| 1  | TO THE HOUSE OF REPRESENTATIVES:   |  |  |
|----|--|--|--|
| 2  | The Committee on Government Operations and Military Affairs to which             |  |  |
| 3  | was referred House Bill No. 585 entitled "An act relating to amending the        |  |  |
| 4  | pension system for sheriffs and certain deputy sheriffs " respectfully reports   |  |  |
| 5  | that it has considered the same and recommends that the bill be amended by       |  |  |
| 6  | striking out all after the enacting clause and inserting in lieu thereof the     |  |  |
| 7  | following:   |  |  |
| 8  |  |  |  |
| 9  |  |  |  |
| 10 | Sec. 1. 3 V.S.A. § 455 is amended to read:                                       |  |  |
| 11 | § 455. DEFINITIONS   |  |  |
| 12 | (a) As used in this subchapter:  |  |  |
| 13 | * * *  |  |  |
| 14 | (11) "Member" means any employee included in the membership of the               |  |  |
| 15 | Retirement System under section 457 of this title.                               |  |  |
| 16 | * * *  |  |  |
| 17 | (F) "Group G member" means:  |  |  |
| 18 | (i) the following employees who are first employed in the                        |  |  |
| 19 | positions listed in this subdivision (F)(i) on or after July 1, 2023, or who are |  |  |
| 20 | members of the System as of June 30, 2022 and make an irrevocable election       |  |  |
| 21 | to prospectively join Group G on or before June 30, 2023, pursuant to the        |  |  |

| 1  | terms set by the Board: facility employees of the Department of Corrections,        |  |  |  |
|----|---|--|--|--|
| 2  | as Department of Corrections employees who provide direct security and              |  |  |  |
| 3  | treatment services to offenders under supervision in the community, as              |  |  |  |
| 4  | employees of a facility for justice-involved youth, or as and employees of the      |  |  |  |
| 5  | Vermont State Psychiatric Care Hospital employees or as employees of its            |  |  |  |
| 6  | successor in interest, who provide direct patient care; and                         |  |  |  |
| 7  | (ii) the following employees who are first employed in the                          |  |  |  |
| 8  | positions listed in this subdivision (F)(ii) or first included in the membership of |  |  |  |
| 9  | the System on or after January 1, 2025, or who are members of the System as         |  |  |  |
| 10 | of December 31, 2024 and make an irrevocable election to join Group G on or         |  |  |  |
| 11 | before December 31, 2024, pursuant to the terms set by the Board:                   |  |  |  |
| 12 | (I) all sheriffs; and   |  |  |  |
| 13 | (II) deputy sheriffs who:   |  |  |  |
| 14 | (aa) are employed by county sheriff's departments                                   |  |  |  |
| 15 | that participate in the Vermont Employees' Retirement System;                       |  |  |  |
| 16 | (bb) have attained Level II or Level III law  |  |  |  |
| 17 | enforcement officer certification from the Vermont Criminal Justice                 |  |  |  |
| 18 | Council;  |  |  |  |
| 19 | (cc) are required to perform law enforcement duties                                 |  |  |  |
| 20 | as the primary function of their employment; and                                    |  |  |  |

| 1  | (dd) are not full-time deputy sheriffs compensated                                |  |  |  |
|----|---|--|--|--|
| 2  | by the State of Vermont whose primary function is transports as                   |  |  |  |
| 3  | defined in 24 V.S.A. § 290(b) and eligible for Group C pursuant to 3              |  |  |  |
| 4  | <u>V.S.A. § 455(9)(B).</u>  |  |  |  |
| 5  | * * *   |  |  |  |
| 6  | (13) "Normal retirement date" means:  |  |  |  |
| 7  | * * *   |  |  |  |
| 8  | (E) with respect to a Group G member:   |  |  |  |
| 9  | (i) for facility employees of the Department of Corrections,                      |  |  |  |
| 10 | Department of Corrections employees who provide direct security and               |  |  |  |
| 11 | treatment services to offenders under supervision in the community, employees     |  |  |  |
| 12 | of a facility for justice-involved youth, or employees of the Vermont State       |  |  |  |
| 13 | Psychiatric Care Hospital or its predecessor or successor in interest, who        |  |  |  |
| 14 | provide direct patient care, who were first included in the membership of the     |  |  |  |
| 15 | System on or before June 30, 2008, who were employed as of June 30, 2022,         |  |  |  |
| 16 | and who made an irrevocable election to prospectively join Group G on or          |  |  |  |
| 17 | before July 1, 2023, pursuant to the terms set by the Board, the first day of the |  |  |  |
| 18 | calendar month next following the earlier of:                                     |  |  |  |
| 19 | (I) 62 years of age and following completion of five years of                     |  |  |  |
| 20 | creditable service;   |  |  |  |
| 21 | (II) completion of 30 years of creditable service; or                             |  |  |  |

