

Vermont State Employees' Retirement System

Volume 5, Issue 2

JULY 2005

Retirement Director's Corner

Imaging Project Off and Running

As part of our multi-year IT upgrade, I am happy to report we are now in the fifth week of our imaging project. The vendor selected to handle this critical task is making steady progress, and we fully expect to meet our goal of completing the project by the end of the summer. Each piece of paper is being imaged to allow a member's entire record to be retrieved and viewed on our computer screens. In addition, each piece of paper is microfilmed as a back-up to be stored in the Department of Public Records.

It is important to note that there is at least a 24-hour period while a file is being imaged when the Retirement Office staff cannot access the actual documents contained in the file. Please keep this in mind should you need any information or services from our office this summer as we may need a little extra time to respond to your request.

The Request for Proposals for the Line of Business is nearing completion, as is expected to be released in early July. It is a 400-page document, and contains extremely detailed instructions on what is needed to administer the retirement systems today, and more importantly, in the future. We have built into the Line of Business RFP numerous new features to create a dynamic environment that will bring the level of services available to our members into the 21st century.



LEGISLATIVE UPDATE

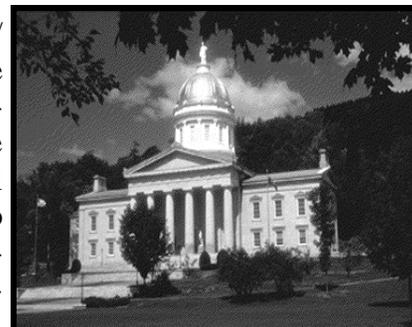
There were several legislative initiatives that were introduced during 2005 legislative session that pertained to the Vermont State Retirement System. Ultimately, only two proposals were passed.

The first proposal repealed the BC/BS medical plans available to active and retired employees of the Department of Forests and Parks. The af-

ected employees/retirees will be given an opportunity to enroll in the standard medical plans available to all other state employees and retirees.

The second bill that passed was called the Unitization bill. Please see the article below for more details. I encourage you to contact me at (802) 828-2302 or by

e-mail at: cynthia.webster@state.vt.us if you have questions, comments, or ideas about our IT project or legislative initiatives that you wish to share.



UNITIZATION—What Does That Mean To Me?

You may have read or heard about legislation creating a new process for investing the assets of Vermont's three state-level pension funds. H.117, a bill overwhelmingly supported by the Legislature and signed by the Governor, authorizes the 17 trustees of the three retirement system boards to form the Vermont Pension Investment Committee (VPIC). With the assistance of an independent pension consultant and Treasurer's Office staff, the Committee will jointly be responsible for all pension fund investment related activity, such as selecting and monitoring money managers. The three existing boards will continue to oversee such areas as actuarial valuation, medical disability, and benefit revisions. The capacity for effective investment oversight and administration should be significantly enhanced by this new process and is likely to improve the investment performance for all three systems. The VPIC will allow resources from the Treasurer's Office and pension advisors to better support a focused investment committee with additional investment expertise, at a lower cost than under the current system. By taking advantage of its collective power in contract negotiations, the VPIC will save the three retirement systems significantly on money management fees. Further savings will be accomplished through efficiencies and economies of scale with the custodian bank, pension consultants, and within the Treasurer's Office. So what does unitization mean to you? In short, a better and more efficient retirement system. If you have questions, please give any one of your retirement board members or the Treasurer's Office a call.

Turning 65 AND STILL WORKING?

Thanks to some of our readers who asked about coverage for those still working after age 65, we thought this information might be useful. If you still have questions, please feel free to contact the Retirement Office.

In the March 2005, Spring Edition article "Turning 65? Health Insurance Impact and Procedure," it was not clear that Medicare is *not* a person's primary insurance carrier if he/she is still working. As long as a person continues to work after age 65, and is covered

by an employer's health insurance plan, that health insurance plan would remain primary.

When turning 65 you still must apply for Medicare Part A, but then apply for Medicare Part B, without penalty, upon termination from work and prior to retirement. Members of the VSERS and VSTRS are required to have Medicare Parts A and B because the systems' coverage becomes supplemental to Medicare for retirees over 65.

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Wouldn't it be fun if instead of waiting for your retirement check to arrive, it was waiting for you?

Sign up for direct deposit, today.

It puts your payment in the bank automatically on the last business day of each month, no kidding!!

Call the Retirement Office to get started...
you won't regret it.

CONVENIENCE

Attention Terminated, Vested Members

It is YOUR responsibility to contact the Retirement Division at least three months prior to the month in which you wish to begin drawing your benefits. Benefits are not automatic...you must apply for them. Keep in mind that vested benefits do not increase once you have reached normal retirement age for your group plan. If you do not know when your normal retirement age is, contact the Retirement Division for more details.

Education for People Over 50!

Several years ago, UVM received a grant from The Osher Foundation to establish The Osher Lifelong Learning Institute for the purpose of providing courses and programs to area residents over the age of 50. Since that time, Institutes have opened in Brattleboro, Montpelier, Rutland, Springfield, St. Johnsbury, and most recently the Newport/Derby area. Check it out in your area or at www.uvm.edu/~learn/osher/. You're never too old to learn something new!

★ ★ ★ ★ ★ *Retiree Wellness Clinics* ★ ★ ★ ★ ★

The Vermont State Employees' Wellness Program of the Benefits & Wellness Division in the Department of Human Resources is pleased to again hold **FREE** health screening clinics for the State retirees around the state. The Professional Nurses Service, Inc. will again conduct these screenings for the State retirees.

