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**RETIREMENT SECURITY**  
**Helping Vermonters Save is Good Public Policy**  
 by Beth Pearce, Vermont State Treasurer

**Last year, the total number** of retired, vested, and active members of Vermont's three retirement systems exceeded 50,000; a first for the State of Vermont. I view this milestone as an important opportunity to educate others about the importance of retirement security. We need to work together so more Vermonters can save to enjoy a lifetime of financial and economic wellbeing.

A study by AARP found that 104,000 Vermonters lack access to an employer-sponsored retirement option. That's approximately one-sixth of Vermont's population. The same study found that more than 79,000 of these Vermont employees annually earn \$40,000 or less. Research suggests that employees are more likely to save if they have access to an easily accessible plan. It is imperative that we work together to develop systems that encourage all Vermonters to save for retirement.



**We need to work together so more Vermonters can save.**

One initiative that the Treasurer's Office has worked on involves creating a retirement option for use by the general public. I chair a study committee that is exploring whether the State of Vermont can develop a program to help Vermonters save. A number of stakeholders, representing many views, have taken part in the committee's deliberations. While the particulars of a public retirement option haven't been finalized, committee members generally agree that enhancing saving opportunities for Vermonters who lack access to an employer-sponsored retirement option is good public policy.

When Vermonters have adequate and reliable income in retirement, they buy goods and services, which stimulates the economy. As State Treasurer, one of my top priorities is helping Vermonters access the tools to enjoy a lifetime of financial and economic wellbeing. I am committed to working in partnership with employees, employers, and lawmakers to make sure we are doing everything we can to improve Vermonters' ability to save for retirement. By focusing on solutions and bringing together different stakeholders, I am confident we can make progress to help Vermonters achieve financial security.

**Retiring Times is Going Electronic**  
**Members can Request Mailed Copies if Desired**

**Retiring Times is going electronic** starting with the winter 2017 edition. Beginning in January, VSTRS members can obtain the newsletter by visiting a new website, [retiringtimes.vermont.gov](http://retiringtimes.vermont.gov). All of the content you expect from Retiring Times will still be available in a convenient, easily updateable electronic format. The change will improve how the Treasurer's Office communicates with VSTRS members. It will also reduce paper waste and reduce annual costs to the retirement systems.

A limited quantity of paper copies will be printed for system members who prefer a paper copy. If you would like a paper copy starting with the Winter 2017 edition, you may make a request one of three ways: Please complete the form on page 3 and return it to the address provided, contact the Retirement staff at 802-828-2305, or send an email to [treasurers.office@vermont.gov](mailto:treasurers.office@vermont.gov)

**The Winter 2017 edition of Retiring Times will mark a transition to a new, electronic format!**

The decision to migrate Retiring Times to an electronic format was discussed by the VSTRS Board of Trustees at their August 9, 2016 Board meeting. Prior to the meeting, Treasury staff conducted an extensive review of the publication. State Treasurer Beth Pearce issued a recommendation to the Board for discussion. The Board reviewed historic information about the publication, including the following facts:

- Retiring Times was launched in 2000 to communicate with active and retired members of Vermont's three retirement systems.
- Over 50,000 active, inactive, terminated and retired members of the system receive the newsletter, many more than when the newsletter was first published.
- In 2015, the annual cost to transmit two paper seasonal editions was approximately \$39,000.00.
- Mailing the publication generates 304,746 pages of paper annually.
- Many factors make it difficult to assess how many individuals receive and read the mailed newsletter.

In lieu of the above considerations, and others, State Treasurer Beth Pearce issued a recommendation to transition Retiring Times to an electronic format, effective 2017.

"I believe this proposal marks an important step in the right direction," said Treasurer Pearce. "We can achieve significant cost savings and the elimination of paper waste, while freeing up office and staff resources."

(Continued pg. 2)

# Retiring Times Goes Electronic

(Retiring Times Continued pg. 1)

VSTRS Board Members unanimously approved the plan and requested that the Treasurer's Office develop a system to furnish paper copies on a requested basis.

Accordingly, this edition of Retiring Times will be the last paper edition distributed to all 50,000 system members. A dedicated Retiring Times website ([retiringtimes.vermont.gov](http://retiringtimes.vermont.gov)) will carry future editions. Updates will be made in Winter and Summer.

As Retiring Times transitions to an online format, keep in mind you still have the option to request a paper copy by submitting the completed form on page 3 or by contacting the Retirement Division at 802-828-2305.

