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index when such increase equals or exceeds one percent, up to the full amount of such increase; and

(2) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.
Retirement allowance. On January 1 of each year, the retirement allowance of each beneficiary of the System who is in receipt of a retirement allowance for at least a one-year period as of December 31 in the previous year, and who meets the eligibility criteria set forth in this section, shall be adjusted by the amount described in subsection (b) of this section. In no event shall a beneficiary receive a negative adjustment to the beneficiary’s retirement allowance.

(b) For Group C members, as of June 30 in each year, commencing June 30, 1981, a determination shall be made of any 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, and provided that there exists a net increase following the application of any offset as provided in this subsection, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31 shall be increased by an amount equal to one-half of the net percentage increase. The increase shall commence on the January 1 immediately following that December 31. The increase shall apply to Group C members having attained 57 years of age or completed at least 25 years of creditable service as of June 30, 2010, and receiving an early retirement allowance only in the year following attainment of age 62, and shall apply to Group C members not having attained 57 years of age or having completed at least 25 years of creditable service as of June 30, 2010, and receiving an early retirement allowance only in the year following the member’s attainment of 65 years of age, provided the member has received benefits for at least 12 months as of December 31 of the year preceding any January adjustment. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1; provided, however, that:

(1) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index, up to the full amount of such increase; and

(2) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. Calculation of Net Percentage Increase. Each year, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for the month ending on June 30 of that year to the average of the Consumer Price Index for the month ending on June 30 of the previous year.
(1) Consumer Price Index; maximum and minimum amounts. Any increase or decrease in the Consumer Price Index shall be subject to adjustment so as to remain within the following maximum and minimum amounts:

(A) For Group A members and Group C members who are eligible for normal retirement or unreduced early retirement on or before June 30, 2022, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent.

(B) For Group C members who are eligible for retirement and leave active service on or after July 1, 2022, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be four percent.

(2) Consumer Price Index; decreases. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, there shall be no adjustment to the retirement allowance of a beneficiary for the subsequent year beginning January 1; provided, however, that:

(A) such decrease shall be applied as an offset against the first subsequent year’s increase of the Consumer Price Index up to the full amount of such increase; and

(B) to the extent that such decrease is greater than such subsequent year’s increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.

(3) Consumer Price Index; increases. Subject to the maximum and minimum amounts set forth in subdivision (1) of this subsection, in the event of an increase in the Consumer Price Index, and provided there remains an increase following the application of any offset as in subdivision (2) of this subsection, that amount shall be identified as the net percentage increase and used to determine the members’ postretirement adjustment as set forth in subsection (d) of this section.

(c) For purposes of subsection (a) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent. For purposes of subsection (b) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent, and any increase or decrease less than one percent shall be assigned a value of one percent. Eligibility for postretirement adjustment. In order for a beneficiary to receive a postretirement adjustment allowance, the beneficiary must meet the following eligibility requirements:
(1) for any Group A or Group C member eligible for retirement on or before June 30, 2022, the member must be in receipt of a retirement allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment; and

(2) for any Group C member who is eligible for retirement and leaves active service on or after July 1, 2022, the member must be in receipt of a retirement allowance for at least 24 months prior to the January 1 effective date of any postretirement adjustment.

(d) As used in 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.

* * * Other Postemployment Benefits * * *

Sec. 24. 16 V.S.A. § 1944b is amended to read:

§ 1944b. RETIRED TEACHERS’ HEALTH AND MEDICAL BENEFITS FUND

(a) There is established the Retired Teachers’ Health and Medical Benefits Fund (Benefits Fund) to pay retired teacher health and medical retiree postemployment benefits, including prescription drug benefits, when due in accordance with the terms established by the Board of Trustees of the State Teachers’ Retirement System of Vermont pursuant to subsection 1942(p) and section 1944e of this title. The Benefits Fund is intended to comply with and be a tax exempt governmental trust under Section 115 of the Internal Revenue Code of 1986, as amended. The Benefits Fund shall be administered by the Treasurer.

(b) The Benefits Fund shall consist of:

(1) all monies remitted to the State on behalf of the members of the State Teachers’ Retirement System of Vermont for prescription drug plans, including manufacturer rebates, as well as monies pursuant to the Employer Group Waiver Plan with Wrap pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003;

(2) any monies appropriated by the General Assembly for the purpose of paying the health and medical postemployment benefits for retired members and their dependents provided by subsection 1942(p) and section 1944e of this title;

(3) any monies pursuant to subsection (e) (h) of this section; and

(4) [Repealed.]
(5) any monies pursuant to section 1944d of this title.

(c) No employee contributions shall be deposited in the Benefits Fund.

