

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 Teachers' Retirement System (VSTRS) Board of Trustees to recommend the FY26 actuarially determined employer contribution (ADEC) necessary to achieve and preserve the financial integrity of the VSTRS Retirement Fund.

The total VSTRS contribution necessary in FY26 is: **\$227,752,627**. That amount includes the following:

\$41,414,649	- employer normal cost (9.44% increase over FY25)
\$171,337,978	- unfunded liability amortization payment (4.90% increase over FY25)
\$15,000,000	- additional employer contribution under Act 114 (25% increase over FY25)

\$227,752,627	- total FY26 VSTRS contribution (6.83% increase over FY25)

Summary of VSTRS Board Action

On October 24, 2024, the VSTRS 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 \$212,752,627.

In addition, the VSTRS 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. VSTRS funded ratio for FY24 on an actuarial value of assets basis is 61.17%, an improvement of 1.87% over a year ago.

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

- Accept the FY24 Actuarial Valuation prepared by Segal Consulting.
- Certify the FY26 actuarially determined employer contribution (ADEC) of \$212,752,627, and the additional required FY26 payment of \$15,000,000.
- Recommend to the Governor and General Assembly that the ADEC of \$212,752,627 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". The signature is fluid and cursive, with a long horizontal line extending from the end.

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
Jon Harris, Chairperson, Vermont State Teachers' Retirement System Board of Trustees
Representative Jill Krowinski, Speaker of the House
Senator Philip Baruth, Senate President Pro Tempore