We urge you to try the electronic format and share your feedback with Treasury staff. Our aim is to constantly improve how we provide information to system members. You may also contact the office by emailing [Treasurers.Office@vermont.gov](mailto:Treasurers.Office@vermont.gov).

## 2016 Legislative Update

### No Major Changes this Year

The 2016 legislative session resulted in the enactment of several pieces of legislation impacting members and retirees of all three public retirement systems in Vermont.

Act 114 (formerly H.863) does not contain legislation that directly impacts active teachers. It does, however, include new language to clarify the permissible uses for contributions to the Benefits Fund, which is used to pay the System's share of medical premiums for current and future retired members. Section 6 of the Act states the following: "Contributions to the Benefits Fund shall be irrevocable and it shall be impossible at any time prior to the satisfaction of all liabilities, with respect to employees and their beneficiaries, for any part of the corpus or income of the Benefits Fund to be used for, or diverted to, purposes other than the payment of retiree postemployment benefits to members and their beneficiaries and reasonable expenses of administering the Benefits Fund and related benefit plans".

**A collaborative effort to to protect retirees from negative cost-of-living adjustments became law in 2016.**

In addition, the Treasurer's Office worked in collaboration with several retiree groups to enact legislation that ensures retirees will not be subject to negative cost-of-living adjustments (COLAs) in the future. Legislation included in Act 114 prohibits retirees from receiving a negative adjustment in their retirement benefits during a year when the June 30th Consumer Price Index (CPI) does not reflect a positive change. Instead, the negative COLA will be taken from a future year or years when the COLA is again positive, thereby protecting retirees' critical income stream while maintaining the financial integrity of the retirement system.

# NOTICE: COLA INCREASES EFFECTIVE JAN 1:

Group A	1.00%
Group B	1.00%
Group C	1.00%

## Office Update

In addition to reworking how you receive news through Retiring Times, the Treasurer's Office is re-vamping its official website to provide a better user experience.



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### Retirement Board of Trustees

- Jon Harris, Chair, Active Teachers
- Joe Mackey, Vice Chair, Retired Teachers' Association
- Justin Norris, Active Teachers
- Beth Pearce, State Treasurer
- Dan Raddock, Department of Financial Regulation
- Debora Price, Department of Education

Retirement Operations Director: Laurie Lanphear  
Newsletter Editor: Dylan Giambatista

109 State Street, 4th Floor, Montpelier, Vermont 05609-6901 (802) 828-2305 or (800) 642-3191 (in-state) *Retiring Times* is published twice yearly by the Vermont State Teachers' Retirement System.

## Director's Corner

by Laurie Lanphear, Director of Retirement Operations



The following content first appeared in the 2007 December issue of the Retiring Times. Despite the importance of the message it contains, every year our office processes a number of active member deaths without a designated beneficiary on file. The result is the potential loss of an extremely valuable benefit that could provide continued security to a loved one after your death. I encourage you to read the following updated message carefully and take action if needed.

If you are an active member, it is very important to have a current and appropriate beneficiary designated on your retirement account. The reason for this is two-fold:

1. The retirement office is holding money on your behalf. Contributions withheld from your paycheck go into your retirement account, which earns interest at the rate of 4.8% annually. If you should die, this money will be paid to your primary beneficiary(ies). Absent a beneficiary, the money will be paid to your estate, which must be probated before it will get to your loved ones.
2. In lieu of a return of your contribution balance, a survivorship benefit is available for your designated primary dependent beneficiary if you have a minimum of 10 years of service, or if you have 5 years of service and are at least age 55. This is an extremely valuable benefit that could provide an income stream to your spouse or civil union partner in the event of your death while still actively employed.

I strongly recommend that you take the time to ensure your designated beneficiary is up-to-date. Please contact our office at 1-800-642-3191 or 828-2305 if you are unsure who you have as your designated beneficiary, or would like a form to update your beneficiary. Beneficiary forms may also be downloaded from the Retirement website at: [www.vermonttreasurer.gov/retirement/forms](http://www.vermonttreasurer.gov/retirement/forms)

## Sign up to receive paper copies of Retiring Times

Fill out the form below to request a mailed copy going forward!

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY/TOWN: \_\_\_\_\_

ZIP: \_\_\_\_\_

EMAIL: \_\_\_\_\_

Please fill out this form and mail it to:

ATTN: Retiring Times  
109 State Street, 4th Floor  
Montpelier, VT 05609

You can also email or call to request a mailed copy:

Email your request, including the above information, to [treasurers.office@vermont.gov](mailto:treasurers.office@vermont.gov) or Call 802-828-2305 to request delivery by phone