

1 TO THE HOUSE OF REPRESENTATIVES:

2 Representative Copeland Hanzas of Bradford moves that the House concur
3 in the Senate proposal of amendment with further proposals of amendment by
4 amending the bill as follows:

5 First: In Sec. 1, FY 2023; restoration of service; Vermont State Teachers'
6 Retirement System, by striking out subdivision (a)(3) in its entirety and
7 inserting a new subdivision (a)(3) to read as follows:

8 (3) the employer of the beneficiary remits payment to the Vermont
9 Teachers' Retirement Fund, established in 16 V.S.A. § 1944, in an amount
10 equal to the contribution rate established for members of the beneficiary's
11 group for any period that service is resumed.

12 Second: By adding a new Sec. 2 to read as follows:

13 Sec. 2. 16 V.S.A. § 1949 is amended to read:

14 § 1949. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT
15 ALLOWANCES

16 (a) ~~For all Group A members, as of June 30 in each year, beginning~~
17 ~~June 30, 1972, the Board shall determine any increase or decrease, to the~~
18 ~~nearest one-tenth of one percent, in the ratio of the average of the Consumer~~
19 ~~Price Index for the month ending on that date to the average of the Index for~~
20 ~~the month ending on June 30, 1971, or the month ending on June 30 of the~~
21 ~~most recent year thereafter. In the event of an increase, and provided that the~~

1 net increase following the application of any offset as provided in this
2 subsection equals or exceeds one percent, the retirement allowance of each
3 beneficiary in receipt of an allowance for at least one year on the next
4 following December 31 shall be increased by an equal percentage. Such
5 increase shall begin on the January 1 immediately following that December 31.
6 An equivalent percentage increase shall also be made in the retirement
7 allowance payable to a beneficiary in receipt of an allowance under an optional
8 election, provided the member on whose account the allowance is payable and
9 such other person shall have received a total of at least 12 monthly payments
10 by such December 31. In the event of a decrease of the Consumer Price Index
11 as of June 30 for the preceding year, the retirement allowance of a beneficiary
12 shall not be subject to any adjustment on the next following January 1;
13 provided, however, that:

14 (1) such decrease shall be applied as an offset against the first
15 subsequent year's increase of the Consumer Price Index when such increase
16 equals or exceeds one percent, up to the full amount of such increase; and

17 (2) to the extent that such decrease is greater than such subsequent
18 year's increase, such decrease shall be offset in the same manner against two
19 or more years of such increases, for up to but not exceeding five subsequent
20 years of such increases, until fully offset. Postretirement adjustments to
21 retirement allowance. On January 1 of each year, the retirement allowance of

1 each beneficiary of the System who is in receipt of a retirement allowance for
2 at least a one-year period as of December 31 in the previous year, and who
3 meets the eligibility criteria set forth in this section, shall be adjusted by the
4 amount described in subsection (d) of this section. In no event shall a
5 beneficiary receive a negative adjustment to the beneficiary's retirement
6 allowance.

7 ~~(b) For Group C members, as of June 30 in each year, commencing~~
8 ~~June 30, 1981, a determination shall be made of any increase or decrease, to~~
9 ~~the nearest one-tenth of a percent of the Consumer Price Index for the~~
10 ~~preceding fiscal year. In the event of an increase, and provided that there~~
11 ~~exists a net increase following the application of any offset as provided in this~~
12 ~~subsection, the retirement allowance of each beneficiary in receipt of an~~
13 ~~allowance for at least one year on the next following December 31 shall be~~
14 ~~increased by an amount equal to one-half of the net percentage increase. The~~
15 ~~increase shall commence on the January 1 immediately following that~~
16 ~~December 31. The increase shall apply to Group C members having attained~~
17 ~~57 years of age or completed at least 25 years of creditable service as of~~
18 ~~June 30, 2010, and receiving an early retirement allowance only in the year~~
19 ~~following attainment of age 62, and shall apply to Group C members not~~
20 ~~having attained 57 years of age or having completed at least 25 years of~~
21 ~~creditable service as of June 30, 2010, and receiving an early retirement~~