(d) The Treasurer may invest monies in the Benefits Fund in accordance with the provisions of 32 V.S.A. § 434 or, in the alternative, may enter into an agreement with the Vermont Pension Investment Commission to invest such monies in accordance with the standards of care established by the prudent investor rule under 14A V.S.A. § 902, in a manner similar to the Committee’s investment of retirement system monies. Interest earned shall remain in the Benefits Fund, and all balances remaining at the end of a fiscal year shall be carried over to the following year. The Treasurer’s annual financial report to the Governor and the General Assembly shall contain an accounting of receipts, disbursements, and earnings of the Benefits Fund.

(e) [Repealed.]

(f) Contributions to the Benefits Fund shall be irrevocable and it shall be impossible at any time prior to the satisfaction of all liabilities, with respect to employees and their beneficiaries, for any part of the corpus or income of the Benefits Fund to be used for, or diverted to, purposes other than the payment of retiree postemployment benefits to members and their beneficiaries and reasonable expenses of administering the Benefits Fund and related benefit plans.

(g) [Repealed.]

(h) State contribution.

(1) Beginning on July 1, 2022, and annually thereafter, the State shall make annual contributions to the Benefits Fund known as the “normal contribution” and the “accrued liability contribution,” each of which shall be fixed on the basis of the liabilities of the System as shown by the most recent actuarial valuation and made by separate appropriation in the annual budget enacted by the General Assembly:

(A) The “normal contribution” shall be the amount that, if contributed over each member’s prospective period of service, will be sufficient to provide for the payment of all future retiree postemployment benefits after subtracting the unfunded actuarial liability and the total assets of the Benefits Fund. The “normal cost” shall be identified using the actuarial cost method known as “projected unit credit” and applying a rate of return equal to the most recently adopted actuarial rate of return pursuant to 3 V.S.A. § 523.
(B) The “accrued liability contribution” shall be the annual payment set forth in the most recent actuarial valuation that is necessary to liquidate the unfunded accrued liability over a closed period of 26 years and determined based on the funding schedule set forth in this section.

(i) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability for the payment of retiree postemployment benefits.

(ii) Beginning on July 1, 2022, until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 26 years ending on June 30, 2048, provided that the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 26-year period in installments.

(2) Any variation in the contribution of normal or accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 26-year period.

(3) The Board shall review annually the amount of State contributions recommended by the actuary of the Retirement System. Based on this review, the Board shall determine the amount of State contribution necessary for the next fiscal year to achieve and preserve the financial integrity of the funds. On or before December 15 of each year, the Board shall inform the Governor and the House and Senate Committees on Government Operations and on Appropriations in writing about the amount needed. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

Sec. 25. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

* * *

(b) Monies in the Education Fund shall be used for the following:

* * *

(4) To make payments to the Vermont Teachers’ Retirement Fund and the Retired Teachers’ Health and Medical Benefits Fund for the normal contributions in accordance with subsections 1944(c) of this title and 1994b(h) of this title.

* * *
Sec. 26. VERMONT TEACHERS’ RETIREMENT SYSTEM; REPEAL OF PRIOR SUNSET AND REPORTING PROVISIONS

2018 (Sp. Sess.) Acts and Resolves No.11, Secs. E.515.3 and E.515.4 are hereby repealed.

* * * Vermont Municipal Employees’ Retirement System * * *

Sec. 27. 24 V.S.A. § 5062 is amended to read:

§ 5062. RETIREMENT BOARD; MEDICAL BOARD; ACTUARY; RATES OF CONTRIBUTION; SAFEKEEPING OF SECURITIES

* * *

(k) Immediately after the establishment of the Retirement System, the Retirement Board shall adopt for the Retirement System such mortality and service tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter. At least once in each three-year period Beginning July 1, 2023, at least once every three fiscal years following the establishment of the System, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the Retirement System, and taking into account the results of such investigation, the Retirement Board shall adopt for the Retirement System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter.

* * *

* * * Funding * * *

Sec. 28. FY 2022; APPROPRIATION; STATE EMPLOYEES’ POSTEMPLOYMENT BENEFITS TRUST FUND; RETIRED TEACHERS’ HEALTH AND MEDICAL BENEFITS FUND

(a) In FY 2022, of the amount of General Funds reserved in 2021 Acts and Resolves No. 74, Sec. C.101(a) is unreserved as follows:

(1) the sum of $75,000,000.00 is appropriated to the Vermont State Retirement Fund, established in 3 V.S.A. § 473, to address the unfunded accrued liability in pension benefits; and

(2) the sum of $75,000,000.00 is appropriated to the Vermont Teachers’ Retirement Fund, established in 16 V.S.A. § 1944, to address the unfunded accrued liability in pension benefits.
(b) In FY 2022, the amount of $50,000,000.00 in General Funds shall be appropriated to the Vermont Teachers’ Retirement Fund, established in 16 V.S.A. § 1944, to address the unfunded accrued liability in pension benefits.