The Professional Nurses Service, Inc. has expanded the number of locations to better serve you. The screenings include measurements of your blood pressure, weight, cholesterol levels and glucose. Also, you will receive an interpretation of the results of your health screening by a registered nurse, a personal health consultation, and community resource information. **All results are kept strictly confidential.**

Watch your mailbox in early July for further information on dates, time and locations. The screenings will take place between July 25th and September 2nd. You will need to make an appointment for your screening; instructions will be in the letter. Any State retiree in the state can go to whichever locations works best for them.



We wish you all a happy and healthy summer.

Visit us on the Web at
www.vermonttreasurer.gov

STRAIGHT FROM THE BOOK

VESTING and MEMBERSHIP IN THE SYSTEM If you were employed by the State of Vermont or participating entity on or after January 1, 1991, you are automatically a Group F member. If you were hired before January 1, 1991, and were a group E member in service on January 1, 1991, you are now a Group F member. Members who are not Group F members are those who elected to remain Group A, State Police, and some law enforcement positions (Group C), and some Judges (Group D). The only state employees who are not members of the System are exempt employees who elect to belong to the defined contribution plan or those specifically excluded by law such as temporary employees and those engaged under retainer or special agreement. You will be vested in the VSERS upon the attainment of five (5) years of creditable service.

If you have questions or require more information, please contact the Retirement Office at any time, Monday—Friday 7:45 a.m. to 4:30 p.m.

New Appointments to the Board

Linda McIntire, Commissioner of the Department of Human Resources, has joined the Vermont State Employees' Retirement Board. Linda joins us with nearly 20 years of experience in State government, most recently as chief counsel at the Department of Employment & Training, and for two years prior to that as Deputy Commissioner of Labor and Industry. Also credited to Linda is her experience as a civil rights investigator and employee of the Vermont Labor Relations Board. We're confident Linda's experience in advocacy and neutrality will be strong assets to the Board.

Welcome Linda!

James Reardon, Commissioner of the Department of Finance and Management, also comes to the Board with a wealth of experience. During his 19 years in state government, Jim has served as the Chief Accountant and Agency Financial Operations Officer for the Agency of Human Services and most recently as the Deputy Commissioner. Jim is a CPA who during his career has earned professional and personal respect regardless of party affiliation or branch of government. We are confident he will also be a great benefit to the Board.

Welcome Jim!

LIFE INSURANCE – Did You Update Your Beneficiary Information?

If you are enrolled in the State's life insurance plan administered by Minnesota Life, you were sent two letters during April, asking you to update or to reconfirm your life insurance beneficiary. The letters also announced a change, effective May 1, 2005, in the way that this information will be stored. As of May 1, Minnesota Life maintains your beneficiary information



electronically. This information will not be retained by the State.

For those who did update their information, congratulations! You should have received a confirmation statement from Minnesota Life by now. Please keep the confirmation statement in a safe place. If you did not update your beneficiary information, please be advised that beneficiary designations previously kept on file at the State of Vermont are no longer valid as of 5/1/05. As the letters outlined, if you did not designate a beneficiary, the default beneficiary will be, in the following

Retirement Board of Trustees

Chair: Warren Whitney, VSEA

Members:

Job Spaulding, Vice-Chair

State Treasurer

James Reardon, Commissioner
Dept. of Finance & Management

Linda McIntire, Commissioner
Dept. of Human Resources

Richard Johannesen,
Governor's Appointee

William Harkness, VSEA

Robert Hooper, VSEA

Janice Abair, VRSEA

Catherine Simpson, Alternate
(VSEA)

Wayne Calderara, Alternate
(VRSEA)

Director of Retirement Systems:
Cynthia L. Webster
133 State Street, 2nd Floor
Montpelier, Vermont 05633-6901
828-2305 or 800-642-3191 (In-State)

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Editor: Donna Holden

order: your spouse, your children, your parents or your estate, in accordance with standard life insurance industry practice.

If you wish to update or change your beneficiary information, you can go online at www.lifebenefits.com or request a paper beneficiary designation form by contacting Minnesota Life at 866-293-6047. If you have questions regarding your life insurance benefits, you can contact the Employee Benefits and Wellness Division at 802-828-3455 or 802-828-0648.

A Message from Job Spaulding, Vermont State Treasurer

*The Office of the State Treasurer is **MOVING!***

The State purchased the former National Life Building at 133 State Street in 1960. After being in our location for 45 years, the Office of the State Treasurer and all divisions - Accounting Services, Unclaimed Property, Finance & Investments, and Retirement Operations - will be moved later this fall. We expect to be in our new location on the 4th Floor of the Pavilion Building, 109 State Street, Montpelier, VT, by the end of November. The official date is still uncertain due to the renovation process, but when we are finally moved, the e-mail addresses, phone, and fax numbers will remain the same; only our physical location and mailing address will be affected by the move.

If you are intending to visit our offices or correspond with one of the division around the time of our anticipated move, you may want to check our Web site at www.vermonttreasurer.gov, or call us for updated information.

****IMPORTANT** SDIA NEWS**

We are pleased to advise members in the SDIA Plan of some recent changes made in the Retirement Office.

In June a new third-party administrator was hired to handle all of the day-to-day functions required to administer the Single Deposit Investment Account program established in 1981 (see the March 2005 edition for additional plan information). Be sure to watch your mail in August for additional information from Great-West Retirement Services.

We are very pleased with this customer service change, and look forward to hearing your comments.

We are made wise not by the recollection of our past,
but by the responsibility for our future.

George Bernard Shaw

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