

Vermont State Employees' Retirement System

Volume 3, Issue 2

July 2004

DIRECTOR'S CORNER

LEGISLATIVE UPDATE

The Vermont State Legislature adjourned on May 20, 2004. The session brought only a few changes to the VSERS in the form of "housekeeping" changes. Below is a list of the notable issues from provisions contained in H.0768 that will affect members of the system.

- Mandates that a member hired on or after July 1, 2004, must have a minimum of five years of service to qualify for any type of retirement benefit, other than an occupational disability retirement.

Under current law, members who retire and are 62 or older are not required to have five years of service to be eligible for a retirement benefit, which also allows them access to the medical coverage at the 20% premium rate.

- Adds the word *designated* to dependent beneficiary for purposes of qualifying for a survivorship benefit as a result of an active member death.

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RETIREMENT TIPS

As of June 30, 2003, there were 7,876 active members in the Vermont State Employees' Retirement System, and of that number, 80% are under age 55. Even if you are among the 20% over age 55, there is still time to increase your retirement nest egg.

If you remain working for the State of Vermont and plan to retire at age 62, you will receive benefits based on a formula that considers your age, years of service, and average final compensation (average of highest

three consecutive years of earnings in the group F plan). Upon request, you may obtain an estimate of your VSERS benefits from the Retirement Office.

An estimate of your Social Security benefits is mailed to you annually a few months before your birthday. *The savings part is up to you.* If you aren't already contributing to the State's deferred compensation plan, or some other retirement



savings account, you should start, regardless of age.

For example, if an employee age 25 began the minimum pre-taxed contributions into the Deferred Comp (IRS

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STRAIGHT FROM THE BOOK

Straight From the Book will be a series of informational articles regarding your retirement benefits. The information will come straight from the VSERS handbook, and is available to you in entirety on the Web at www.vermonttreasurer.gov. For further information or clarification about any of the topics in the series, or what you read on the Web, please contact the Retirement Office at 802-828-2305 or 1-800-642-3191, toll-free within Vermont.

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RETIREMENT TIPS (continued from page 1)

457 plan) with as little as \$20.00 from each paycheck (that's only \$520 per year) and earned an average of 6% interest per year until the age of 62, the accumulated savings would be \$70,690. If that same employee contributed a few dollars more, say \$35.00 per pay period, at the same average interest rate of 6%, the accumulated savings at age 62 would be \$123,708! It's easy to see how even a few dollars per year can accumulate toward your retirement.

The problem, you might say, is

that you can't afford to give up much or any of your take-home pay. But if a \$20.00 pre-tax contribution per paycheck would, depending on your tax liability, only reduce your take-home by approximately \$14.00, the long-term benefit to saving for the future may be more helpful than the short-term need.

For more information about retirement planning and the Deferred Compensation Plan, please contact the State's third-party administrator, Great-West Retirement Services, at 1-800-

457-1028, or locally in Montpelier at (802) 229-2391. Or visit www.vermont457.com.

And remember...save, save,



save.

DIRECTOR'S CORNER LEGISLATIVE UPDATE (continued from page 1)

- Corrects a section of statute to comply with the current amount of \$5,000 life insurance carried by retirees with twenty or more years of service as outlined in another section of statute.
- Deletes a section of statute relating to how the unfunded liability of the system is funded that is in direct conflict with another section of statute with a later enactment date.

If you have any questions regarding any of the above changes or the impact of the changes, please let us know.

Treasurer's New Web Site

The Treasurer's Office proudly launched a new and improved Web site on May 6, 2004, after many months of preparation and hard work.

Please browse the information on the Web at www.vermonttreasurer.gov and let us know what you think.

Your suggestions should be referred to the staff behind the scenes, our own computer technicians: **Dan Fine**, Technical Services Director, who has over 30 years of Vermont State Service; **Lane Safford**, Network Administrator, also has 15 years worth of Vermont State experience; and **Darryl Smith**, Systems Developer, who has three years of State Service, and lots of prior experience. Without the expertise and dedication of these dedicated staff members, our technical needs and ability to communicate with you would be significantly reduced.

They can be reached by calling 802-828-2301 and selecting option 6.

The new Web site should provide the latest information available on a variety of topics, including among other interesting items, your retirement plan, Retirement Board activities, and VSERS trust fund performance.



STRAIGHT FROM THE BOOK (continued from page 1)

Who manages my retirement plan?

MANAGEMENT OF THE SYSTEM

The general administration and responsibility for formulating administrative policy and procedures of the Retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of eight members. They are the State Treasurer, the Governor's representative, the Commissioner of Personnel, the Commissioner of Finance and Management, three members elected by the VSEA to represent active employees, and one elected by the Retired Chapter of VSEA.

