

June 11, 2015

NOTICE TO STATE EMPLOYEES: Eligibility Summary for Retirement Incentive

The Vermont State Legislature has passed a bill to create a retirement incentive for Executive Branch State employees and the Governor has signed the bill into law. Employees eligible for the incentive will receive a letter informing them of their eligibility and details on applying for the incentive. It is anticipated the letters will be mailed to impacted employees by mid-July.

How many employees will be eligible?

It is estimated that as many as 1,000 State employees may be eligible for the incentive. However, only 300 employees will be granted the incentive. If more than 300 employees apply for the incentive, the Retirement Division will utilize a lottery system to select the 300 from among those State employees applying.

What is the incentive?

Employees who have been working for the State for 5 to 15 years would receive \$750 per year of employment. Those with 15 years or more years of service would be eligible for \$1,000 per year that they worked for the State. The MAXIMUM under the incentive is \$15,000. The incentive will be received in 2 equal payments in fiscal years 2016 and 2017. The first payment will be made within 90 days of the retirement date. The second payment will be made within 30 days of the one-year anniversary of the retirement date. All incentives are paid through the State's operating fund and NOT the pension fund.

What are the eligibility requirements?

- You are employed by the Executive Branch of State government on July 1, 2015.
- You are in the defined benefit or defined contribution retirement plans.
- If you were hired before July 1, 2008, you must have at least 30 years of service or be age 62 with at least 5 years of service as of August 1, 2015. No service credit purchases initiated after May 1, 2015 shall be eligible.
- If you were hired on or after July 1, 2008, you must have a combination of years of service and age that equals 87 or more. You may also be age 65 with a least 5 years of service as of August 1, 2015. No service credit purchases initiated after May 1, 2015 shall be eligible.

How do I apply and when is the application deadline?

The deadline for application is August 31, 2015. The Retirement Division requires eligible employees to fill out an application for the retirement incentive. The retirement staff will mail applications in mid-July to eligible employees. Applications must be returned to the Retirement Division, Pavilion Building, 109 State Street, Montpelier, Vermont 05609. All applications, with original signatures, must be either personally delivered or mailed AND physically in the retirement office by 4:30 p.m. on Monday, August 31, 2015. If you are planning to mail your application, please mail it early to ensure delivery on or before August 31, 2015. Applications received after August 31, 2015, regardless of the postmark date, will not be considered.

When would my retirement be effective under the incentive program?

Retirements under the incentive program are effective on October 1, 2015. The law does allow an employer to stagger the retirement dates of multiple retiring employees, if necessary, to continue the normal operation of business. However, no retirement date shall be later than March 1, 2016.

What if I believe I'm eligible and do not receive a letter?

Please contact us after the mid-July letters are sent to inquire about your eligibility. Email any inquiries to laurie.lanphear@state.vt.us.