VT LEG #374283 v.2

| 1  | (III) 55 years of age and following completion of 20 years of                  |  |  |  |
|----|--|--|--|--|
| 2  | creditable service; <del>or</del>  |  |  |  |
| 3  | (ii) for facility employees of the Department of Corrections,                  |  |  |  |
| 4  | Department of Corrections employees who provide direct security and            |  |  |  |
| 5  | treatment services to offenders under supervision in the community, as         |  |  |  |
| 6  | employees of a facility for justice-involved youth, or employees of the        |  |  |  |
| 7  | Vermont State Psychiatric Care Hospital or its predecessor or successor in     |  |  |  |
| 8  | interest, who provide direct patient care, who were first included in the      |  |  |  |
| 9  | membership of the System on or after July 1, 2008, who were employed as of     |  |  |  |
| 10 | June 30, 2022, and who made an irrevocable election to prospectively join      |  |  |  |
| 11 | Group G on or before July 1, 2023, pursuant to the terms set by the Board, the |  |  |  |
| 12 | first day of the calendar month next following the earlier of:                 |  |  |  |
| 13 | (I) 65 years of age and following completion of five years of                  |  |  |  |
| 14 | creditable service;  |  |  |  |
| 15 | (II) attainment of 87 points reflecting a combination of the age               |  |  |  |
| 16 | of the member and number of years of service; or                               |  |  |  |
| 17 | (III) 55 years of age and following completion of 20 years of                  |  |  |  |
| 18 | creditable service; <del>or</del>  |  |  |  |
| 19 | (iii) for facility employees of the Department of Corrections,                 |  |  |  |
| 20 | Department of Corrections employees who provide direct security and            |  |  |  |
| 21 | treatment services to offenders under supervision in the community, employees  |  |  |  |

VT LEG #374283 v.2

| 1  | of a facility for justice-involved youth, or employees of the Vermont State      |  |  |
|----|--|--|--|
| 2  | Psychiatric Care Hospital or its predecessor or successor in interest, who       |  |  |
| 3  | provide direct patient care, who first become a Group G member on or after       |  |  |
| 4  | July 1, 2023, the first day of the calendar month next following the earlier of: |  |  |
| 5  | (I) attainment of 55 years of age and following completion of                    |  |  |
| 6  | 20 years of creditable service; or   |  |  |
| 7  | (II) 65 years of age and following completion of five years of                   |  |  |
| 8  | creditable service-;   |  |  |
| 9  | (iv) for all sheriffs and those deputy sheriffs who meet the                     |  |  |
| 10 | requirements pursuant to subdivision (11)(F)(ii) of this subsection (a), who     |  |  |
| 11 | were first included in the membership of the System on or before June 30,        |  |  |
| 12 | 2008, who were employed as of December 31, 2024, and who made an                 |  |  |
| 13 | irrevocable election to prospectively join Group G on or before January 1,       |  |  |
| 14 | 2025, pursuant to the terms set by the Board, the first day of the calendar      |  |  |
| 15 | month next following the earlier of:   |  |  |
| 16 | (I) 62 years of age and following completion of five years of                    |  |  |
| 17 | creditable service:  |  |  |
| 18 | (II) completion of 30 years of creditable service; or                            |  |  |
| 19 | (III) 55 years of age and following completion of 20 years of                    |  |  |
| 20 | creditable service;  |  |  |

| 1  | (v) for all sheriffs and those deputy sheriffs who meet the                   |  |  |  |
|----|---|--|--|--|
| 2  | requirements pursuant to subdivision (11)(F)(ii) of this subsection (a), who  |  |  |  |
| 3  | were first included in the membership of the System on or after July 1, 2008, |  |  |  |
| 4  | who were employed as of December 31, 2024, and who made an irrevocable        |  |  |  |
| 5  | election to prospectively join Group G on or before January 1, 2025, pursuant |  |  |  |
| 6  | to the terms set by the Board, the first day of the calendar month next       |  |  |  |
| 7  | following the earlier of:   |  |  |  |
| 8  | (I) 65 years of age and following completion of five years of                 |  |  |  |
| 9  | creditable service;   |  |  |  |
| 10 | (II) attainment of 87 points reflecting a combination of the age              |  |  |  |
| 11 | of the member and number of years of service; or                              |  |  |  |
| 12 | (III) 55 years of age and following completion of 20 years of                 |  |  |  |
| 13 | creditable service; or  |  |  |  |
| 14 | (vi) for all sheriffs and those deputy sheriffs who meet the                  |  |  |  |
| 15 | requirements pursuant to subdivision (11)(F)(ii) of this subsection (a), who  |  |  |  |
| 16 | first become a Group G member after January 1, 2025, the first day of the     |  |  |  |
| 17 | calendar month next following the earlier of:                                 |  |  |  |
| 18 | (I) attainment of 55 years of age and following completion of                 |  |  |  |
| 19 | 20 years of creditable service; or  |  |  |  |
| 20 | (II) 65 years of age and following completion of five years of                |  |  |  |
| 21 | creditable service.   |  |  |  |