The Board appoints an executive secretary that acts as executive officer for the Board. The administrative functions of the VSERS are managed by the Director of Retirement Operations and carried out by the staff. Board meetings are open to the public and members are welcome to attend at any time. Administrative appeals or other claims should be addressed to the Board (in care of the Executive Secretary) for action at its next meeting. The Board generally meets once a month.

RETIREE ELECTRONIC DEPOSITS

"Electronic Deposit" refers to the transfer of money from the Retirement Office directly to your bank account. It eliminates the need for a monthly pension check, which can be stolen, misplaced, or delayed in the mail.

The electronic deposit of your monthly pension check ensures that your money will be available to you in your bank account on the last working day of each

month. Via electronic deposit, your pension check can be directly sent to any bank account (checking or savings) in Vermont or anywhere in the U.S. There is no cost for this service.

To activate electronic deposit, please contact your bank to inquire about electronic deposit procedures and to obtain your account number.

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TREASURER'S OFFICE TELEPHONE SYSTEM

On May 12th, the State Treasurer's Office instituted an automated telephone system that we hope will provide more efficient and timely service to all callers.

When a caller dials 802-828-2301 or the toll-free 800-642-3191 (within Vermont), the recorded greeting presents six options, starting with the Retirement Office. If the caller is not comfortable with an automated system, he or she can either stay on the line until an operator answers, or immediately dial "0" to reach a person.

The same technique will work with after-hours calls, and a voice-mail message can be left. Of course, callers seeking the Retirement Division can also call 802-828-2305 directly.

Another helpful feature of the new system is a staff directory. A caller can choose to hear the employee directory, and then select the person with whom he or she wishes to speak.

Many callers do know the person or the division they are trying to reach, so the "menu" of staff members of subject matter is helpful.

The office staff worked carefully with the Telecommunications Division and Verizon (the telephone company that provides service to the State) in order to develop a simplified system that would not overwhelm callers. As we gain experience with the new system, we can make changes as necessary. So far,

Retirement Board of Trustees

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Members:

Jeb Spaulding,, Vice-Chair

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& Management

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Director of Retirement Systems:
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Montpelier, Vermont 05633-6901
828-2305 or 800-642-3191 (In-State)

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we have found that the system works quite well, and Treasurer's office staff members are spending less time forwarding calls to other divisions.

Should you have suggestions or comments concerning the new system, please contact Barbara Agnew in Treasurer Jeb Spaulding's office; her direct number is 828-1452.

The Employees' Wellness Program, in the Department of Personnel, will again be offering free annual health screenings across the state for Vermont State retirees this summer. **Participants can expect about a 30-minute appointment that will include measurement of blood pressure, blood glucose, & cholesterol, along with a general health assessment.** 376 retirees took advantage of these clinics last summer and we hope to see even more this year. The clinics will be scheduled for July and August. Stay tuned for additional mailings and information.

ELECTRONIC DEPOSITS *(continued)*

Then call or write the Retirement Office for a form to complete the change to electronic deposit of your pension check.

The form will require your signature and the bank account number that should receive your monthly pension check. After the Retirement Office processes the electronic deposit form, your next pension check will be sent directly to your bank account.

Currently, **88.87%** of all retirees use automatic deposit. We are aiming for 100% participation in the electronic deposit format. For more information or to change to electronic deposit, please contact 828-2305 or 800-642-3191 (toll-free in VT).

We May Have Money For You!

The Vermont's Treasurer's Office may have unclaimed property for you. Vermont's Unclaimed Property (UP) Law requires corporations, business associations, financial institutions, and insurance companies to annually report and deliver property to the Treasurer's Office after there has been no customer activity on the account for several years. UP consists of bank accounts, uncashed insurance proceeds, utility deposits, money orders, stock dividends, bonds and interest payments, money from courts and other governmental agencies, safe deposit box contents, and more. The law prevents holders of UP from using your money and taking it into their business income. By centralizing funds in one place, it is easier to look for forgotten funds. The State guarantees that this money will be held forever until claimed by the rightful owner. State Treasurer Jeb Spaulding says, "Our job is to make every effort to find the rightful owners and return their funds to them."

There is no fee or time limit to file a claim. Citizens are encouraged to contact the Unclaimed Property Division by calling 802-828-2407, or toll-free in Vermont 1-800-642-3191. You may also check the UP section on our Web site at www.vermonttreasurer.gov. A claim can be filed by the original owner, heirs of the original owners, a representative of an estate, or a beneficiary or co-owner.

Vermont State Employees' Retirement System
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