



Legislative Session Update

The 2018 legislative session was notable for the special session that was held after lawmakers' initial adjournment. The House and Senate first approved a budget during regular session. The Governor vetoed the bill and called legislators back to resolve disagreements about how to use unanticipated revenues. Negotiations continued into June.

Throughout the debate, the Treasurer's Office urged a solution that would not disrupt government services and encouraged negotiators to work together to resolve any outstanding issues quickly through dialogue and collaboration. The final budget became law on July 1, 2018.

Act 165 was this year's miscellaneous retirement bill. The law contains several updates to the retirement plans administered by the Treasurer's Office. Notable to VMERS members, the law increases contribution rates for all group plans incrementally each year for the next four years. Employer and employee representatives worked collaboratively to negotiate these contribution amounts, which were developed to put VMERS on the strongest possible financial footing. Both employers and employees will contribute more on a schedule, which is described in the table located on page 2.

In addition to technical changes, the law tightens up language addressing non-vested members who have been out of active service for a period exceeding three years. In compliance with federal law, the new language stipulates that if a member terminates prior to normal retirement age with less than five years of service, the member must consent to

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Supplemental Retirement Options and the Transition to Prudential

As featured in the Winter 2018 edition of Retiring Times, the Treasurer's Office worked with the three Retirement Boards to transition the State of Vermont supplemental retirement plans to Prudential Retirement. The Municipal Defined Contribution Plan and the following supplemental plans were part of this transition:

- 457 Deferred Compensation Plan
- Municipal Retiree Health Savings Plan

The transition took place on February 1, 2018. The Treasurer's Office and Prudential have worked together to provide information to VMERS members about the new advantages for plan participants, including information about retirement planning tools and resources available through Prudential. For your convenience, a dedicated retirement team of four Prudential counselors is available to assist you, with one counselor located at the Treasurer's Office to provide you personalized assistance.

You can access your retirement account at vermont.retirepru.com. Through this website, you can review your retirement program information, research your investment options, designate your beneficiary (ies), and access your account. You must create and register an account online to utilize these tools. Because your beneficiary information may not have transferred to Prudential, members are reminded to be sure to declare a beneficiary(ies) for your account.

If you would like more information, you may call 877-RET-VERM (877-738-8376) to speak with a Prudential participant service representative Monday through Friday, 8 a.m. to 9 p.m. EST. You may also schedule a one-on-one appointment or speak with one of the plan's dedicated retirement counselors by visiting vermont.retirepru.com and clicking "Personal Assistance." Finally, if you have any questions or feedback that you'd like to share with the Treasurer's Office team, please email treasurers.office@vermont.gov.

As a reminder, the Prudential transition impacts supplemental retirement options. Defined benefit (pension) plans are not impacted by this change.

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the withdrawal of his or her assets (contributions plus accumulated interest) if greater than \$1,000. If the assets are less than \$1,000, they may be paid out automatically to the member.

VMERS Retirement Contributions

Both employees and employers make contributions to fund retirement benefits. The amount paid by employees is set by the General Assembly and Governor. The amount paid by employers is set by the VMERS Board of Trustees. This year, rates were set for the next four fiscal years, as described below:

VMERS EMPLOYEE CONTRIBUTION RATES

DATE OF RATE CHANGE	GROUP A	GROUP B	GROUP C	GROUP D
RATES AS OF July 1, 2017	2.500 %	4.875 %	10.000 %	11.350 %
RATES EFFECTIVE July 1, 2018	2.625 %	5.000 %	10.125 %	11.475 %
RATES EFFECTIVE July 1, 2019	2.750 %	5.125 %	10.250 %	11.600 %
RATES EFFECTIVE July 1, 2020	3.000 %	5.375 %	10.500 %	11.850 %
RATES EFFECTIVE July 1, 2021	3.250 %	5.625 %	10.750 %	12.100 %

VMERS EMPLOYER CONTRIBUTION RATES

DATE OF RATE CHANGE	GROUP A	GROUP B	GROUP C	GROUP D
RATES AS OF July 1, 2017	4.000 %	5.500 %	7.250 %	9.850 %
RATES EFFECTIVE July 1, 2018	4.125 %	5.625 %	7.375 %	9.975 %
RATES EFFECTIVE July 1, 2019	4.250 %	5.750 %	7.500 %	10.100 %
RATES EFFECTIVE July 1, 2020	4.500 %	6.000 %	7.750 %	10.350 %
RATES EFFECTIVE July 1, 2021	4.750 %	6.250 %	8.000 %	10.600 %