| 1  | * * *   |  |  |  |
|----|---|--|--|--|
| 2  | Sec. 2. 3 V.S.A. § 459 is amended to read:                                    |  |  |  |
| 3  | § 459. NORMAL AND EARLY RETIREMENT  |  |  |  |
| 4  | * * *   |  |  |  |
| 5  | (b) Normal retirement allowance.  |  |  |  |
| 6  | * * *   |  |  |  |
| 7  | (6)(A) Upon normal retirement pursuant to subdivisions                        |  |  |  |
| 8  | 455(a)(13)(E)(i) and, (iii), (iv), and (vi) of this chapter, a Group G member |  |  |  |
| 9  | shall receive a normal retirement allowance equal to two and one-half of a    |  |  |  |
| 10 | percent of the member's average final compensation times years of             |  |  |  |
| 11 | membership service in Group G. The maximum retirement allowance shall be      |  |  |  |
| 12 | 50 percent of average final compensation.                                     |  |  |  |
| 13 | (B) Upon normal retirement pursuant to subdivision subdivisions               |  |  |  |
| 14 | 455(a)(13)(E)(ii) and (v) of this chapter, a Group G member shall receive a   |  |  |  |
| 15 | normal retirement allowance equal to two and one-half of a percent of the     |  |  |  |
| 16 | member's average final compensation times years of membership service in      |  |  |  |
| 17 | Group G. The maximum retirement allowance shall be 60 percent of average      |  |  |  |
| 18 | final compensation.   |  |  |  |
| 19 | * * *   |  |  |  |
| 20 | (d) Early retirement allowance.   |  |  |  |
| 21 | * * *   |  |  |  |

| 1  | (4)(A) Upon early retirement, a Group G member who was previously a              |  |  |  |
|----|--|--|--|--|
| 2  | Group F member first included in the membership of the System on or before       |  |  |  |
| 3  | June 30, 2008, and who elected to transfer into Group G on July 1, 2023          |  |  |  |
| 4  | pursuant to the terms set by the Board, shall receive an early retirement        |  |  |  |
| 5  | allowance that shall be equal to the normal retirement allowance reduced by      |  |  |  |
| 6  | the lesser of (i) one-half of one percent for each month equal to the difference |  |  |  |
| 7  | between the 240 months and the member's months of creditable service, or (ii)    |  |  |  |
| 8  | an amount that shall be the actuarial equivalent of the normal retirement        |  |  |  |
| 9  | allowance computed under subsection (b) of this section.                         |  |  |  |
| 10 | (B) Upon early retirement, a Group G member who was previously a                 |  |  |  |
| 11 | Group F member first included in the membership of the System on or after        |  |  |  |
| 12 | July 1, 2008, and who elected to transfer into Group G on July 1, 2023           |  |  |  |
| 13 | pursuant to the terms set by the Board, shall receive an early retirement        |  |  |  |
| 14 | allowance that shall be equal to the normal retirement allowance reduced by      |  |  |  |
| 15 | the lesser of (i) five-ninths of one percent for each month equal to the         |  |  |  |
| 16 | difference between the 240 months and the member's months of creditable          |  |  |  |
| 17 | service, or (ii) an amount that shall be the actuarial equivalent of the normal  |  |  |  |
| 18 | retirement allowance computed under subsection (b) of this section.              |  |  |  |
| 19 | * * *  |  |  |  |

