

VERMONT STATE TEACHERS' RETIREMENT SYSTEM
Conference Call Meeting of the Board of Trustees
December 13, 2012

Members present:

JON HARRIS, Chairperson (Active No. 25669), term expiring July 1, 2015 – via telephone
THOMAS MCCONNELL, Active Member Representative, term expiring July 1, 2013 – via telephone
JUSTIN NORRIS, Active Member Alternate Representative, term expiring July 1, 2014 – via telephone
JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2016 – via telephone
THOMAS CANDON, representing Commissioner of Department of Financial Regulation – via telephone
VAUGHN ALTEMUS, representing Commissioner of Education
ELIZABETH PEARCE, VT State Treasurer

Members absent:

None

Also attending:

Laurie Lanphear, Director of Retirement Operations
Kathie Kretzer, Retirement Specialist & Executive Secretary to the Board
Monica Chiren, Assistant to Kathie Kretzer

The Chairperson, Jon Harris, called the Thursday, December 13, 2012, meeting to order at 3:29 p.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: **Approve the Minutes of: November 28, 2012**

On motion by Mr. Altemus, seconded by Mr. McConnell, the Board voted unanimously to approve the minutes of November 28, 2012, as submitted.

ITEM 2: **Discuss/act on Disability Retirement recommendations for:**

- **Mary A. Peet** **New**
- **James R. Brown** **New**

On motion by Mr. Candon, seconded by Ms. Pearce, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Mary A. Peet, with a one-year review.

On motion by Mr. Altemus, seconded by Mr. McConnell, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for James R. Brown, with no review.

ITEM 3: Any other business to come before the Board

Ms. Pearce indicated at the last meeting there was a discussion concerning the retroactive COLA adjustments. Ms. Pearce indicated the State Board met this morning and voted to adjust the December pension to what the correct amount should be, and then to withhold future COLA's until the arrears have been paid back, unless the member wanted to pay the amount back sooner.

On motion by Mr. Altemus, seconded by Mr. Candon, the Board voted unanimously to approve the process as outlined by Ms. Pearce that the affected members' pensions would be recalculated to what they should be for December and then COLA's would be withheld until the arrears amount was paid back, unless the member wanted to pay off the amount sooner.

Ms. Pearce indicated one of the issues that will be presented during this legislative session will be the payment of pensions to people who have been involved in fraud or embezzlement cases. Ms. Pearce indicated they currently do not have the ability to forfeit the pension. Ms. Pearce indicated some of the circumstances under which pensions can be garnished. Ms. Pearce indicated she would like the Board to discuss this further so that they can weigh in on the issue. Ms. Pearce indicated she will research what other states are currently doing relative to this issue. The Board indicated a joint meeting with the other Boards might be beneficial.

There was a discussion about the possible increase to VEHI rates. The Board discussed having an in-house meeting to discuss the legislative issues.

Mr. Altemus indicated he would further like to discuss the impact raising the Medicare age from 65 to 67 would have on the VSTRS system. Ms. Pearce indicated that should be added to the next agenda.

ITEM 4: Adjournment

On motion by Ms. Pearce, seconded by Mr. Candon, the Board unanimously voted to adjourn at 3:50 p.m.

Next Meeting Date:

The next scheduled VSTRS meeting is an in-house meeting on Tuesday, January 8, 2013 at 9:00 a.m.

Respectfully submitted,

Kathie Kretzer
Executive Secretary to the Board