

**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees – In-House Meeting  
**May 20, 2015 – 9:00 a.m.**

**VSERS Members present:**

Roger Dumas, Vice-Chairperson, VRSEA Representative (term expiring September 1, 2016)  
Jeff Briggs, VSEA Representative (term expiring September 1, 2016)  
Paul White, Jr., VSEA Alternate Representative (term expiring September 1, 2015)  
Allen Blake, VRSEA Alternate Representative (term expiring September 1, 2016)  
Jay Wisner, Governor's Delegate position  
Maribeth Spellman, Commissioner of Human Resources (ex-officio)  
James Reardon, Commissioner of Finance & Management (ex-officio)  
Elizabeth Pearce, VT State Treasurer

**Members absent:**

Kevin Gaffney, Chairperson, VSEA Representative (term expiring September 1, 2015)  
Thomas Hango, VSEA Representative (term expiring September 1, 2016)

**Also attending:**

Laurie Lanphear, Director of Retirement Operations  
Joshua McCormick, Assistant to Nancy Dimick  
Steve Wisloski, VT Deputy State Treasurer  
Karl Kroner and Jonathan Smith, Empower Retirement

The Vice-Chairperson, Roger Dumas, called the May 20, 2015, conference call meeting to order at 9:02 a.m., which was held in the Large Treasurer's Conference Room, Fourth Floor, 109 State Street, Montpelier, VT.

Due to time constraints from other board members, the board agreed to move agenda items 4-6 after item 1, and then item 3 after agenda item 6.

**ITEM 1:      **Approve the Minutes of:****

- **April 9, 2015**

**On motion by Mr. Wisner, seconded by Mr. White, the Board voted to approve the minutes of April 9, 2015, as submitted.**

**ITEM 2:      **Legislative Update****

Ms. Pearce stated that the Governor did sign the H304 Miscellaneous Retirement Bill.

Ms. Pearce also talked to the board about the retirement incentive program for state employees. She stated that the governor has yet to sign the bill for the retirement incentive. She then handed a draft outline to the board. If the governor signs the bill, this draft will be posted on the treasurer's website to give members information on the incentive. Ms. Pearce stated that this

will add cost to the retirement system at a rate of 2 million per year through 2018. The incentive is only for the executive branch, the legislature and judicial positions are ineligible. Ms. Pearce also stated that 3/4 of the positions that are part of the retirement incentive will remain open positions to be filled. Ms. Pearce stated that there are around 950 eligible employees for the incentive, but only a max of 300 will be granted. Ms. Pearce stated the retirement dates for these employees will be effective between 10/1/15 through 3/1/16, depending on the employer/agency's needs. Ms. Pearce thanked Ms. Spellman and her staff for all their work with helping on the incentive.

Mr. Dumas asked if members could buy time to be eligible for the incentive. Ms. Lanphear stated that if so, they would have had to contact our office by May 1, 2015.

**ITEM 3:      Disability Update**

Ms. Pearce gave an overview of the new disability retirement yearly review process. These changes include adding income verification, pension adjustments, and re-employment rights. A notification will be sent to members who are on disability retirement in the VSERS system. The effective date for this implementation will be 7/1/2015. Ms. Pearce stated she would like to meet with the Medical Review Board and she also plans on meeting with the Human Resource office and the VSEA. Ms. Pearce also stated that the office is looking at how other states are doing income verification for disability retirement members. Ms. Pearce will keep the board informed of any updates in future meetings.

**ITEM 4:      Actuarial Services Contract**

Ms. Pearce asked the board to extend the contract with Buck Consolidates. Buck Consolidates will agree to extend the contract at the same rate for the next year.

**On motion by Mr. Briggs, seconded by Mr. Wisner, the Board voted unanimously to move forward with the actuarial services contract extension for one year contingent upon waiver from the secretary of administration.**

**ITEM 5:      Discuss/act on disability retirement recommendation for:**

- Marc DeJesus
- Deborah Guerin
- Richard Hoburn
- Connie McKeighan

**On motion by Mr. Briggs, seconded by Ms. Pearce, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Marc DeJesus, with no review.**

**On motion by Ms. Pearce, seconded by Mr. Wisner, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Deborah Guerin, with a one year review.**

**On motion by Ms. Pearce, seconded by Mr. Wisner, the board voted unanimously by roll call to enter Executive Session at 9:43 a.m. pursuant to Title 1, § 313 for the purpose of discussing personnel issues.**

The Board came out of executive session at 9:47 a.m.

**On motion by Mr. Briggs, seconded by Mr. White, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Richard Hoburn, with a one year review.**

**On motion by Ms. Pearce, seconded by Mr. Briggs, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Marc DeJesus, with no review.**

**ITEM 6: Empower Retirement Presentation (Formerly Great West)**

Ms. Pearce left the meeting at this time. Mr. Wisloski joined the meeting at this time.

Mr. Kroner presented to the board the latest quarterly report on the 457 funds. Total assets grew by 6 million over the last quarter. There are a total of 6,901 participants, which represents an increase of 240 participants over the last quarter. There has been a 7% increase in assets over the last 12 months. Specialty assets represent 8.3% of plans. The average account balance is \$57,939. Mr. Kroner went over fund transfer activity, the age breakdown in the stable value fund, participant rate by age group, Asset distribution of roth vs regular, contribution history, and percentage of contribution by asset class. Mr. Kroner also shared with the board plan participation numbers, benefit payment distribution, managed accounts, and the morning star ratings for various funds. He also stated to the boards that there are 1429 participants in Managed Accounts and also stated that there were 1.06 million in roll-ins in the first quarter of 2015.

Mr. Kroner answered questions from the boards and mentioned to the board that the NASRA conference is in the near future.

**ITEM 7: Any other business to be brought before the board**

Mr. Briggs stated to the board that he should have his report from the NCPERS conference at the next VSERS meeting.

**ITEM 8: Adjournment**

**On motion by Mr. Briggs, seconded by Mr. Wisloski, the Board unanimously voted by roll call to adjourn at 10:29 a.m.**

**Next Meeting Date:**

The next scheduled VSERS meeting is a Conference Call meeting, Thursday, June 11th, 2015 at 9:00 a.m.

Respectfully submitted,

Nancy Dimick  
Secretary to the Board