

ACT 75
PENSION TASK FORCE
POWERS AND DUTIES

Recommendations about benefit provisions and funding sources along with the following

Range of strategies to lower ADEC and unfunded liability

Five year review of benefit expenditures and employee/employer contributions

Options for limiting growth of ADEC to not more than inflation

Assess impacts of changing amortization schedule

Proposals for shared risk model

Estimate of cost of current and any proposed benefit structures on budgetary and actuarial basis

Percentage of pension contributions of direct general spending and comparison of other states

How proposed benefit changes for new members might reduce impact of future actuarial losses

Cross-subsidization in VSERS

OPEB

Potential impact on economy from any benefit changes

Effects of benefits changes on recruitment and retention

DATA/INFORMATION REQUESTEDRECEIVED

To allow us to all have the same understanding of the challenges we are facing the task force has asked for information to be provided. Some have been in the form of presentations, others access to reports. The request was made to list which pieces of information have been provided to address each of the above powers and duties. That is more difficult than it appears. Much of the information presented is background. Much of the information associated with the recommendations listed that would come only come after options for that particular action have been put forth.

Following is a list of the information that has so far been requested and what has been presented. In () are any additional information requested on that topic.

General retirement information

Review of ACT 75 – Jenn Carbee, Legislative Council 7/2

Intro to Pensions – Chris Rupe, Joint Fiscal Office, 7/2

VSERS and VSTRS Pension Systems – Key Facts and Figures – Chris Rupe, 7/2

Hear from personal investor about retirement planning – after discussion it was decided we no longer needed to hear this – we have a pretty good idea of how much needs to be in a retirement account. For example to retire at \$40,000 the account would need about \$1M so to figure contributions you would go back to when starting the account.

How we compare with neighboring and other states – benefits, contributions, salaries, etc. And what measure other state have taken to address the challenge.

Pending presentation by Chris Rupe and NASRA

RFP for Actuarial and Legal advice.

Reviewed and adopted on July 22

Background and understanding of OPEB.

OPEB OVERVIEW – Chris Rupe, Joint Fiscal Office, 7/7

(not sure I understood but a question about OPEB payments out of the corpus)

Impact of one time contributions

Impact of One-Time Funds on the VSERS and VSTRS Pension Systems – Chris Rupe, 7/7

State Revenue Streams – what they are, how much, where they go

Pending presentation 7/29

Cross Subsidization of VSERS funds

Pending information

Review 2009 Report

Report handed out and recommendations discussed on 7/7

(review the guidelines they adopted)

Potential impact associated with any changes

This will depend on the proposals and will be done with the actuary once they are proposed

Review of Demographic information

State workforce – Department of Human Resource – Handout from State workforce report – Beth Fastiggi, Commissioner; Harold Schwartz. Director HR Operations; Douglas Pine, Deputy Director, HR Operations

Teachers demographics – Mark Hage, VeHI Trust Administrator

VSTRS: Demographic and Financial Overview – Treasurer’s Office – 7/7

VSERS: Demographic and Financial Overview – Treasurer’s Office – 7/7

A look at retirement/pensions of Vermonters’

No info yet – pending with report of general demographics?

Overview of VPIC

Monthly Investment Performance Analysis, May 31, 2021 and general discussion with Tom Golonka, Chair of VPIC 7/7

Review of Jan 2021 Report by Treasurer

Presentation of Report (less the recommendations) from the Treasurer, Hand out and memo from VPIC – Treasurer Beth Pearce 7/22

Questions outstanding

Any possibility of getting Treasurers report before end of October – she will try

What would be the value of the fund if it has consistently been fully funded – will ask for estimate from Treasurer and VPIC

General VT demographic info

What were the projections of the amortization schedule when it was put in place – will ask Treasurer

Projection and results of retirement incentive – think we discussed this and realized it did not have the projected impact desired – partially because the positions were not kept empty as was the assumption

Vermont Principles survey -can get a link

Employee Satisfaction survey – can get a link