

**H.449: Summary of Differences Between House and Senate passed versions**

Section	House	Senate
1	<ul style="list-style-type: none"> <li>• § 521 (Definitions): <ul style="list-style-type: none"> <li>○ definition of “independent” includes a reference to an individual having a direct or indirect material interest if the individual’s “spouse, parent, or child is a beneficiary of the Plans”</li> </ul> </li> <li>• § 522 (Vermont Pension Investment Commission): <ul style="list-style-type: none"> <li>○ subsection (a): sets the membership of the Commission at 10 members, including the Commissioner of Financial Regulation</li> <li>○ subsection (c): <ul style="list-style-type: none"> <li>▪ does not count any term spent as an alternate towards a member’s total term limit</li> <li>▪ requires an interim chair to be a financial expert or independent</li> </ul> </li> <li>○ subsection (d): sets a 20-year term limit for the Chair</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• § 521 (Definitions): <ul style="list-style-type: none"> <li>○ definition of “independent” does not include a reference to an individual having a direct or indirect material interest if the individual’s “spouse, parent, or child is a beneficiary of the Plans”</li> </ul> </li> <li>• § 522 (Vermont Pension Investment Commission): <ul style="list-style-type: none"> <li>○ subsection (a): sets the Commissioner membership to nine members (removing the Commissioner of Financial Regulation)</li> <li>○ subsection (c): <ul style="list-style-type: none"> <li>▪ provides that a single term served as an alternate does not count towards a member’s total term limit</li> <li>▪ requires an interim chair to be a financial expert and independent</li> </ul> </li> <li>○ subsection (d): requires a Chair to be a financial expert and independent and removes the Chair’s term limit</li> </ul> </li> </ul>
2	<ul style="list-style-type: none"> <li>• Sets forth the initial terms for the new members appointed to the Commission</li> <li>• Sets the transition period for members currently serving on the Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Removes the reference to the member term for the Commissioner of Financial Regulation (position was removed from the Commission membership)</li> </ul>
3	<ul style="list-style-type: none"> <li>• Requires the Commission to develop a written policy for implementing the asset allocation study and the asset and liability study by January 15, 2022</li> <li>• Directs the Commission to hire an independent third party to review and report on the transfer of the Commission to a stand-alone entity to the House and Senate Committees on Appropriations and the Government Operations by July 1, 2021</li> </ul>	<ul style="list-style-type: none"> <li>• Replaces reference to “stand-alone entity” with “independent entity”</li> </ul>
4	Requires the actuary for the State Employees’ Retirement System to conduct an actuarial investigation every three years rather than every five years	Same

Section	House	Senate
5	Strikes out reference to the Treasurer adopting a rule for the standard of conduct for Commission members and employees (this was moved to the responsibility of the Commission)	Same
6	Requires the actuary for the State Teachers' Retirement System to conduct an actuarial investigation every three years rather than every five years	Same
7	Strikes out reference to the Treasurer adopting a rule for the standard of conduct for Commission members and employees (this was moved to the responsibility of the Commission)	Same
8	Requires the actuary for the Municipal Employees' Retirement System to conduct an actuarial investigation every three years rather than every five years.	Same
9	Makes technical amendment to insert "Commission" in lieu of "Committee" when referencing the Vermont Pension Investment Commission.	Same
10	<ul style="list-style-type: none"> <li>• Sets Task Force membership as: three House members, three Senate members, the Director of the Retirement Division, the Commissioner of Financial Regulation, the Commissioner of Human Resources, three members appointed by the NEA, two members appointed by the VSEA, and one member appointed by the VTA</li> <li>• Provides powers and duties of the Task Force</li> <li>• Provides that the Task Force will not make recommendations on adjusting the assumed rates of return or changing the retirement benefits for members of the State Employees' Retirement System and the State Teachers' Retirement System who are current retirees or within five years of the current retirement age</li> <li>• Provides the Task Force with administrative, legal, and technical assistance from the State Treasurer, fiscal assistance from JFO, and committee support services from Leg Operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Sets Task Force membership as: two House members, two Senate members, the Secretary of Administration, the State Treasurer, three members appointed by the NEA, two members appointed by the VSEA, and one member appointed by the VTA</li> <li>• Amends and adds the following powers and duties of the Task Force by: <ul style="list-style-type: none"> <li>○ Removing reference to setting a pension stabilization target number and instead recommending strategies to lower the ADEC and unfunded liability (not setting pension stabilization target number)</li> <li>○ identifying potential options for limiting the growth in the ADEC to no more than inflation</li> <li>○ assessing the impacts associated with any modifications to the current amortization schedule</li> <li>○ adding a review of employer contributions to a shared-risk model proposed benefit structure with a focus on reducing any future increases to the unfunded liability</li> <li>○ removing reference to pay as you go estimate for proposed benefit structures</li> </ul> </li> </ul>

Section	House	Senate
	<ul style="list-style-type: none"> <li>• Authorizes JFO contract to hire outside an independent benefits expert and legal advisory services and appropriations \$200,000 for these services</li> <li>• Requires the Task Force to submit a report to the House and Senate Government Operations Committees by September 15, 2021</li> </ul>	<ul style="list-style-type: none"> <li>○ adding an evaluation of a State’s pension contributions as a percentage of direct general spending, and a comparison of other states’ pension contributions</li> <li>○ adding an evaluation of proposed benefit changes for new members that may reduce the impact of future actuarial assumption losses</li> <li>○ removing creation of a plan for health benefit design innovations, State regulatory measures, and alternative methods of providing pooled health care benefits (and moving to Oversight Committee)</li> <li>○ adding in an evaluation of pay as you go funding for OPEB</li> <li>○ adding an evaluation of the intermediate and long-term impacts to the State and local economies because of any proposed changes to current benefit structures and contribution characteristics and their potential effects on retiree spending power, including retirees who identify as female and retirees who are persons with disabilities</li> <li>○ examining the effects of current benefit structures and contribution characteristics on the recruitment and retention of public school educators and State employees and an evaluation of any proposed changes to current benefit structures and contribution characteristics on the recruitment and retention of public school educators and State employees in the future</li> <li>• Provides that the Task Force will not make recommendations on the assumed rates of return (but removes reference to changing benefits for members who are current retirees or within 5 years of retirement age)</li> <li>• Provides the Task Force with fiscal assistance from JFO and the State Treasurer, and committee support services from Leg Operations.</li> <li>• Authorizes JFO and Leg Counsel to contract to hire outside actuarial, benefit, and legal expertise (removes \$200,000 appropriation, which is now in the Big Bill)</li> <li>• Requires the Task Force to submit an interim report to the House and Senate Government Operations Committees by October 15, 2021 and a final report by December 2, 2021</li> </ul>

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Section	House	Senate
11	Authorizes the Office of Legislative Counsel to make conforming changes throughout the Vermont Statutes Annotated by changing “Vermont Pension Investment Committee” to “Vermont Pension Investment Commission – <i>See Sec. 12 of Senate passed version</i>	Creates the Joint Legislative Pension Oversight Committee
12	Effective Date (on passage) – <i>See Sec. 13 of Senate passed version</i>	Authorizes the Office of Legislative Counsel to make conforming changes throughout the Vermont Statutes Annotated by changing “Vermont Pension Investment Committee” to “Vermont Pension Investment Commission - <i>no change to language; See Sec. 11 in House passed version</i> )
13		Effective Date (same) – <i>See Sec. 12 of House passed version</i>