

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

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Cynthia L. Webster, Director
133 State Street
Montpelier, VT 05633
Tel: 802-828-2305
Fax: 802-828-5182

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New Defined Contribution Plan Goes "Live" on July 1, 2000

Acting on the authority of legislation passed during the 1999 session, the Board of Trustees has established an alternative defined contribution (DC) plan and hired Fidelity Investment Services to administer the plan. Participating VMERS employers may elect to make the DC plan available as an option to eligible employees.

financed benefit (DB) plan to the new DC plan.

Employers who have not already offered the DC plan may elect to do so by December 31st of any year. Once offered, existing employees have until March 31st of the following year to elect to transfer to the DC plan effective July 1st.



During the last year, over 60 employers offered the plan to approximately 800 employees. On July 1, 2000, the implementation was complete and the plan became fully operational. At that time, over 200 employees transferred from their existing de-

signed call the Retirement Office at 1-800-642-3191 and we will be happy to forward information about the design, benefits and investments of the plan.

Member Contribution Rates Reduced in FY 2001

Many of you may have already noticed that your contribution rate to the retirement system is less this year than in previous years. We have received calls from members expressing concern that the reduced rate many have a negative impact on their retirement benefits. The answer to that concern is an unequivocal **NO**.

The member contribution rates decreased across all groups due to the robust health of the VMERS assets available to fund current and future benefits.

Board of Trustees

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Special points of interest:

- New Defined Contribution Plan status
- Member Contributions
- Military Service Study and Survey

Member Contribution Rates (continued)

Largely due to the excellent investment environment over the last several years, the VMERS has more than adequate assets to cover the liabilities of the plan. Consequently, both employer and employee rates were reduced.

Effective July 1, 2000, the employee rates for each group were statutorily reduced to the following:

- Group A 2.5%
Group B 4.5%
Group C 9.0%
Group D 11.0%



State Treasurer Conducts Study of Military Service Credit

Legislation enacted during the 2000 session directed the State Treasurer to conduct a comprehensive study of the military service credit in the State Employees' Retirement System, the State Teachers' Retirement System, and the Municipal Employees' Retirement System, and report findings and recommendations to the General Assembly on or before January 15, 2001.

The Treasurer's Office is requesting your assistance in gathering the data necessary to complete the study.

If you served a minimum of one full year in the military in any capacity prior to becoming a member of the system, please complete the questionnaire below and return it to the State Treasurer's Office, Retirement Division, 133 State Street, Montpelier, Vermont, 05633-6901 on or before December 15, 2000.

MILITARY SURVEY



Please cut on the line above & return to us as soon as possible or by 12/15/00. Thanks for your assistance.

- 1. How many years do you have of full-time military service?
2. What were your dates of entry and discharge?
3. Are you currently receiving any military pension benefit from your military service, or will you be entitled to receive a military pension benefit at a future date? YES NO
4. If still serving in the Guard or Reserve and have not yet reached 20 years, check here:
5. How many years of creditable years of service do you have?

Name (optional)