(c) In FY 2022, of the amount of Education Funds reserved in 2021 Acts and Resolves No. 74, Sec. C.101(a) is unreserved and the sum of $13,300,000.00 is appropriated to the Retired Teachers’ Health and Medical Benefits Fund, established in 16 V.S.A. § 1944b, to support the normal cost of other postemployment benefits as set forth in 16 V.S.A. § 1944f.

(d) The appropriations in subsections (a) and (b) of this section shall not be included for the purposes of calculating the reserve total for fiscal year 2023 pursuant to 32 V.S.A. § 308 (General Fund budget stabilization reserve).

Sec. 29. 32 V.S.A. § 308c is amended to read:

§ 308c. GENERAL FUND AND TRANSPORTATION FUND BALANCE RESERVES

(a) There is hereby created within the General Fund a General Fund Balance Reserve, also known as the “Rainy Day Reserve.” After satisfying the requirements of section 308 of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve. The General Fund Balance Reserve shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year without legislative authorization.

(1), (2) [Repealed.]

(3) Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, 50 percent of any such funds the following amounts shall be reserved as necessary and transferred from the General Fund to the Vermont State Employees’ Postemployment Benefits Trust Fund established by 3 V.S.A. § 479a as follows:

(A) 25 percent to the Vermont State Retirement Fund established by 3 V.S.A. § 473; and

(B) 25 percent to the Postretirement Adjustment Allowance Account established in 16 V.S.A. § 1949a.

* * *
Sec. 30. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 28 (FY 2022 appropriation) shall take effect on passage.

Which was agreed to.

Rep. Elder of Starksboro, for the Committee on Ways and Means, recommended that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committee on Government Operations.

Rep Fagan of Rutland City, for the Committee on Appropriations, recommended that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committee on Government Operations.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Government Operations, as substituted?, Rep. Gannon of Wilmington moved to amend the report of the Committee on Government Operations, as substituted, as follows:

First: By striking out Sec. 19, 16 V.S.A. § 1944, in its entirety and inserting in lieu thereof a new Sec. 19 to read as follows:

Sec. 19. 16 V.S.A. § 1944 is amended to read:

§ 1944. VERMONT TEACHERS’ RETIREMENT FUND

(a) Pension Fund. All of the assets of the System shall be credited to the Vermont Teachers’ Retirement Fund.

(b) Member contributions.

(1) Contributions deducted from the compensation of members shall be accumulated in the Pension Fund and separately recorded for each member.

(2) The proper authority or officer responsible for making up each employer payroll shall cause to be deducted from the compensation:

(A) of each Group A member, five and one-half percent of the member’s total earnable compensation, including compensation paid for absence as provided by subsection 1933(d) of this title.

(B) from each Group C member with at least five years of membership service as of July 1, 2014, five percent of the member’s earnable compensation; and from each Group C member with less than five years of membership service as of July 1, 2014, six percent of the member’s earnable compensation, including the following shall apply:
(i) Beginning on July 1, 2022, a Group C member shall have the rate set forth in this subdivision (b)(2)(B)(i) applied to the member’s total earnable compensation for the fiscal year, which shall include compensation paid for absence as provided by subsection 1933(d) of this title, and any additional stipends identified as of July 1. A member’s rate shall not be adjusted during the fiscal year. For a member who works a part-time equivalency status, the rate shall apply to the member’s total earnable compensation and not to an amount equal to an annualized base salary. If a member is employed on a part-time equivalency status with two or more employers, the highest rate shall be applied to the amounts deducted from each employer. A member’s rate shall be calculated according to the following rates and income brackets:

(I) If a member’s base salary is at or below $40,000.00, the rate is 6.0 percent.

(II) If a member’s base salary is $40,000.01 or more but not more than $50,000.00, the rate is 6.05 percent.

(III) If a member’s base salary is $50,000.01 or more but not more than $60,000.00, the rate is 6.10 percent.

(IV) If a member’s base salary is $60,000.01 or more but not more than $70,000.00, the rate is 6.20 percent.

(V) If a member’s base salary is $70,000.01 or more but not more than $80,000.00, the rate is 6.25 percent.

(VI) If a member’s base salary is $80,000.01 or more but not more than $90,000.00, the rate is 6.35 percent.

(VII) If a member’s base salary is $90,000.01 or more but not more than $100,000.00, the rate is 6.50 percent.

