

1 H.656

2 Introduced by Representative Howard of Rutland City

3 Referred to Committee on

4 Date:

5 Subject: Legislature; General Assembly; salaries and fees; supplemental

6 compensation; health insurance benefits; Defined Contribution

7 Retirement Plan

8 Statement of purpose of bill as introduced: This bill proposes to provide  
9 supplemental compensation during the legislative session to members of the  
10 General Assembly whose median monthly household income is less than the  
11 member earned prior to the member's service in the General Assembly. This  
12 bill also proposes to make members eligible to participate in the State  
13 employees' health benefit plan on the same terms and at the same cost as  
14 employees of the Executive Branch. This bill also proposes to make members  
15 of the General Assembly eligible to participate in the State's Defined  
16 Contribution Retirement Plan with a match.

17 An act relating to supplemental compensation, health insurance, and  
18 retirement benefits for members of the General Assembly

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. 32 V.S.A. § 1051 is amended to read:

3 § 1051. SPEAKER OF THE HOUSE AND PRESIDENT PRO TEMPORE  
4 OF THE SENATE; COMPENSATION AND EXPENSE  
5 REIMBURSEMENT

6 \* \* \*

7 (b) If the Speaker of the House substantiates that the Speaker's total  
8 household income for any month during the legislative session is less than the  
9 Speaker's median monthly income prior to serving in the General Assembly,  
10 then the Speaker is entitled to receive a supplemental payment from the  
11 General Assembly in the following month if the shortfall is attributable to the  
12 Speaker's service in the General Assembly. The amount of the supplemental  
13 payment under this section shall be the difference between the Speaker's actual  
14 total household income for the applicable month and the Speaker's median  
15 monthly income prior to serving in the General Assembly.

16 (c) If the President Pro Tempore of the Senate substantiates that the  
17 President's total household income for any month during the legislative session  
18 is less than the President's median monthly income prior to serving in the  
19 General Assembly, then the President is entitled to receive a supplemental  
20 payment from the General Assembly in the following month if the shortfall is  
21 attributable to the President's service in the General Assembly. The amount of

1 the supplemental payment under this section shall be the difference between  
2 the President's actual total household income for the applicable month and the  
3 President's median monthly income prior to serving in the General Assembly.

4 Sec. 2. 32 V.S.A. § 1052 is amended to read:

5 § 1052. MEMBERS OF THE GENERAL ASSEMBLY; COMPENSATION  
6 AND EXPENSE REIMBURSEMENT

7 (a)(1) Each member of the General Assembly, other than the Speaker of the  
8 House and the President Pro Tempore of the Senate, is entitled to a weekly  
9 salary of \$589.00 for the 2005 Biennial Session and thereafter, provided that,  
10 beginning on January 1, 2007, the weekly compensation shall be adjusted  
11 annually thereafter by the cost of living adjustment negotiated for State  
12 employees under the most recent collective bargaining agreement, except that,  
13 beginning on July 1, 2021, and annually thereafter on January 1, the weekly  
14 compensation shall be adjusted consistent with the compensation increases  
15 provided to other constitutional officers. The salary of members shall be paid  
16 in biweekly installments.

17 \* \* \*

18 (3) If a member substantiates that the member's total household income  
19 for any month during the legislative session is less than the member's median  
20 monthly income prior to serving in the General Assembly, then the member is  
21 entitled to receive a supplemental payment from the General Assembly in the

1     following month if the shortfall is attributable to the member's service in the  
2     General Assembly. The amount of the supplemental payment under this  
3     section shall be the difference between the member's actual total household  
4     income for the applicable month and the member's median monthly income  
5     prior to serving in the General Assembly.

6                                                             \* \* \*

7     Sec. 3. 3 V.S.A. § 631 is amended to read:

8     § 631. GROUP INSURANCE FOR STATE EMPLOYEES; SALARY  
9             DEDUCTIONS FOR INSURANCE, SAVINGS PLANS, AND  
10            CREDIT UNIONS

11       (a)(1) The Secretary of Administration may contract on behalf of the State  
12       with any insurance company or nonprofit association doing business in this  
13       State to secure the benefits of franchise or group insurance. The terms of  
14       coverage under the policy shall be determined under section 904 of this title,  
15       but it may include:

16            (A) life, disability, health, and accident insurance and benefits for  
17       any class or classes of State employees; and

18            (B) hospital, surgical, and medical benefits for any class or classes of  
19       State employees or for those employees and any class or classes of their  
20       dependents.

\* \* \*

1                    (iv) For purposes of group hospital-surgical-medical expense  
2                    insurance, the term “employees” includes members of the General Assembly.

