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Committee Wants More Time To Weigh Options For Public Retirement Program

by Steve Zind

The Public Retirement Study Committee, created by the legislature two years ago to look at ways to help private sector employees save for retirement, wants lawmakers to let it continue its work.

AARP estimates that 45 percent of Vermonters working in the private sector don't have access to a retirement program through their employer.

Speaking to members of the committee in November, Angela Antonelli, executive director of the Center for Retirement Initiatives at the McCourt School of Public Policy at Georgetown University, said pension plans have disappeared, savings rates have dropped and social security doesn't cover retirement expenses.

Last year, President Obama instructed the Department of Labor to support states that are looking at establishing new ways for people to save for retirement.

While the details are still being worked out, Antonelli says states are already responding.

"States have been stepping up and Vermont, whether you realize it or not, you are part of the reason why 2015 has been such a significant year. More than 20 states acted in 2015," she the told committee members.

Several states are in the process of implementing new retirement programs for private sector employees.

They range from Oregon's newly formed public, state-run program to Washington, where the state is providing greater access to existing retirement options.

State Treasurer Beth Pearce, who chairs the Vermont committee, says everything is on the table. "There's no predetermined solution at this point," she says.

"We know what types of things we'd like to see in a retirement plan," Pearce says. "We know there's a need for it, and we know it's important for the economic prosperity of the state. When you have reliable and adequate income, you buy goods and services. That creates jobs."

The study committee is due to report to lawmakers by the end of next week. It's likely to ask the legislature to give it another two years to study the feasibility of a plan that could help more people save for retirement.