(VIII) If a member’s base salary is $100,000.01 or more, the rate is 6.65 percent.

(ii) Beginning on July 1, 2023, a Group C member shall have the rate set forth in this subdivision (b)(2)(B)(ii) applied to the member’s total earnable compensation for the fiscal year, which shall include compensation paid for absence as provided by subsection 1933(d) of this title, and any additional stipends identified as of July 1. A member’s rate shall not be adjusted during the fiscal year unless the member’s full-time equivalency status changes, which shall require that the member’s rate be recalculated and the new rate applied for the remainder of that fiscal year. For a member who works a part-time equivalency status, the rate shall apply to the member’s total earnable compensation and not to an amount equal to an annualized base
salary. If a member is employed on a part-time equivalency status with two or more employers, the highest rate shall be applied to the amounts deducted from each employer. A member’s rate shall be calculated according to the following rates and income brackets:

(I) If a member’s base salary is at or below $40,000.00, the rate is 6.10 percent.

(II) If a member’s base salary is $40,000.01 or more but not more than $50,000.00, the rate is 6.15 percent.

(III) If a member’s base salary is $50,000.01 or more but not more than $60,000.00, the rate is 6.25 percent.

(IV) If a member’s base salary is $60,000.01 or more but not more than $70,000.00, the rate is 6.35 percent.

(V) If a member’s base salary is $70,000.01 or more but not more than $80,000.00, the rate is 6.50 percent.

(VI) If a member’s base salary is $80,000.01 or more but not more than $90,000.00, the rate is 6.75 percent.

(VII) If a member’s base salary is $90,000.01 or more but not more than $100,000.00, the rate is 7.0 percent.

(VIII) If a member’s base salary is $100,000.01 or more, the rate is 7.25 percent.

(iii) Beginning on July 1, 2024 and annually thereafter, a Group C member shall have an effective rate, rounded to the nearest hundredth of a percent, that is calculated based on the member’s base salary as of July 1 each year, which equals the member’s total earnable compensation, including compensation paid for absence as provided by subsection 1933(d) of this title, and any additional stipends identified as of July 1 for the next fiscal year. A member’s effective rate shall not be adjusted during any fiscal year unless the member’s full-time equivalency status changes, which shall require that the member’s effective rate be recalculated and the new rate applied for the remainder of that fiscal year. For a member who works a part-time equivalency status, the effective rate shall apply to the member’s total earnable compensation and not to an amount equal to an annualized base salary. If a member is employed on a part-time equivalency status with two or more employers, the highest effective rate shall be applied to the amounts deducted from each employer. A member’s effective rate shall be calculated according to the following marginal rates and income brackets:

(I) if a member’s base salary is at or below $40,000.00, the rate is 6.25 percent;
(II) if a member’s base salary is $40,000.01 or more but not more than $60,000.00, the rate is the equivalent of $2,900.00 on $40,000.00 and 6.75 percent of the member’s salary that is $40,000.01 or more;

(III) if a member’s base salary is $60,000.01 or more but not more than $80,000.00, the rate is the equivalent of $3,850.00 on $60,000.00 and 7.5 percent of the member’s salary that is $60,000.01 or more;

(IV) if a member’s base salary is $80,000.01 or more but not more than $100,000.00, the rate is the equivalent of $5,350.00 on $80,000.00 and 8.25 percent of the member’s salary that is $80,000.01 or more; and

(V) if a member’s base salary is $100,000.01 or more, the rate is the equivalent of $7,000.00 on $100,000.00 and 9.0 percent of the member’s salary that is $100,000.01 or more.

(C) In determining the amount earnable by a member set forth in this subdivision (2) in a payroll period, the Board may consider the rate of compensation payable to such member on the first day of a payroll period as continuing throughout the payroll period, and it may omit deduction from compensation for any period less than a full payroll period if a teacher 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 shall not exceed one-tenth of one percent of the annual earnable compensation upon the basis of which such deduction is made. The actuary shall make annual valuations of the reduction to the recommended State contribution attributable to the increase from five to six percent, and the Board shall include the amount of this reduction in its written report pursuant to subsection 1942(r) of this title.

* * *

(c) State contributions, earnings, and payments.

(1) All State appropriations and all reserves for the payment for all pensions including all interest and dividends earned on the assets of the Retirement System shall be accumulated in the Pension Fund. All benefits payable under the System, except for retired teacher health and medical benefits, shall be paid from the Pension Fund. Annually, the Retirement Board shall allow regular interest on the individual accounts of members in the Pension Fund which shall be credited to each member’s account.