1 allowance only in the year following the member's attainment of 65 years of
2 age, provided the member has received benefits for at least 12 months as of
3 December 31 of the year preceding any January adjustment. In the event of a
4 decrease of the Consumer Price Index as of June 30 for the preceding year, the
5 retirement allowance of a beneficiary shall not be subject to any adjustment on
6 the next following January 1; provided, however, that:

7 (1) such decrease shall be applied as an offset against the first
8 subsequent year's increase of the Consumer Price Index, up to the full amount
9 of such increase; and

10 (2) to the extent that such decrease is greater than such subsequent
11 year's increase, such decrease shall be offset in the same manner against two
12 or more years of such increases, for up to but not exceeding five subsequent
13 years of such increases, until fully offset. Calculation of net percentage
14 increase. Each year, a determination shall be made of any increase or
15 decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for
16 the month ending on June 30 of that year to the average of the Consumer Price
17 Index for the month ending on June 30 of the previous year.

18 (1) Consumer Price Index; maximum and minimum amounts. Any
19 increase or decrease in the Consumer Price Index shall be subject to
20 adjustment so as to remain within the following maximum and minimum
21 amounts:

1 (A) For Group A members and Group C members who are eligible
2 for normal retirement or unreduced early retirement, or who are vested
3 deferred, on or before June 30, 2022, the maximum amount of any increase or
4 decrease utilized to determine the net percentage increase shall be five percent.

5 (B) For Group C members who are eligible for retirement and leave
6 active service on or after July 1, 2022, the maximum amount of any increase or
7 decrease utilized to determine the net percentage increase shall be four percent.

8 (2) Consumer Price Index; decreases. In the event of a decrease of the
9 Consumer Price Index as of June 30 for the preceding year, there shall be no
10 adjustment to the retirement allowance of a beneficiary for the subsequent year
11 beginning on January 1; provided, however, that:

12 (A) such decrease shall be applied as an offset against the first
13 subsequent year's increase of the Consumer Price Index up to the full amount
14 of such increase; and

15 (B) to the extent that such decrease is greater than such subsequent
16 year's increase, such decrease shall be offset in the same manner against two
17 or more years of such increases, for up to but not exceeding five subsequent
18 years of such increases, until fully offset.

19 (3) Consumer Price Index; increases. Subject to the maximum and
20 minimum amounts set forth in subdivision (1) of this subsection, in the event
21 of an increase in the Consumer Price Index, and provided there remains an

1 increase following the application of any offset as in subdivision (2) of this
2 subsection, that amount shall be identified as the net percentage increase and
3 used to determine the members' postretirement adjustment as set forth in
4 subsection (d) of this section.

5 ~~(c) For purposes of subsection (a) of this section, the maximum amount of~~
6 ~~any increase or decrease utilized to determine the net percentage increase shall~~
7 ~~be five percent. For purposes of subsection (b) of this section, the maximum~~
8 ~~amount of any increase or decrease utilized to determine the net percentage~~
9 ~~increase shall be five percent, and any increase or decrease less than one~~
10 ~~percent shall be assigned a value of one percent. Eligibility for postretirement~~
11 ~~adjustment. In order for a beneficiary to receive a postretirement adjustment~~
12 ~~allowance, the beneficiary must meet the following eligibility requirements:~~

13 (1) for any Group A or Group C member eligible for retirement, or who
14 is vested deferred, on or before June 30, 2022, the member must be in receipt
15 of a retirement allowance for at least 12 months prior to the January 1 effective
16 date of any postretirement adjustment; and

17 (2) for any Group C member who is eligible for retirement and leaves
18 active service on or after July 1, 2022, the member must be in receipt of a
19 retirement allowance for at least 24 months prior to the January 1 effective date
20 of any postretirement adjustment.

1 (d) Amount of postretirement adjustment. The postretirement adjustment
2 for each member who meets the eligibility criteria set forth in subsection (c)
3 shall be as follows:

4 (1) the full amount of the net percentage increase calculated pursuant to
5 subsection (b) of this section for all Group A members; and

6 (2) one-half of the net percentage increase for all Group C members.

7 (e) As used in this section, “Consumer Price Index” shall mean the
8 Northeast Region Consumer Price Index for all urban consumers, designated as
9 “CPI-U,” in the northeast region, as published by the U.S. Department of
10 Labor, Bureau of Labor Statistics.

11 and by renumbering the remaining section to be numerically correct.

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17 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE