

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

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:

(2)(A)(i) As used in this section, the term “employees” includes any class or classes of elected or appointed officials, State’s Attorneys, sheriffs, employees of State’s Attorneys’ offices whose compensation is administered through the State of Vermont payroll system, except contractual and temporary employees, and deputy sheriffs paid by the State of Vermont pursuant to V.S.A. § 290(b). The term “employees” shall does not include ~~members of the General Assembly as such, any person rendering service on a retainer or fee basis, members of boards or commissions, or persons other than employees of the Vermont Historical Society, the Vermont Film Corporation, the Vermont State Employees’ Credit Union, Vermont State Employees’ Association, and the Vermont Council on the Arts, whose compensation for service is not paid from the State Treasury, or any elected or appointed official unless the except as specifically provided pursuant to this subdivision (a)(2)(A)(i). The term “employees” includes employees of the Vermont Historical Society, the Vermont State Employees’ Credit Union, the Vermont State Employees’ Association, the Vermont Council on the Arts, and any elected or appointed official who is actively engaged in and devoting substantially full-time to the conduct of the business of the official’s public office. The term “employees” also includes members of the General Assembly as set forth in subdivision (iv) of this subdivision (a)(2)(A).~~

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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
19 Internal Revenue Code, as amended. Participation in such plan shall be in li
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:

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.