(2) Beginning with the actuarial valuation as of June 30, 2006, the contributions to be made to the Pension Fund by the State shall be determined on the basis of the actuarial cost method known as “entry age normal.” On account of each member, there shall be paid annually by the State into the Pension Fund a percentage of the earnable compensation of each member to be
known as the “normal contribution” and an additional percentage of the member’s earnable compensation to be known as the “accrued liability contribution.” The percentage rate of such contributions shall be fixed on the basis of the liabilities of the System as shown by actuarial valuation. “Normal contributions” and “accrued liability contributions” shall be by separate appropriation in the annual budget enacted by the General Assembly.

(3) The normal contribution shall be the uniform percentage of the total compensation of members that, if contributed over each member’s prospective period of service and added to such member’s prospective contributions, if any, will be sufficient to provide for the payment of all future pension benefits after subtracting the sum of the unfunded accrued liability and the total assets of the Pension Fund.

(4) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability to the System. Beginning on July 1, 2008, until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 30 years ending on June 30, 2038, provided that:

(A) From July 1, 2009 to June 30, 2019, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of five percent per year.

(B) Beginning on July 1, 2019 and annually thereafter, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of three percent per year.

(C) Any variation in the contribution of normal or unfunded accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 30-year period.

* * *

(13) Annually, the Board shall certify an amount to pay the annual actuarially determined employer contribution, as calculated in this subsection, and additional amounts as follows:

(A) in fiscal year 2024, the amount of $9,000,000.00;

(B) in fiscal year 2025, the amount of $12,000,000.00; and

(C) in fiscal year 2026 and in any year thereafter until the Fund is calculated to have a funded ratio of at least 90 percent, the amount of $15,000,000.00.
Second: In Sec. 20, fiscal year 2024; Vermont Teachers’ Retirement System; contribution rates, study, by striking out “2024” in the section heading and inserting in lieu thereof “2025” and in subsection (a), by striking out “2024” and inserting in lieu thereof “2025”.

Third: In Sec. 21, 16 V.S.A. § 1949a, Postretirement Adjustment Allowance Account, in subsection (d), by striking out “Fund administration” and inserting in lieu thereof “Account administration”, in subdivision (e)(3), by striking out “Fund” and inserting in lieu thereof “Account”, in subsection (g), by striking out “Fund charges” and inserting in lieu thereof “Account charges”, and in subsection (h), by striking out “Fund assets” and inserting in lieu thereof “Account assets”.

Which was agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Government Operations, as substituted and amended?, Rep. Copeland Hanzas of Bradford demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Government Operations, as substituted and amended?, was decided in the affirmative. Yeas, 144. Nays, 0.

Those who voted in the affirmative are:

Achey of Middletown
Springs
Ancel of Calais
Anthony of Barre City
Arrison of Weathersfield
Austin of Colchester
Bartholomew of Hartland
Beck of St. Johnsbury *
Birong of Vergennes
Black of Essex
Bluemle of Burlington
Bock of Chester
Bongartz of Manchester
Bos-Lun of Westminster
Brady of Williston
Brennan of Colchester
Briglin of Thetford
Brown of Richmond
Brownell of Pownal
Brumsted of Shelburne
Grad of Moretown
Graham of Williamstown
Gregoire of Fairfield
Hango of Berkshire
Harrison of Chittenden
Helm of Fair Haven
Higley of Lowell *
Hooper of Montpelier
Hooper of Randolph
Houghton of Essex
Howard of Rutland City
James of Manchester
Jerome of Brandon
Jessup of Middlesex
Kascenska of Burke
Killacky of South Burlington
Kimbell of Woodstock
Kitzmiller of Montpelier
Kornheiser of Brattleboro
Notte of Rutland City
Noyes of Wolcott
O'Brien of Tunbridge
Ode of Burlington
Page of Newport City
Pajala of Londonderry
Parsons of Newbury
Partridge of Windham
Patt of Worcester
Pearl of Danville
Peterson of Clarendon
Pugh of South Burlington
Rachelson of Burlington
Rogers of Waterville
Rosenquist of Georgia
Satcowitz of Randolph
Scheu of Middlebury
Scheuermann of Stowe
Shaw of Pittsford
Sheldon of Middlebury
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<td>Sullivan of Dorset</td>
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<td>Colston of Winooski</td>
<td>Lippert of Hinesburg</td>
<td>Surprenant of Barnard</td>
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<td>Conlon of Cornwall</td>
<td>Long of Newfane *</td>
<td>Taylor of Colchester</td>
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<td>Copeland Hanzas of</td>
<td>Marcotte of Coventry</td>
<td>Terenzini of Rutland Town</td>
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<td>Bradford *</td>
<td>Martel of Waterford</td>
<td>Till of Jericho</td>
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<td>Corcoran of Bennington</td>
<td>Masland of Thetford</td>
<td>Toleno of Brattleboro</td>
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<td>Cordes of Lincoln</td>
<td>Mattos of Milton</td>
<td>Toof of St. Albans Town</td>
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<td>Cupoli of Rutland City</td>
<td>McCarthy of St. Albans City</td>
<td>Townsend of South</td>
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<td>Dickinson of St. Albans</td>
<td>McCormack of Burlington</td>
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<td>Town</td>
<td>McCoy of Poultney *</td>
<td>Troiano of Stannard</td>
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<td>Dolan of Essex</td>
<td>McCullough of Williston</td>
<td>Vyhovsky of Essex</td>
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<td>Dolan of Waitsfield</td>
<td>McFaun of Barre Town</td>
<td>Walker of Swanton</td>
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<td>Donahue of Northfield</td>
<td>Morgan, L. of Milton</td>
<td>Walz of Barre City</td>
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<td>Durfee of Shaftsbury</td>
<td>Morgan, M. of Milton</td>
<td>Webb of Shelburne</td>
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<td>Elder of Starkboro</td>
<td>Morris of Springfield</td>
<td>White of Bethel</td>
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<td>Morrissey of Bennington</td>
<td>White of Hartford</td>
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<td>Fagan of Rutland City</td>
<td>Mulvaney-Stanak of</td>
<td>Whitman of Bennington</td>
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<td>Feltus of Lyndon</td>
<td>Burlington</td>
<td>Williams of Granby</td>
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<td>Gannon of Wilmington</td>
<td>Murphy of Fairfax</td>
<td>Wood of Waterbury</td>
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<td>Garofano of Essex</td>
<td>Nicoll of Ludlow</td>
<td>Yacovone of Morristown</td>
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<td>Goldman of Rockingham</td>
<td>Nigro of Bennington</td>
<td>Yantachka of Charlotte</td>
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<tr>
<td>Goslant of Northfield</td>
<td>Norris of Sheldon</td>
<td>Norris of Shoreham</td>
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Those who voted in the negative are: none

