

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred House
3 Bill No. 572 entitled “An act relating to the retirement allowance for interim
4 educators” respectfully reports that it has considered the same and
5 recommends that the Senate propose to the House that the bill be amended by
6 striking out all after the enacting clause and inserting in lieu thereof the
7 following:

8 Sec. 1. FY 2023; RESTORATION OF SERVICE; VERMONT STATE
9 TEACHERS’ RETIREMENT SYSTEM; RETIREMENT

10 ALLOWANCE

Commented [DT1]: The idea presented indicated that the employer pays for health insurance—either on VSTRS or active plans. That is not addressed here.

11 (a) Authority. Notwithstanding 16 V.S.A. § 1939 or any other provision of
12 law, in fiscal year 2023, a beneficiary who retired from the System as a
13 Group A or a Group C member may resume service, as that term is defined in
14 16 V.S.A. § 1931, to serve as an interim school educator for a period not to
15 exceed one school year and receive the beneficiary’s retirement allowance for
16 the entire period that service is resumed, provided that:

17 (1) the beneficiary has received a retirement allowance for six months or
18 more ~~immediately preceding the resumption of~~ prior to resuming service;

Commented [DT2]: This language is necessary to ensure the 18 retired teachers with currently frozen benefit do not automatically qualify.

19 (2) the employer of the beneficiary ~~makes payments into the Retired~~
20 Teachers’ Health and Medical Benefits Fund, established in 16 V.S.A.
21 § 1944b, for the entire period that service is resumed in a manner consistent

1 with this subject to the assessment set forth in 16 V.S.A. § 1944d on behalf of the
2 beneficiary and remits payment to the Benefits Fund; and

Commented [DT3]: This section is written in a manner inconsistent with practice and existing law. Re-wrote to sync up.

3 (3) the employer of the beneficiary remits a one-time nonrefundable fee
4 of \$2,500.00 to the State Treasurer for administrative costs associated with the
5 beneficiary resuming service.

Commented [DT4]: There should be another requirement that certification required in sub (c) is a condition precedent. As written, it is not tied to the extra benefit.

6 (b) Subsequent retirement. Upon subsequent retirement of a person who
7 once again becomes a member of the System under subsection (a) of this
8 section, the beneficiary shall not be entitled to a retirement allowance
9 separately computed for the period that service was resumed.

Commented [DT5]: I thought the idea was that retired teachers coming back do NOT pay contributions. This suggests that they do. The discussion was that members are not contributing to the system when they return. And I don't think there is a "subsequent retirement" when these individuals continue to draw a retirement allowance.

10 (c) Employment certification. Each superintendent who hires an interim
11 school educator pursuant to subsection (a) of this section shall certify to the
12 Board that the district exhausted all reasonable options to employ a qualified
13 active educator prior to employing a beneficiary as an interim school educator.

There is a need to be mindful of any applicable tax laws that would be implicated if members are required to contribute and then the State takes the money.

14 (d) Renewal.

15 (1) In fiscal years 2024 and 2025, the State Treasurer is authorized to
16 grant not more than two renewals for a one-fiscal-year period to the authority
17 described in subsection (a) of this section. The State Treasurer shall make the
18 determination to renew the authority not earlier than June 1 but not later than
19 June 30 in each fiscal year and shall notify the House and Senate Committees
20 on Government Operations of the determination.

1 (2) In the event the State Treasurer makes a determination to renew the
2 authority pursuant to subdivision (1) of this subsection, a beneficiary may only
3 resume service during each one-year renewal period if service is performed in
4 a different interim school educator position.

5 (e) Repeal. This section shall be repealed on June 30, 2026.

6 Sec. 2. EFFECTIVE DATE

7 This act shall take effect on July 1, 2022.

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15 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE