

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Meeting of the Board of Trustees – Conference Call Only
October 16, 2020 – 3:30 p.m.

Please note all members participated via telephone, video, or teleconference:

Members present:

JON HARRIS, Chairperson, VRTA representative, term expiring July 1, 2024
JUSTIN NORRIS, Vice-Chair, Active Member Representative, term expiring July 1, 2021
ERIN CARTER, Active Member Representative, term expiring July 1, 2023
EMILY SIMMONS, representing Secretary of Agency of Education
DANIEL RADDOCK, Financial Regulation Representative
MICHAEL CLASEN, Deputy State Treasurer representing Treasurer Beth Pearce

Members absent:

BETH PEARCE, VT State Treasurer
LINDA DELIDUKA, VRTA Alternate Representative, term expiring July 1, 2024
Vacant, Active Member Alternate Representative, term expiring July 1, 2021

Also attending:

Tim Duggan, Assistant Attorney General
Erika Wolffing, Director Retirement Operations
Lesley Campbell, Retirement Administrative Coordinator
Steve May, Hickok and Boardman
Barry Blixt, Hickok and Boardman
Maribeth Spellman, Hickok and Boardman

The Chair, Jon Harris, called the Friday, October 16, 2020 Board meeting to order at 3:32 p.m., which was held by conference call only.

ITEM 1: **Agenda approval and announcements**

On a motion made by Mr. Simmons, seconded by Mr. Clasen, the Board voted unanimously to approve the agenda.

There were no announcements.

ITEM 2: **Approve the Minutes of:**

- October 8, 2020

On a motion made by Mr. Clasen, seconded by Mr. Norris, the Board voted unanimously to approve the minutes of the October 8, 2020 as presented.

ITEM 3: **VEHI FY22 Rate Filing Discussion**

Mr. Blixt presented the modeling tool used in prior years to show the impact of the net rate increase split between the over and under 65 populations. For FY22, VEHI is submitting an overall rate increase of 8.2% to the Department of Financial Regulation. Mr. Blixt explained the allocation of the rate increases over the past years as an attempt to reduce the cross subsidization between the over 65 and under 65 populations. If the overall increase is split between the groups with the under 65 population receiving a 12% increase, the over 65 population would receive a 7.35% increase. Mr. May explained that 1% increase in the over 65 population approximately equates to a 4% increase in the under 65 population and used the tool to model various scenarios for the Board.

The Board further discussed various allocations of the overall increase and the potential impact of the upcoming RFP process on the FY22 rates. The Board considered the impact of these increases on each group.

On a motion made by Mr. Clasen, seconded by Mr. Norris, the Board voted unanimously to recommend to VEHI to allocate the proposed increase in health insurance rates for FY22 – currently anticipated to be approximately an overall 8.2% increase – in a way that provides a 17% increase in the under 65 rates. The motion recognized that the anticipated impact on the over-65 retirees will be an approximately 6.62% increase, and also recognizes that this amount might change lightly in advance of VEHI's filing as the proposal continues to be developed and reviewed.

ITEM 4: Other Business
None.

ITEM 5: Adjournment

On a motion made by Mr. Clasen, seconded by Mr. Norris, the Board voted unanimously to adjourn at 4:05 p.m.

Next Meeting Date:

The next VSTRS Board meeting is on October 28, 2020 at 2:00 p.m.

Respectfully submitted,



Erika Wolff
Director of Retirement Operations