



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.

While the budget debate was drawn out, the final law fully funded pensions at the level recommended by the State's actuary. The budget authorized an additional FY18 appropriation of \$15 million to the Vermont State Teachers' Retirement System (VSTRS), and an appropriation of \$10 million in FY19. The law also requires that any FY18 surplus be applied to teachers' pensions, which is expected to result in \$11.2 million of funding. All told, this is just over \$36 million of additional funding for the pension plan. These appropriations follow the Treasurer's recommendations to use unanticipated revenues to fully fund long-term obligations. The Treasurer's Office appreciates the Governor's and General Assembly's shared commitment to meet, or exceed, the actuary's funding recommendations.

Act 165 was this year's miscellaneous retirement bill. The law contains several updates to the retirement plans administered by the Treasurer's Office.

(continued pg. 2)

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 Single Deposit Investment Account Plan and the following supplemental plans were part of the transition:

- 457 Deferred Compensation Plan
- Teachers 403(b) Plan

The transition took place on February 1, 2018. The Treasurer's Office and Prudential have worked together to provide information to VSTRS 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.

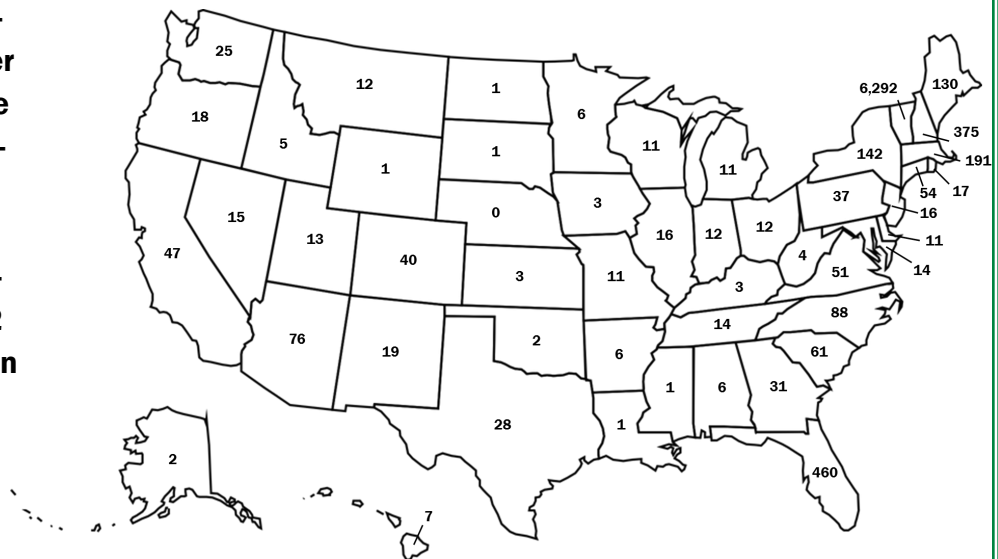
Legislative Update (continued pg. 1)

In addition to technical changes, the law:

- Adds clear guidelines for a course of action if the Medical Review Board certifies a disability retirement applicant has a residual functional capacity, and also includes language requiring a recipient of disability retirement who has not reached his or her normal retirement date to file an annual earnings statement with the Treasurer. The new filing requirement states the earnings limitations, and includes adjustments if annual earnings exceed the allowable maximum.
- Adds new language in compliance with federal law that stipulates if a member terminates prior to normal retirement age with less than 5 years of service, and is out of active teaching service for more than 7 years, the member must consent to 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.
- Moves the health insurance and medical benefit provisions from Section 1944 - Vermont Teachers' Retirement Fund, to a newly created Section 1944e entitled Retired Teachers Health and Medical Benefits. This does not change any benefits.

Where Do VSTRS Retirees Live?

Hundreds of VSTRS members retire each year. While the perception is that many retirees leave Vermont for warmer climates, the majority choose to remain in the Green Mountain State. This map of the United States displays the number of VSTRS retirees living in each state. With 6,292 retirees in Vermont, the Green Mountains are where a large majority reside. The second most popular place of residence is Florida (460), followed by New Hampshire (375), and New York (142).



More than 75 percent* of VSTRS retirees claim Vermont as their permanent residence

*as of May, 2018