

**Proposed Retirement Language**

Sec. 1. 3 V.S.A. § 455 is amended to read:

§ 455. DEFINITIONS

(a) As used in this subchapter:

\* \* \*

(11) “Member” means any employee included in the membership of the Retirement System under section 457 of this title.

\* \* \*

(F) “Group G member” means the following employees who are first employed in the positions listed in this subdivision (F) on or after ~~July 1, 2022~~ July 1, 2023, or who are members of the System as of June 30, 2022 and make an irrevocable election to prospectively join Group G on or before June 30, 2023, pursuant to the terms set by the Board: facility employees of the Department of Corrections, as Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, as employees of a facility for justice-involved youth, or as Vermont State Hospital employees or as employees of its successor in interest, who provide direct patient care.

(12) “Membership service” ~~shall mean~~ means service rendered while a member of the Retirement System.

(13) “Normal retirement date” means:

\* \* \*

(E) with respect to a Group G member:

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1                   (i) for facility employees of the Department of Corrections,  
2           Department of Corrections employees who provide direct security and  
3           treatment services to offenders under supervision in the community, employees  
4           of a facility for justice-involved youth, or employees of the Vermont State  
5           Hospital or its successor in interest, who provide direct patient care, who were  
6           first included in the membership of the System on or before June 30, 2008,  
7           who were employed as of June 30, 2022, and who made an irrevocable election  
8           to prospectively join Group G on or before July 1, 2023, pursuant to the terms  
9           set by the Board, the first day of the calendar month next following the earlier  
10          of (I) 62 years of age and following completion of five years of creditable  
11          service, (II) completion of 30 years of creditable service, or (III) 55 years of  
12          age and following completion of 20 years of creditable service; or  
13                   (ii) for facility employees of the Department of Corrections,  
14          Department of Corrections employees who provide direct security and  
15          treatment services to offenders under supervision in the community, as  
16          employees of a facility for justice-involved youth, or employees of the  
17          Vermont State Hospital or its successor in interest, who provide direct patient  
18          care, who were first included in the membership of the System on or after July  
19          1, 2008, who were employed as of June 30, 2022, and who made an  
20          irrevocable election to prospectively join Group G on or before July 1, 2023,  
21          pursuant to the terms set by the Board, the first day of the calendar month next  
22          following the earlier of (I) 65 years of age and following completion of five  
23          years of creditable service, (II) attainment of 87 points reflecting a

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1 combination of the age of the member and number of years of service, or (III)  
2 55 years of age and following completion of 20 years of creditable service; or  
3 (iii) 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, employees  
6 of a facility for justice-involved youth, or employees of the Vermont State  
7 Hospital or its successor in interest, who provide direct patient care, who first  
8 become a Group G member on or after July 1, 2023, the first day of the  
9 calendar month next following the earlier of (I) attainment of 55 years of age  
10 and following completion of 20 years of creditable service, or (II) 65 years of  
11 age and following completion of five years of creditable service.

12 \* \* \*

13 Sec. 2. 3 V.S.A. § 470 is amended to read:

14 § 470. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT

15 ALLOWANCES

16 \* \* \*

17 (b) Calculation of net percentage increase.

18 (1) Consumer Price Index; maximum and minimum amounts. Prior to  
19 October 1 of each year, a determination shall be made of any increase or  
20 decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for  
21 the month ending on June 30 of that year to the average of said index for the  
22 month ending on June 30 of the previous year. Any increase or decrease in the

1 Consumer Price Index shall be subject to adjustment so as to remain within the  
2 following maximum and minimum amounts:

3 \* \* \*

4 (E) For Group F and Group G members who are first eligible for  
5 normal retirement or unreduced early retirement on or before June 30, 2022, or  
6 who are vested deferred members as of June 30, 2022, the maximum amount  
7 of any increase or decrease used to determine the net percentage increase shall  
8 be five percent. In the event that there is an increase or decrease of less than  
9 one percent, the net percentage increase shall be assigned a value of one  
10 percent and shall not be subject to further adjustment pursuant to subsection  
11 (d) of this section.

12 \* \* \*

13 (c) Eligibility for postretirement adjustment. In order for a beneficiary to  
14 receive a postretirement adjustment to the beneficiary's retirement allowance,  
15 the beneficiary must meet the following eligibility requirements:

16 \* \* \*

17 (2) In service on or before June 30, 2022. For all Group A, C, ~~and F,~~  
18 and G members who are first eligible for normal retirement or unreduced early  
19 retirement on or before June 30, 2022, and for Group D members first  
20 appointed or elected on or before June 30, 2022, the member must be in receipt  
21 of a retirement allowance for at least 12 months prior to the January 1 effective  
22 date of any postretirement adjustment.

23 \* \* \*

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1 Sec. 3. 3 V.S.A. § 473 is amended to read:

2 § 473. FUNDS

3 (a) Assets. All of the assets of the Retirement System shall be credited to  
4 the Vermont State Retirement Fund.

5 (b) Member contributions.

6 \* \* \*

7 (2)(A) Group A members. Commencing on July 1, 2016, contributions  
8 shall be 6.55 percent of compensation for Group A members.

9 \* \* \*

10 (C) Group D members. Commencing on July 1, 2022, the  
11 contribution rate for Group D members shall be based on the highest quartile in  
12 which a member's hourly rate of pay falls. Quartiles shall be determined  
13 annually in the first full pay period of each fiscal year by the Department of  
14 Human Resources based on the hourly rate of pay by all Group D members.  
15 The contribution rates shall be based on the schedule set forth below:

16 \* \* \*

17 (D) Group F members. Commencing on July 1, 2022, the  
18 contribution rate for Group F members shall be based on the quartile in which  
19 a member's hourly rate of pay falls. Quartiles shall be determined annually in  
20 the first full pay period of each fiscal year by the Department of Human  
21 Resources based on the combined hourly rate of pay of all Group F and Group  
22 G members. The contribution rates shall be based on the schedule set forth  
23 below:

1 \* \* \*

2 (E) Group G members. Commencing on July 1, 2023, the  
3 contribution rate for Group G members shall be based on the quartile in which  
4 a member's hourly rate of pay falls. Quartiles shall be determined annually in  
5 the first full pay period of each fiscal year by the Department of Human  
6 Resources based on the combined hourly rate of pay of all Group F and Group  
7 G members. The contribution rates shall be based on the schedule set forth  
8 below:

9 \* \* \*

10 Sec. 4. 3 V.S.A. § 500(b) is amended to read:

11 § 500. DEFINED CONTRIBUTION RETIREMENT PLAN

12 \* \* \*

13 (b) Employees who are not members of the classified system who are first  
14 employed by the State on and after January 1, 1999, and would otherwise be  
15 members of Group A, B, C, D, ~~or~~ F, or G of the Vermont State Retirement  
16 System shall be eligible to participate in the Defined Contribution Retirement  
17 Plan.

18 \* \* \*

19 Sec. 5. 2022 Acts and Resolves No. 114, Sec. 14 is amended to read:

20 Sec. 14. ONE-TIME IRREVOCABLE ELECTION FOR CERTAIN  
21 CORRECTIONS WORKERS

22 (a) On or before September 15, 2022, the Department of Human Resources,  
23 in consultation with the State Treasurer's office, shall establish a list of

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1 positions eligible for Group G of the Vermont State Employees' Retirement  
2 System. The list of Group G-eligible positions shall be limited to the  
3 following State employees:

4 (1) facility employees of the Department of Corrections;

5 (2) Department of Corrections employees who provide direct  
6 security and treatment services to offenders under supervision in the  
7 community;

8 (3) employees of a facility for justice-involved youth; and

9 (4) employees of the Vermont State Hospital or its successor in  
10 interest, who provide direct patient care.

11 \* \* \*

12 (c) In establishing any new ~~corrections~~ classified Department of  
13 Corrections or Department of Mental Health position on and after July 1, 2023,  
14 the Department of Human Resources shall identify that position as eligible for  
15 either Group G, pursuant to the criteria set forth in subsection (a), or Group F.

16 \* \* \*

17 Sec. 6. OTHER POSTEMPLOYMENT BENEFITS; GOVERNANCE

18 STRUCTURE; REPORT

19 (a) The Office of the State Treasurer, in consultation with the Vermont  
20 Pension Investment Commission and the Agency of Administration, shall  
21 produce a report that examines and makes recommendations on the governance  
22 structure of the two OPEB funds, other possible governance structures, and  
23 whether changes should be made to better align the governance structure with

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1 nature of the OPEB funds. In reviewing the governance structure, the report  
2 shall evaluate both the manner in which the funds are overseen, as well as the  
3 underlying section 115 trusts in which they are held. Specifically, the report  
4 shall address the following:

5 (1) the advantages and disadvantages of retaining the existing  
6 governance structure of the OPEB funds with the State Treasurer as sole  
7 trustee;

8 (2) alternative governance structures for the OPEB funds, the  
9 advantages and disadvantages of each alternative examined, and the steps and  
10 timeline required to implement each alternative; and

11 (3) to the extent possible, other issues relating to the OPEB funds  
12 identified as warranting study.

13 (b) Assistance. The Office of the State Treasurer shall have the  
14 administrative support of the Vermont Pension Investment Commission as  
15 well as the Agency of Administration in producing the report.

16 (c) Funding. The General Assembly shall appropriate the amount of  
17 \$100,000.00 to the State Treasurer for the study described in subsection (a) of  
18 this section for technical assistance from experts on public pensions and OPEB  
19 funds.

20 (d) Report. On or before January 15, 2024, the Treasurer shall submit a  
21 written report to the General Assembly with findings and recommendations.