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H.443

2 Introduced by Representatives Morris of Springfield, Cordes of Lincoln, and

3 Page of Newport City

4 Referred to Committee on

5 Date:

6 Subject: Executive; retirement; Vermont State Employees Retirement System

7 Statement of purpose of bill as introduced: This bill proposes to amend the
8 membership, normal retirement allowance, and contribution rates for Group G
9 in the Vermont State Employees Retirement System. This bill also proposes to
10 allow a member of the State Employees Retirement System to earn creditable
11 service for employment in a temporary or seasonal position with the State. In
12 addition, this bill proposes to create a statutory contractual right for members
13 of the State Employees Retirement System.

14 An act relating to miscellaneous amendments to the Vermont State
15 Employees Retirement System

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

17 Sec. 1. 3 V.S.A. § 455 is amended to read:

18 § 455. DEFINITIONS

19 (a) As used in this subchapter:

20

* * *

1 (4) “Average final compensation” shall mean:

2 * * *

3 (E) For Group A, C, F, or G members who retire on or after July 1,
4 2012, an increase in compensable hours in any year used to calculate average
5 final compensation that exceeds 120 percent of average compensable hours,
6 except for compensable hours resulting from mandatory overtime, shall be
7 excluded from that year when calculating average final compensation.

8 * * *

9 (11) “Member” means any employee included in the membership of the
10 Retirement System under section 457 of this title.

11 * * *

12 (F) “Group G member” means the following employees who are first
13 employed in the positions listed in this subdivision (F) on or after July 1, 2022,
14 or who are members of the System as of June 30, 2022 and make an
15 irrevocable election to prospectively join Group G on or before June 30, 2023,
16 pursuant to the terms set by the Board: facility employees of the Department
17 of Corrections, as Department of Corrections employees who provide direct
18 security and treatment services to offenders under supervision in the
19 community, as employees of a facility for justice-involved youth, ~~or~~ as
20 Vermont State Hospital employees or as employees of its successor in interest,
21 who provide direct patient care, or as classified employees of the public safety

1 answering points, the Family Services Division of the Department for Children
2 and Families, the Vermont Veterans' Home, or the Department of State's
3 Attorneys and Sheriffs.

4 * * *

5 Sec. 2. 3 V.S.A. § 458 is amended to read:

6 § 458. CREDITABLE SERVICE; MILITARY SERVICE

7 (a) With respect to service rendered prior to the date of membership, each
8 employee who, pursuant to subsection 457(a) of this title, became a member of
9 the retirement system shall have included as prior service hereunder all service
10 credited to ~~him or her~~ the employee as creditable service under the terms of
11 one or both of the predecessor systems, provided ~~his or her~~ the employee's
12 membership continues unbroken until ~~his or her~~ the employee's retirement.

13 * * *

14 (j) Credit shall also be granted for any member who, prior to becoming a
15 member of the System, was employed in a temporary or seasonal position for
16 the State as defined in section 331 of this title.

17 Sec. 3. 3 V.S.A. § 459 is amended to read:

18 § 459. NORMAL AND EARLY RETIREMENT

19 * * *

20 (b) Normal retirement allowance.

21 * * *

1 ~~Resources based on the hourly rate of pay of all Group G members. The~~
2 ~~contribution rates shall be based on the schedule set forth below:~~

3 (i) ~~Based on the quartiles for the first full pay period of each fiscal~~
4 ~~year and effective the first full pay period in that fiscal year, for members who~~
5 ~~have an hourly rate of pay in any pay period below the 25th percentile of~~
6 ~~Group G member hourly rates of pay, the contribution rate shall be 11.23~~
7 ~~percent of compensation. Commencing the first full pay period in fiscal year~~
8 ~~2023, the contribution rate for Group G members shall be 8.93 percent of~~
9 ~~compensation.~~

10 (ii) ~~Based on the quartiles for the first full pay period of each~~
11 ~~fiscal year and effective the first full pay period in that fiscal year, for members~~
12 ~~who have an hourly rate of pay in any pay period at the 25th percentile and~~
13 ~~below the 50th percentile of Group G member hourly rates of pay, the~~
14 ~~contribution rate shall be as follows:~~

15 ~~(I) commencing in fiscal year 2024, 12.23 percent of~~
16 ~~compensation; and~~

17 ~~(II) commencing in fiscal year 2025 and annually thereafter,~~
18 ~~12.73 percent of compensation. Commencing the first full pay period in fiscal~~
19 ~~year 2024, the contribution rate for Group G members shall be 9.43 percent of~~
20 ~~compensation.~~

1 (iii) ~~Based on the quartiles for the first full pay period of each~~
2 ~~fiscal year and effective the first full pay period in that fiscal year, for members~~
3 ~~who have an hourly rate of pay in any pay period at the 50th percentile and~~
4 ~~below the 75th percentile of Group G member hourly rates of pay, the~~
5 ~~contribution rate shall be as follows:~~

6 ~~(I) commencing in fiscal year 2024, 12.23 percent of~~
7 ~~compensation;~~

8 ~~(II) commencing in fiscal year 2025, 12.73 percent of~~
9 ~~compensation; and~~

10 ~~(III) commencing in fiscal year 2026 and annually thereafter,~~
11 ~~13.23 percent of compensation~~ Commencing the first full pay period in fiscal
12 year 2025 and annually thereafter, the contribution rate for Group G members
13 shall be 9.93 percent of compensation.

14 (iv) ~~Based on the quartiles for the first full pay period of each~~
15 ~~fiscal year and effective the first full pay period in that fiscal year, for members~~
16 ~~who have an hourly rate of pay in any pay period at or above the 75th~~
17 ~~percentile of Group G member hourly rates of pay, the contribution rate shall~~
18 ~~be as follows:~~

19 ~~(I) commencing in fiscal year 2024, 12.23 percent of~~
20 ~~compensation;~~