Those members absent with leave of the House and not voting are:

<table>
<thead>
<tr>
<th>Burditt of West Rutland</th>
<th>Mrowicki of Putney</th>
<th>Smith of New Haven</th>
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<tr>
<td>Donnally of Hyde Park</td>
<td>Palasik of Milton</td>
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**Rep. Beck of St. Johnsbury** explained his vote as follows:

“Madam Speaker:

I voted for S.286 because this is a large step in the correct direction. However, the expected investment rate of return of 7.0% and dated experience study are too optimistic, ensuring we will have to revisit contribution rates in the near future.”
Rep. Copeland Hanzas of Bradford explained her vote as follows:

“Madam Speaker:

Over the last 15 months, we have worked alongside members of the public employee unions to bring these reforms to legislative passage today. This has been a challenging process, and one had every opportunity to stumble and fall. When you assigned me to the Pension Task Force, it was clear we needed to make structural change, but that it needed to be a balanced solution that asked everyone to give a little more to stabilize our pension system. I wanted to be sure we didn't make the same missteps as the 2009 reform commission, which presented its recommendations а la carte, and therefore several recommendations failed to pass the legislative process. In July members of the Task Force committed to work toward consensus reforms we would advocate for as a package. The bill we pass today is the embodiment of those agreements. I am proud today to vote in favor of these reforms that will protect public employee retirement and health care funding for years to come.”

Rep. Higley of Lowell explained his vote as follows:

“Madam Speaker:

This is definitely a commitment we need to support; however, we need to understand this as a priority and find suspect new programs that would require new sources of revenue for funding. Vermonters don’t need any new taxes!”

Rep. Long of Newfane explained her vote as follows:

“Madam Speaker:

I am proud to vote yes to reaffirm Vermont’s commitment to a secure retirement for educators and State employees. This bill makes significant progress, reducing $2 billion dollars of retirement liabilities and putting our public pension systems on the road to sustainability. After difficult work and hard conversations, legislators and public employees have come together to secure a stable, dignified retirement for those who have spent their careers serving our State.”

Rep. McCoy of Poultney explained her vote as follows:

“Madam Speaker:

I acknowledge the hard work of all committees involved to get this bill to the finish line. I am, however, disappointed we have not offered a choice for a Defined Contribution Plan and a risk sharing provision.

My fear is we will be back here in four to five years reworking these plans once again.”
Second Reading; Proposal of Amendment Agreed to; Third Reading Ordered

S. 127

Rep. Dolan of Essex, for the Committee on Corrections and Institutions, to which had been referred Senate bill, entitled

An act relating to the procedures and review of community supervision furlough revocation or interruption appeals

Reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 28 V.S.A. § 724 is amended to read:

§ 724. TERMS AND CONDITIONS OF COMMUNITY SUPERVISION FURLOUGH

***

(c) Appeal.