| 1  | Sec. 3. 3 V.S.A. § 489 is amended to read:  |
|----|---|
| 2  | § 489. BENEFITS   |
| 3  | Persons who become members of the Vermont State Retirement System                 |
| 4  | under this subchapter and on behalf of whom contributions are paid as             |
| 5  | provided in this subchapter shall be entitled to benefits under the Vermont       |
| 6  | State Retirement System as though they were employees of the State of             |
| 7  | Vermont. These employees shall be considered "Group F members" as                 |
| 8  | defined in subdivision 455(a)(11)(E) of this title, except that:                  |
| 9  | (1) elected municipal employees shall not be subject to mandatory                 |
| 10 | retirement requirements; and  |
| 11 | (2) sheriffs and those deputy sheriffs who meet the requirements                  |
| 12 | pursuant to subdivision 455(a)(11)(F)(ii)(II) of this chapter shall be considered |
| 13 | members of Group G.   |
| 14 | Sec. 4. ONE-TIME IRREVOCABLE ELECTION FOR SHERIFFS AND                            |
| 15 | CERTAIN DEPUTY SHERIFFS   |
| 16 | (a) On or before September 1, 2024, the Department of State's Attorneys           |
| 17 | and Sheriffs, in consultation with the Department of Human Resources and the      |
| 18 | Office of the State Treasurer, shall establish a list of positions newly eligible |
| 19 | for Group G of the Vermont State Employees' Retirement System, which shall        |
| 20 | be limited to the following:  |
| 21 | (1) all sheriffs; and   |

| 1  | (2) deputy sheriffs who:   |  |
|----|--|--|
| 2  | (A) are employed by county sheriff's departments that                              |  |
| 3  | participate in the Vermont Employees' Retirement System;                           |  |
| 4  | (B) have attained Level II or Level III law enforcement                            |  |
| 5  | officer certification from the Vermont Criminal Justice Council; and               |  |
| 6  | (C) are required to perform law enforcement duties as the                          |  |
| 7  | primary function of their employment; and  |  |
| 8  | (D) are not full-time deputy sheriffs compensated by the State                     |  |
| 9  | of Vermont whose primary function is transports as defined in 24                   |  |
| 10 | V.S.A. § 290(b) and eligible for Group C pursuant to 3 V.S.A.                      |  |
| 11 | <u>§ 455(9)(B).</u>  |  |
| 12 | (b) In establishing any new deputy sheriff position on and after January 1,        |  |
| 13 | 2025, the Department of State's Attorneys and Sheriffs, in consultation with       |  |
| 14 | sheriff's departments, shall identify that position as eligible for either Group C |  |
| 15 | membership or Group G membership pursuant to the criteria as set forth in          |  |
| 16 | subsection (a) of this section.  |  |
| 17 | (c)(1) A sheriff or deputy sheriff who qualifies for Group G membership            |  |
| 18 | shall have a one-time option to transfer to Group G on or before December 1,       |  |
| 19 | 2024. For a sheriff or deputy sheriff who qualifies for Group G membership         |  |
| 20 | who is first employed on or after December 1, 2024, election to join Group G       |  |

| 1  | under this subsection shall be made as soon as possible but shall be within 30  |
|----|---|
| 2  | days from the employee's date of hire.  |
| 3  | (2) Election to join the Group G plan under this subsection shall be            |
| 4  | irrevocable.  |
| 5  | (d) The effective date of participation in a new group plan for those           |
| 6  | employees covered under this section and who elect to transfer to Group G       |
| 7  | shall be January 1, 2025. All past service accrued through the date of transfer |
| 8  | shall be calculated based upon the plan in which it was accrued, with all       |
| 9  | provisions and penalties, if applicable, applied.                               |
| 10 | (e) The Department of State's Attorneys and Sheriffs shall notify the Office    |
| 11 | of the State Treasurer and the Department of Human Resources of changes in a    |
| 12 | deputy sheriff's eligibility for Group G within 30 days of the change in        |
| 13 | eligibility, pursuant to 3 V.S.A. § 455(11)(F)(ii)(II).                         |
| 14 | (f) Nothing in this section shall be read to extend postretirement health or    |
| 15 | other insurance benefits to Group G deputy sheriffs who work for county         |
| 16 | sheriff's departments.  |
| 17 | Sec. 5. 32 V.S.A. § 1182(c) is added to read:                                   |
| 18 | (c) Compensation under subsection (a) of this section shall be reduced to       |
| 19 | \$1.00 for any sheriff whose law enforcement officer certification is           |
| 20 | permanently revoked pursuant to 20 V.S.A. § 2406.                               |
|    |   |

| 1  | Sec. 6. EFFECTIVE DATE                      |                   |
|----|---|-------------------|
| 2  | This act shall take effect on July 1, 2024. |                   |
| 3  |   |                   |
| 4  |   |                   |
| 5  |   |                   |
| 6  |   |                   |
| 7  | (Committee vote:)                           |                   |
| 8  |   |                   |
| 9  |   | Representative    |
| 10 |   | FOR THE COMMITTEE |