

**VT SAVES DIVISION**  
TEL: (802) 828-3520

**RETIREMENT DIVISION**  
TEL: (802) 828-2305



**UNCLAIMED PROPERTY**  
TEL: (802) 828-2407

**OPERATIONS DIVISION**  
TEL: (802) 828-2884

STATE OF VERMONT OFFICE  
OF THE STATE TREASURER

MICHAEL S. PIECIAK  
STATE TREASURER

November 1, 2024

The Honorable Philip B. Scott  
Pavilion Office Building  
109 State Street  
Montpelier, VT 05609

Dear Governor Scott:

I write on behalf of the Vermont State Employees' Retirement System (VSERS) Board of Trustees to recommend the FY26 actuarially determined employer contribution (ADEC) necessary to achieve and preserve the financial integrity of the VSERS Retirement Fund.

The total VSERS contribution necessary in FY26 is: **\$151,481,622**. That amount includes the following:

\$33,060,799	- employer normal cost (3.74% decrease under FY25)
\$103,420,823	- unfunded liability amortization payment (6.62% increase over FY25)
\$15,000,000	- additional employer contribution under Act 114 (25% increase over FY25)
-----	
<b>\$151,481,622</b>	- total FY26 VSERS contribution (5.67% increase over FY25)

**Summary of VSERS Board Action**

On October 30, 2024, the VSERS Board met to review the annual actuarial valuation for the System. At the meeting, the System's actuaries, Segal Consulting, presented the FY24 System experience, as well as the FY26 ADEC of \$136,481,622.

In addition, the VSERS Board reviewed the schedule of additional payments established by the General Assembly in Act 114 of 2022, which the State has committed to make until the System reaches a 90 percent funded ratio. VSERS funded ratio for FY24 on an actuarial value of assets basis is 71.32%, an improvement of 1.01% over a year ago.

At the conclusion of this meeting, the VSERS Board voted unanimously to do the following:

- Accept the 2024 VSERS Actuarial Report as presented by Segal Consulting.
- Certify the FY26 actuarially determined employer contribution (ADEC) of \$136,481,622, and the additional required FY26 payment of \$15,000,000.
- Recommend to the Governor and General Assembly that the ADEC of \$136,481,622 be fully funded and appropriated in the next fiscal year in order to achieve and preserve the financial integrity of the fund, and that the additional required FY26 payment of \$15,000,000 also be fully funded and appropriated.

A copy of the June 30, 2024, [Actuarial Valuation Report](#), which outlines the FY26 ADEC, is available on our website.

Please do not hesitate to reach out if you have any questions or would like to discuss.

All the best,

A handwritten signature in black ink, appearing to read 'M Picciak', with a horizontal line extending from the end of the signature.

Michael Picciak  
Vermont State Treasurer

cc: Senator Jane Kitchel, Chair, Senate Committee on Appropriations  
Senator Ruth Hardy, Chair, Senate Committee on Government Operations  
Representative Diane Lanpher, Chair, House Committee on Appropriations  
Representative Mike McCarthy, Chair, House Committee on Government Operations  
Roger Dumas, Chairperson, Vermont State Employees' Retirement System Board of Trustees  
Representative Jill Krowinski, Speaker of the House  
Senator Philip Baruth, Senate President Pro Tempore