3                    (B)(i) The premiums for extending insurance coverage to employees  
4                    shall be paid in full by the Vermont Historical Society, ~~the Vermont Film~~  
5                    ~~Corporation~~, the Vermont State Employees’ Association, the Vermont State  
6                    Employees’ Credit Union, the Vermont Council on the Arts, or their respective  
7                    retirees. Nothing herein creates a legal obligation on the part of the State of  
8                    Vermont to pay any portion of the premiums required to extend insurance  
9                    coverage to this group of employees.

10                   (ii) Members of the General Assembly shall be required to pay the  
11                   same portion of the premium for group hospital-surgical-medical expense  
12                   insurance as is required of employees of the Executive Branch.

13                   \* \* \*

14                   Sec. 4. 3 V.S.A. § 500 is amended to read:

15                   § 500. DEFINED CONTRIBUTION RETIREMENT PLAN

16                   (a) The State Treasurer shall offer a retirement plan for State employees  
17                   who are not members of the classified system and for members of the General  
18                   Assembly. The Plan shall qualify as a defined contribution plan under the U.S.  
19                   Internal Revenue Code, as amended. Participation in such plan shall be in lieu  
20                   of the retirement plans established under chapter 16 of this title.

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

6       (2) Members of the General Assembly who are elected or appointed to  
7       serve in the General Assembly for the 2027–2028 biennium and after shall be  
8       eligible to participate in the Defined Contribution Retirement Plan.

9       (c) Employees and members of the General Assembly who elect to  
10      participate in the Defined Contribution Retirement Plan shall contribute at the  
11      rate of 2.85 percent of the employee's or member's compensation for each  
12      payroll period. The State shall contribute to each employee's or member's  
13      account at the rate of seven percent of the employee's or member's  
14      compensation for each payroll period. Employees and members may make  
15      additional after-tax contributions to the plan, provided that total annual  
16      contributions by an employee ~~and employer~~ or member and by the State in any  
17      calendar year shall not exceed the maximum permitted for such plans under the  
18      U.S. Internal Revenue Code.

19      (d) Election to participate in the Defined Contribution Retirement Plan is  
20      irrevocable, unless one of the following applies:

1           (1) ~~the~~ The employee or member becomes a classified employee and  
2           elects to transfer ~~his or her~~ the employee's or member's membership and the  
3           full actuarial value of the accrued benefit calculated on a cost neutral basis to  
4           the Vermont State Retirement System;~~or,~~

5           (2) ~~the~~ The employee or member is appointed to a position that is  
6           eligible for membership in the Group D plan. Within 60 days ~~of~~ after  
7           appointment, the employee or member may choose to participate in the Group  
8           D plan and cease participation in the ~~defined contribution plan~~ Defined  
9           Contribution Retirement Plan. Upon an election to participate in the Group D  
10          plan, the State Treasurer shall apply the funds accumulated in the employee's  
11          or member's defined contribution account toward purchasing retirement credit  
12          in the Group D plan by first applying the funds toward purchasing any Group  
13          D eligible credit earned from the date of the judicial appointment and then  
14          applying the funds toward purchasing credit in the retirement group plan or  
15          plans for which the employee or member would have formerly been eligible.

16          (e) An employee or member who elects to participate in the Defined  
17          Contribution Retirement Plan shall become vested in the Plan after completion  
18          of one year and 11 months of creditable service as a State employee or service  
19          as a member of the General Assembly.

20          (f) An employee or member who has elected to participate in the ~~defined~~  
21          ~~contribution plan~~ Defined Contribution Retirement Plan and, after having



1 accrued a minimum of five years of service, becomes disabled as determined  
2 by the Social Security Administration or by a State-purchased disability  
3 insurance policy while currently employed by the State or serving as a member  
4 of the General Assembly, shall be entitled to continue the same health and  
5 dental benefits that are available to members of the Vermont State Retirement  
6 System who qualify for disability retirement benefits.

7 (g) Upon retirement, employees and members who elect to participate in  
8 the Defined Contribution Retirement Plan shall be entitled to the same life,  
9 dental, and health insurance benefits available to members of the Vermont  
10 State Retirement System.

11 (h) The State Treasurer shall certify to the Governor or Governor-Elect a  
12 statement of the percentage of the payroll of all participating employees and  
13 members sufficient to fund all operating expenses of the ~~defined contribution~~  
14 ~~retirement plan~~ Defined Contribution Retirement Plan and all contributions of  
15 the State that will become due and payable during the next biennium.  
16 Contributions by the State shall be charged to the departmental appropriation  
17 from which the employees' and members' salaries are paid and shall be  
18 included in each departmental budgetary request.

19 (i) The Plan shall be administered by the State Treasurer who shall adopt  
20 rules necessary to implement and administer the provisions of this chapter.

1      Sec. 5. EFFECTIVE DATES

2            (a) This section and Sec. 4 (3 V.S.A. § 500) shall take effect on passage.

3            (b) All other sections shall take effect on January 1, 2027.