



Office of the State Treasurer
109 State Street, 4th Floor
Montpelier, VT 05602
802-828-1451

Public Retirement Study Committee
12.10.2015

Committee Members in Attendance:

Beth Pearce, Chair, Vermont State Treasurer
Robert Hooper, Appointed by the legislative Committee on Committees
Rebecca Towne, Appointed by the legislative Committee on Committees (Phone)
Dan Boardman, Appointed by the Speaker
Monica Hutt, Commissioner, Vermont Department of Disabilities, Aging & Independent Living (Phone)

Committee Members Not in Attendance:

Russ Bennet, Appointed by the Speaker
Annie Noonan, Commissioner, Vermont Department of Labor

Also Attending:

Chris D'Elia, Vermont Bankers Association
Tim Lueders-Dumont, Office of the State Treasurer
Chris Rice, MMR Legal Services, LLC.
Kyle Innes, SIFMA
Jeff Fannon, VT-NEA

CALL TO ORDER

Ms. Pearce called the meeting to order at 3:20 p.m.

ITEM 1: Opening Remarks and Discussion of Legislative Report

Ms. Pearce gave an overview of the charge and deliverables of the Public Retirement Study Committee. Ms. Pearce and the group discussed the drafting of the report due on January 15, 2016.

Ms. Pearce cited an AARP study that noted 104,000 Vermonters do not have access to a retirement plan through employment. The Committee discussed the guiding principles that the Public Retirement Study Committee listed in their report in January 2015:

- a. Simplicity—a plan should be easy for participants to understand



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- b. Affordable—a plan should be administered to maximize cost-effectiveness and efficiency
- c. Ease of Access—the plan should be easy to join
- d. Trustworthy Oversight—the plan should be administered by an organization with unimpeachable credentials
- e. Protection from Exploitation—the plan should protect its participants, particularly the elderly, from unscrupulous business practices or individuals
- f. Portability—the plan should not depend upon employment with a specific firm or organization
- g. Choice—the plan should provide sufficient investment alternatives to be suitable for individuals with distinct goals, but not to many options to induce “analysis paralysis”
- h. Voluntary—the plan should not be mandatory; however, auto-enrollment may increase participation
- i. Financial Education and Financial Literacy—the plan should assist the individual in understanding their financial situation
- j. Sufficient Savings—encourage adequate savings in retirement combined with existing pension savings and social security
- k. Additive not Duplicative—the plan should not compete with existing private sector solutions
- l. Able to use pre-tax dollars

The Committee agreed that they would continue to use the guiding principles as noted above.

The group discussed the intent of the Committee concerning the Legislative report. The Committee agreed that retirement savings for members of the public (Non-Governmental Employees) in Vermont are insufficient and that contemplation of a solution or measures to combat the problem of retirement security should to be taken.

The Committee discussed that further examination of how other states are analyzing and projecting cost, administration, and structure would be needed. Ms. Pearce noted the Georgetown University, McCourt School of Public Policy, Center for Retirement Initiatives, *Comparison of Retirement Plan Design Features, By State: California, Illinois, Massachusetts, Oregon, and Washington*, linked here <http://cri.georgetown.edu/state-briefs/>, would be helpful.

The Committee discussed that it would be important to continue to monitor U.S. Department of Labor (DOL) guidance concerning State Savings Programs for Non-Governmental Employees regarding ERISA rules. Also to further analyze the relationship between the role of states and the federal government. The Committee and members of the public that participated in the Committee noted that understanding the full implications of federal rules would be essential in moving forward concerning a study regarding feasibility.



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The Committee agreed that it would like to amend Act 58, Section C. 108 of the 2015 Legislative Session so that the committee may continue to meet for the next two years and convene an unlimited number of times each year to enable proper study concerning feasibility of a potential plan.

ITEM 2: Public Comment

Members of the Public and the Committee discussed next steps and the importance of continuing to incorporate financial education/literacy into discussions regarding retirement security in Vermont.

ITEM 3: Adjournment

Ms. Pearce moved to adjourn the meeting. Ms. Hutt seconded the motion. A roll call was taken and the Committee unanimously voted to adjourn.