



**Office of the State Treasurer**  
109 State Street, 4<sup>th</sup> Floor  
Montpelier, VT 05602  
802-828-1451

Public Retirement Study Committee  
10.1.2015

**Public Retirement Study Committee— October 1, 2015**  
**4<sup>th</sup> Floor Executive Conference, 109 State Street**  
**Montpelier, VT 05602**

**Committee Members in Attendance:**

Beth Pearce, Chair, Vermont State Treasurer  
Annie Noonan, Commissioner, Vermont Department of Labor (Phone)  
Robert Hooper, Appointed by the legislative Committee on Committees  
Rebecca Towne, Appointed by the legislative Committee on Committees  
Dan Boardman, Appointed by the Speaker

**Not in Attendance:**

Monica Hutt, Commissioner, Vermont Department of Disabilities, Aging & Independent Living

**Also Attending:**

Chris D'Elia, Vermont Bankers Association  
Tim Lueders-Dumont, Office of the State Treasurer  
Michelle Carol, Financial Services Institute, Inc. (On the Phone)  
Angela M. Antonelli, Center for Retirement Initiatives at Georgetown University (On the Phone)  
Chris Rice, MMR Legal Services, LLC.  
Lawrence Barber, Merrill Lynch Global Private Client Group  
Don Mayer, Small Dog Electronics  
Philene Taormina, AARP  
Charles Storrow, KSE Partners  
Ashley Moore, Main Street Alliance  
Ben Palkowski, VSEA  
Nancy Lynch, VSEA  
Jeff Fannon, NEA  
Chris Curtis, Vermont Legal Aid  
Sarah Mysiewicz Gill, AARP (On the Phone)



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## **CALL TO ORDER**

Ms. Pearce called the meeting to order at 10:00 a.m.

## **ITEM 1: Opening Remarks and Approval of Minutes**

Ms. Pearce moved to approve the minutes from 9.3.2015. Mr. Hooper seconded the motion. A roll call was taken and the Committee approved of the minutes unanimously.

Ms. Pearce gave an overview of the charge and deliverables of the Public Retirement Study Committee. Ms. Pearce noted that the focus of the meeting would be on how businesses in Vermont have contemplated retirement for their employees, barriers to retirement, as well as an ongoing discussion of what is occurring in other states and at the Federal level.

## **ITEM 2: Discussion of Vermont Businesses Contemplation of Retirement**

Ms. Pearce introduced Mr. Mayer. Mr. Mayer is the owner of Small Dog Electronics. Mr. Mayer discussed how his business has implemented retirement options for employees. Mr. Mayer discussed that changes in the size of his business impacted how the company contemplated retirement options for employees. Mr. Mayer emphasized the importance of 1-on-1 education and a general understanding of financial literacy as important for any business contemplating retirement options for their employees.

The Committee discussed potential barriers for businesses in implementing retirement plans and how a potential plan might interact with the current the marketplace of available private-sector options.

The topic of “choice” was discussed by the group regarding the structure of a potential plan as well as options regarding the types of investments that would be available for individuals to choose from. The Committee discussed the importance of financial education and financial literacy in partnership with any retirement plan.

Ms. Mysiewicz Gill from AARP discussed her experience in working with other states and gave an overview of what other states have done so far. Ms. Mysiewicz Gill outlined her perspective on best practices for states— were they to pursue a plan.



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The group discussed the differences between currently available options: Simplified Employee Pension Plan (SEP); Individual Retirement Account (IRA); and 401(k) plans. “Simplicity” and “Ease-of-Access” were noted by the group as important factors for any discussion concerning Vermont businesses.

The group discussed the possible characteristics of businesses that offer retirement plans as well as the importance of the Committee discussing marketing and administrative details for a potential program.

### **ITEM 3: Public Comment and Next Steps**

The group determined that it would be important to hear from more Vermont businesses on this topic at the November 16<sup>th</sup> meeting as well as to continue to hear from experts on the topic from other states. The Committee discussed outlining a work plan and next steps in preparation for the report due on January 15, 2016.

The group stated that Vermonters of all incomes should be included in any retirement security solution.

Ms. Antonelli noted that the U.S. Department of Labor (DOL) would be issuing a proposed rule on “State Plans” by the end of 2015. The Committee noted that pending DOL rules regarding “State Plans” should be examined once available to further the efforts of the Committee in understanding the interaction between federal rules and state discussions. Ms. Pearce noted that the U.S. Government Accountability Office (GAO) released a report on September 29, 2015 titled “*Retirement Security: Federal Action Could Help State Efforts to Expand Private Sector Coverage.*” Ms. Pearce noted GAO’s recommendations as: “*GAO suggests that Congress consider providing states limited flexibility regarding ERISA preemption to expand private sector coverage. Agency actions should also be taken to address uncertainty created by existing regulations. Agencies generally agreed with GAO’s recommendation. DOL plans to issue a proposed rule on state programs by the end of 2015.*”<sup>1</sup>

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<sup>1</sup> GAO.gov <http://www.gao.gov/products/GAO-15-556>



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GAO.gov links to September 29, 2015 report mentioned by Ms. Pearce:

<http://www.gao.gov/products/GAO-15-556> - *summary page*

<http://www.gao.gov/assets/680/672419.pdf> - *full report*

Ms. Pearce noted that the next meeting of the Committee would be on November 16, 2015 at 10:30 a.m. in Room 11 of the State House.

**ITEM 4: Adjournment**

Mr. Hooper moved to adjourn the meeting. Ms. Towne seconded the motion. A roll call was taken and the Committee unanimously voted to adjourn.