(1) An offender whose community supervision furlough status is revoked or interrupted for 90 days or longer for a technical violation shall have the right to appeal the Department’s determination to the Civil Division of the Superior Court in accordance with Rule 74 of the Vermont Rules of Civil Procedure. The appeal shall be based on a de novo review of the record. The appellant may offer testimony, and, in its discretion for good cause shown, the court may accept additional evidence to supplement the record. If additional evidence is accepted by the court, the Department, through the Office of the Vermont Attorney General, shall have the opportunity to present rebuttal evidence, including testimony, for the court’s consideration. The notice of appeal filed pursuant to Rule 74 shall include a certification that the court has subject matter jurisdiction. The Department shall file an objection to subject matter jurisdiction within 14 days, which shall stay the filing of the record on appeal until the court issues an order on the Department’s objection. The appellant shall have the burden of proving by a preponderance of the evidence that the Department abused its discretion in imposing a furlough revocation or interruption for 90 days or longer pursuant to subsection (d) of this section.

(2) An appeal filed pursuant to this subsection shall be limited to determine whether the decision to interrupt or revoke an offender’s community supervision furlough status was an abuse of discretion by the Department based on the criteria set forth in subdivision (d)(2) of this section. The length
of interruption or revocation may be a consideration in the abuse of discretion determination.

(3) An appeal filed pursuant to this subsection shall be brought in the unit of the Superior Court in which the offender resided at the time that the offender’s furlough status was revoked or interrupted or the unit in which the offender is detained after the offender’s furlough status was revoked or interrupted. If an appeal is filed pursuant to this subsection in a unit lacking proper venue, the court, on its own motion or on timely motion of a party to the appeal, may transfer the appeal to a unit having proper venue.

(d) Technical violations.

(1) As used in this section, “technical violation” means a violation of conditions of furlough that does not constitute a new crime.

(2) It shall be abuse of the Department’s discretion to revoke furlough or interrupt furlough status for 90 days or longer for a technical violation, unless:

(A) the offender’s risk to reoffend can no longer be adequately controlled in the community, and no other method to control noncompliance is suitable;

(B) the violation or pattern of violations indicate the offender poses a danger to others or to the community or poses a threat to abscond or escape from furlough;

(C) the offender’s violation is absconding from community supervision furlough. As used in this subdivision, “absconding” means:

(i) the offender has not met supervision requirements, cannot be located with reasonable efforts, and has not made contact with Department staff within three days if convicted of a listed crime as defined in 13 V.S.A. § 5301(7) or seven days if convicted of a crime not listed in 13 V.S.A. § 5301(7);

(ii) the offender flees from Department staff or law enforcement;

or

(iii) the offender left the State without Department authorization.

Sec. 2. 28 V.S.A. § 123 is amended to read:

§ 123. DEPARTMENT OF CORRECTIONS MONITORING COMMISSION

(a) Creation. There is created the Corrections Monitoring Commission to provide advice and counsel to the Commissioner of Corrections with regard to the Commissioner’s responsibility to manage the reporting of sexual
misconduct; promote adherence to anti-retaliation policies; ensure overall policy implementation and effectiveness; improve the transparency, accountability, and cultural impact of agency decisions; and ensure that the determination of investigatory findings and any resulting disciplinary actions are just and appropriate.

(c) Powers and duties. The Commission shall have the following duties:

(1) Provide advice and counsel to the Commissioner of Corrections in carrying out the Commissioner’s responsibilities at the Department of Corrections to monitor, review the reporting of sexual misconduct, oversee the implementation of adherence to the Department’s anti-retaliation policy, create the transparency and implement implementation of policies relating to misconduct, and review the disciplinary actions policies.

(2) Examine facility staffing needs, employee retention, employee working conditions, and employee morale. The Commission may engage with current and former Department employees and individuals in the custody of the Department, review the Analysis of State of Vermont Employee Engagement Survey Results from the Department of Human Resources, and meet with the Vermont State Employees’ Association to further the Commission’s understanding of these issues. The Commission shall report annually on or before January 15 to the Commissioner of Corrections, the Secretary of Human Services, the House Committees on Corrections and Institutions and on Government Operations, and the Senate Committees on Judiciary and on Government Operations on:

(3) Monitor the Department in the following areas:

(F) investigations of compliance with the policies, procedures, or directives governing employee misconduct, investigations; the movement of contraband in facilities; threats to personal safety; and the Department’s response to major events that occur in the Department of Corrections, including the death of an individual in the custody of the Commissioner of Corrections and the escape of an individual from a Department facility or Department custody; and

(f) Assistance. The Commission shall have the administrative, and technical, and legal assistance of the Department of Corrections.
Commission shall have the legal assistance of the Office of the Attorney General.

