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MARCH 19, 2013

Source: Office of the Governor. Contact: Sue Allen (802) 279-8493

Gov. Shumlin Signs Pension Reform Bill Into Law
Changes to pension system will protect taxpayers

MONTPELIER -- Gov. Peter Shumlin, surrounded by a broad coalition of legislative, state, municipal and labor representatives, today signed into law changes to the pension system allowing judges to order that any public employee forfeit some or all of their pension if they are convicted of certain financial crimes related to their employment. The law applies to felonies like embezzlement, theft, bribery and other crimes that involve an abuse of public office for financial gain.

The Governor said the new law will help protect taxpayers when an employee is convicted of fraud or other financial crimes linked to their public office. The measure will not be applied to cases already prosecuted or being prosecuted; the changes will apply to new convictions. Gov. Shumlin proposed this legislation in response to criminal conduct by a Department of Public Safety employee involving false time sheet and wage reporting that came to light last summer.

"I believe that this pension forfeiture law gives us an important tool going forward to protect taxpayers and keep the public trust in those rare instances where a public employee engages in a crime for financial gain," the Governor said. "Our public employees are hardworking, honest Vermonters who also wanted to see this protection in place, and I appreciate the support we received from the public labor organizations in helping to pass this bill."

"This new law represents a collaborative effort between employees, employers, the administration, and the legislature," said Treasurer Beth Pearce. "While the vast majority of state employees are honest and dedicated, financial crimes have occurred and are a violation of public trust. I commend the work of the legislature and all of the groups involved. The number one priority is protecting taxpayer dollars and I believe this law does just that."

Under the new law, judges may order that some or all of an employee's pension be forfeited. The judge is directed to consider a number of factors, including the severity of the crime, the amount of money the state or town has lost, the degree of public trust placed in the individual, and whether innocent family members depend on the pension.

Roughly half of states have some type of law on the books dealing with pension issues linked to criminal cases.

Attending the bill signing were representatives of the Treasurer's and Attorney General's office, Senate President Pro Tem John Campbell, House Speaker Shap Smith, the Vermont League of Cities and Towns, and representatives from various labor groups, including the Vermont Troopers Association, Vermont Firefighters Association, Vermont State Employees Association, the Vermont NEA, and others.