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Teacher's Retirement Board Approves Fossil Fuel-Free Fund for 403(b) Plan

MONTPELIER, VT.—The Vermont State Teacher's Retirement Board of Trustees has approved the addition of a fossil fuel-free mutual fund investment option for the 403(b) plan. State Treasurer Beth Pearce said the addition gives more choices to teachers who want to invest supplemental retirement dollars in Socially Responsible Investments.

The board approved the addition of the Pax World Global Environmental Markets Fund (PGINX) at their August board meeting.

"We have provided participants with a choice of several Socially Responsible Investment fund options within our supplemental retirement programs for several years," said Pearce. "The addition of SRI funds allows us to maintain our fiduciary responsibility regarding the overall fund investments and still offer participants broader investment choices."

The 403(b) plan is managed by Great-West Retirement Services. The plan is available to all Vermont supervisory unions. Thirty supervisory unions currently offer the plan to VSTRS members. VSTRS members also have access to invest in a 457 supplemental retirement plan overseen by the Vermont State Employees' Retirement System Board of Trustees. The VSERS board approved the addition of the same fossil fuel-free fund to the 457 investment offerings in February.

"Every six months, the trustees of the VSTRS board review the investment program performance and options," said VSTRS board chair Jon Harris. "It was the board's opinion that the addition of the fossil fuel-free investment fund would complement the Socially Responsible Investment funds currently offered in the 403(b) program."

In addition to the fossil fuel-free option, participants may also choose to invest money in two other SRI funds—Calvert Equity Portfolio A and the Pimco Total Return III Institutional Fund.

The approval of the fossil fuel-free mutual fund to the 403(b) investment lineup follows similar action within the Vermont State Employees' Retirement System and the Vermont Municipal Employees' Retirement System to broaden SRI fund choices for the defined contribution plan. In April, the same fossil fuel-free fund was added as an investment option for VSERS and VMERS eligible members. The defined contribution plan is offered to State and municipal employees who are either ineligible to participate in a traditional defined benefit pension plan or are in a position where they elect to place their retirement savings in the 401(k) style plan.

Both the 403(b) and 457 plans allow individuals to save additional money for retirement by having contributions to the plans made on a pre-tax basis. Great-West is working to complete the administrative steps needed to allow participants to invest in the fossil fuel-free mutual fund. Participants should be able to start investing in the fund by December 1.