

1 Sec. 1. VERMONT STATE TEACHERS' RETIREMENT SYSTEM;
2 CALENDAR YEAR 2023-2024 SUPPLEMENTAL COST OF
3 LIVING PAYMENTS; INTENT; ACTUARIAL COST ANALYSIS

4 (a) Intent. It is the intent of the General Assembly that:

5 (1) The maximum percentage value methodology set forth in 16 V.S.A.
6 § 1949 that applies to the postretirement adjustment allowances for the
7 Vermont State Teachers' Retirement System (VSTRS) shall be actuarially
8 evaluated to determine the cost required to revert to the methodology used
9 prior to the enactment of 2016 Acts and Resolves No. 114.

10 (2) The General Assembly further intends to make such a reversion by
11 future legislative action amending 16 V.S.A. § 1949, provided that the present
12 value of changes to the postretirement adjustment allowance methodology be
13 fully funded at the time the change is made and not increase the unfunded
14 liability in VSTRS.

15 (3) The General Assembly further intends that if the June 30, 2023,
16 change in the Consumer Price Index exceeds the statutory maximum
17 percentage values set forth in 16 V.S.A. § 1949 (b)(1), the General Assembly
18 will provide a sufficient appropriation in the 2024 Budget Adjustment Act to
19 make a one-time supplemental payment, similar in form to that described in
20 subsection (b), to qualifying VSTRS retired members and beneficiaries in
21 calendar year 2024.

22 (b) Calendar Year 2023 supplemental payment. A one-time supplemental
23 payment during calendar year 2023 shall be made to VSTRS retired members

1 and beneficiaries who received a 2.5 percent postretirement adjustment
2 allowance in an amount equal to the net difference between what members
3 actually received in calendar year 2023 and what they would have received
4 under a 3.8 percent postretirement adjustment allowance.

5 (c) Actuarial cost analysis. Following the completion of the next
6 experience study, expected in fall 2023, the State Treasurer shall conduct an
7 actuarial analysis to evaluate the cost of changing the current methodology for
8 calculating the postretirement adjustment allowance for the Vermont State
9 Teachers' Retirement System to a methodology calculated by applying the
10 maximum percentage values set forth in 16 V.S.A. § 1949 (b)(1) to the
11 postretirement adjustment allowance rather than applying the statutory
12 maximum percentage values to the net percentage change in the Consumer
13 Price Index. The actuarial analysis shall take into account any changes to
14 actuarial assumptions that may occur following the experience study to be
15 performed at the end of FY 2023, as required by 16 V.S.A. § 1942.

16 (d) Report. Based on the actuarial cost analysis described in subsection (c)
17 of this section, on or before January 15, 2024, the State Treasurer shall submit
18 a report to the House and Senate Committees on Appropriations with an
19 actuarial cost estimate for changing the VSTRS postretirement adjustment
20 allowance methodology as set forth above in subsection (c).

21 Sec. 2. VERMONT STATE TEACHERS' RETIREMENT SYSTEM;

22 SUPPLEMENTAL COST OF LIVING PAYMENT; FY 2024

23 APPROPRIATION

1 (a) In FY 2024, notwithstanding 16 V.S.A. § 4025, the amount of
2 \$3,000,000.00 is appropriated to VSTRS from the Education Fund, for
3 Calendar Year 2023 supplemental payments above in Section (1)(b) and
4 associated costs.

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