(g) Commissioner of Correction’s duties.

(1) The creation and existence of the Commission shall not relieve the Commissioner of his or her the Commissioner’s duties under the law to manage, supervise, and control the Department of Corrections.

(2) The Commissioner or designee shall produce all relevant Department policies, procedures, and directives requested by the Commission pursuant to its monitoring duties under this section.

* * *

(i) Confidentiality. Any information or report related to employee or incarcerated individual misconduct or discipline that is provided to the Commission shall be in a form that does not include personally identifiable information of any of the parties to the alleged misconduct and does not disclose any information that is required to be kept confidential pursuant to applicable State and federal law or any applicable collective bargaining or employment contract.

(j) Definition. As used in subdivision (c)(3) of this section, “monitor” shall, when appropriate, include access to incident information in a form sufficient to discern the nature of the incident in question and compliance with the policies, procedures, or directives governing the incident.

Sec. 3. APPLICABILITY

Notwithstanding 1 V.S.A. §§ 213 and 214, the following provisions of Sec. 1 of this act shall apply retroactively to any pending appeal filed at any time prior to the effective date of this act:

(1) the provisions of 28 V.S.A. § 724(c)(1) related to subject matter jurisdiction certification and the Department’s ability to object to subject matter jurisdiction; and

(2) 28 V.S.A. § 724(c)(3) (venue).

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: “An act relating to clarifying community supervision furlough appeals and the powers of the Corrections Monitoring Commission”
The bill, having appeared on the Notice Calendar, was taken up, read the second time, the report of the Committee on Corrections and Institutions agreed to, and third reading ordered.

Second Reading; Proposal of Amendment Agreed to; Third Reading Ordered

S. 195

Rep. Burrows of West Windsor, for the Committee on Health Care, to which had been referred Senate bill, entitled

An act relating to the certification of mental health peer support specialists

Reported in favor of its passage in concurrence with proposal of amendment by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds:

(1) The Centers for Medicare and Medicaid Services (CMS) recognizes that the experiences of peer support specialists, as part of an evidence-based model of care, can be an important component in a state’s delivery of effective mental health treatment. CMS encourages states to offer comprehensive programs.

(2) Research studies have demonstrated that peer supports improve an individual’s functioning, increase an individual’s satisfaction, alleviate symptoms, reduce hospitalizations and hospital days, increase an individual’s satisfaction with treatment, and enhance an individual’s self-advocacy.

(3) Certification can encourage an increase in the number, diversity, and availability of peer support specialists.

(4) The U.S. Department of Veterans Affairs, more than 46 states, and the District of Columbia have created statewide mental health peer certification programs.

(5) Mental health peers in Vermont are currently providing individualized support, coaching facilitation, and education to individuals with mental health needs, in a variety of settings, yet no statewide scope of practice, standardized curriculum, training standards, supervision standards, or certification protocols are available.

Sec. 2. PEER SUPPORT SPECIALIST CERTIFICATION

(a) The Department of Mental Health shall initiate the next steps toward the creation of a statewide peer support specialist certification program
through execution of the grant for advancing peer certification in Vermont included in the allocation of monies appropriated to the Department in 2022 Acts and Resolves No. 83, Sec. 72a(c)(4).

(b) On or before December 15, 2022, the Department shall submit a written report to the House Committee on Health Care and to the Senate Committee on Health and Welfare that:

(1) incorporates recommendations of the grantee selected pursuant to subsection (a) of this section; and

(2) provides policy guidance and recommendations for any legislation necessary to create the program.

(c) The report required pursuant to subsection (b) of this section shall include input from:

(1) the Office of Professional Regulation; and

(2) the Department of Vermont Health Access regarding the options and steps required to seek Medicaid funding for certified peer support specialists.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

and that after passage the title of the bill be amended to read: “An act relating to examining mental health peer support certification”

The bill, having appeared on the Notice Calendar, was taken up, read the second time, the report of the Committee on Health Care agreed to, and third reading ordered.

Message from the Senate No. 55

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has on its part adopted joint resolution of the following title:

J.R.S. 52. Joint resolution relating to weekend adjournment.

In the adoption of which the concurrence of the House is requested.

The Senate has considered a bill originating in the House of the following title:

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

Adjournment

At three o'clock and thirty-one minutes in the afternoon, on motion of Rep. McCoy of Poultney, the House adjourned until tomorrow at one o'clock in the afternoon.