



LEGISLATIVE UPDATE

Pension Commitments Fully Funded

A number of issues came before the General Assembly during the 2017 legislative session. A veto session to address disagreements over the annual budget bill was held on June, 21. The Treasurer's Office worked to ensure that the final budget bill (H.542) fully funded the actuarially required contribution (ARC) to the State Employees' Retirement System. At its October 2016 meeting, the Vermont State Employees' Retirement System Board of Trustees recommended an appropriation in the amount of \$52,065,397. This amount was passed into law in the final budget bill adopted on June 21.

Program Created to Encourage Saving

A new retirement option passed into law during the legislative session will allow Vermonters employed by eligible private employers to access financial products to save money for retirement. The Green Mountain Secure Retirement Plan was incorporated into this year's Economic Development Bill (S.135) following recommendations made by the Treasurer's Office and the Public Retirement Study Committee.

"Every Vermonter deserves an opportunity for a lifetime of financial wellbeing," explained State Treasurer Beth Pearce. "The passage of this bill will allow the State to make substantive steps towards implementing a voluntary retirement program for Vermonters who currently lack access to employer-sponsored retirement plans. This program will broaden the opportunity for more

Vermonters to be better prepared for retirement and strengthen the economic vitality of our State."

According to a 2015 analysis conducted by AARP, approximately 104,000 Vermonters that work in the private sector cannot access a retirement option in the workplace. Recognizing this as an area for improvement, in 2014 the Treasurer's Office advocated for the creation of a study committee to research the feasibility of developing a widely available savings option for private sector workers. Treasurer Pearce chaired the resulting Public Retirement Study Committee. The group issued its final recommendations in January 2017, calling for the creation of a voluntary savings system based on the guiding principles of simplicity, affordability, ease of access, and maximizing employee savings.

S.135 authorizes the development of a new Green Mountain Secure Retirement Plan to be launched by January 15, 2019. At or before that time, Vermont businesses of 50 or fewer employees who do not currently offer a retirement plan to their employees will be able to voluntarily offer their employees access to investment and savings options within the Green Mountain Secure Retirement system. The plan will be overseen by a newly created board, chaired by the Treasurer. The Green Mountain Secure Retirement Plan was supported by the Scott Administration, legislative leaders, and a number of stakeholder groups who participated in the Public Retirement Study Committee process.

"I want to thank the Governor and the broad group of legislators in the House and Senate, and stakeholder groups, who worked together to create this bill," said Treasurer Pearce upon S.135's passage. "The Green Mountain Secure Retirement Plan is a culmination of three years of study with the Public Retirement Study Committee. I look forward to working with businesses, advocacy groups, and other stakeholders to implement a program that works for all Vermonters."

ABLE Savings Program Launched

New Savings Initiative for Private Workers

In 2014, Congress passed the Achieving a Better Life Experience (ABLE) Act. ABLE allows states to set up savings accounts for individuals who have experienced onset of disability prior to age 26. Vermont acted swiftly to pass enabling legislation to create a VermontABLE Savings Program. Prior to ABLE, Vermonters with disabilities who received any type of means-tested benefits, such as SSI or Medicaid, could not have more than \$2,000 in savings. These so-called “asset limits” forced many individuals to live in poverty, preventing them from working, saving money, owning homes, and planning for their futures. The Treasurer’s Office launched VermontABLE in February. Now eligible Vermonters can access the largest ABLE savings program in the country, at reduced annual fees. If you or a relative would like to learn more, please visit www.vermontable.com or call 1-800-439-1653.

REMINDER:

RETIRING TIMES IS NOW ONLINE

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Director's Corner

By Laurie Lanphear, Director of Retirement Operations

Remember to Update your Information as Life Changes Take Place

My message in this newsletter is not new, but certainly bears repeating, especially as our lives get busier and more complex. Set aside some quality time to review your assets to ensure everything is in order and all of your personal information is up-to-date, not only on your retirement account(s), but in all areas of your working, home and family life.

Here are some suggested areas where you may wish to begin:

- A Will outlining how you wish your estate to be distributed upon your death, which should include a named executor or administrator. Keep in mind in the absence of a Will, Vermont has laws that divide assets held in the name of the deceased only between a spouse and children. Do not automatically assume everything will go to a spouse, as that is not necessarily the case.
- All beneficiary designations on retirement accounts, life insurance policies, bank accounts, investment accounts, and any other financial holding that allows you to name a person or persons to inherit or receive money upon your death. Accounts with beneficiary designations do not become part of your estate, but rather are paid directly to the named individual(s).
- A Living Will that clearly states your wishes regarding medical care if and when you can no longer make the decision for yourself. Everyone should have this completed document filed with the appropriate medical care providers, regardless of age, as one never knows how the future will unfold.
- Current mailing address, phone number(s), e-mail address, etc. on everything. Otherwise, you may never know what you are missing!

The above list is intended to be a starting point only. I hope everyone will think about their unique situation and take steps, if needed, to make sure assets are protected and final wishes are clearly and legally documented.