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**TO:** Jill Krowinski, Speaker of the House  
Becca Balint, President Pro Tempore  
Senator Jane Kitchel, Chair, Senate Committee on Appropriations  
Senator Jeanette White, Chair, Senate Committee on Government Operations  
Senator Michael Sirotkin, Chair, Senate Committee on Economic Development  
Representative Mary Hooper, Chair, House Committee on Appropriations  
Representative Sarah Copeland-Hanzas, Chair, House Committee on Government Operations  
Representative Michael Marcotte, House Committee on Commerce and Economic  
Development  
Susanne Young, Secretary of Administration

**FROM:** Beth Pearce, State Treasurer

**DATE:** January 15, 2021

**RE:** Green Mountain Secure Retirement Plan Update

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In 2017, the General Assembly authorized creation of the Green Mountain Secure Retirement Plan (Plan) through the passage of Act 69. Specifically, the General Assembly provided that “[t]he State of Vermont shall, consistent with federal law and regulation, adopt and implement a voluntary Multiple Employer Plan (MEP) public retirement plan, which shall remain in compliance with federal law and regulations once implemented, and shall be called the ‘Green Mountain Secure Retirement Plan.’” 2017 Acts & Resolves No. 69, Sec. C.1, Subsec. (a).

Per Act 69, the Plan is overseen by a 7-member Board, and as State Treasurer, I serve as Chair. I write today to update the General Assembly and Administration on the steps we have made toward implementation of the Plan and the activities that have been carried out in 2020.<sup>1</sup>

We have made significant progress in 2020, which puts us in a good position to launch the Plan in 2021 and hopefully assist small business and their employees as Vermont and the nation recover from the COVID-19 pandemic.

As a reminder, the Green Mountain Secure Retirement Plan (Plan) was originally intended to be in place in January 2019. The Board worked throughout 2018 to achieve this goal. However, as previously noted, we put the implementation schedule on hold in 2018, following the promulgation of proposed rule by the federal Department of Labor (DOL). *Definition of “Employer” Under*

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<sup>1</sup> Act 69, Sec. C.1 requires an annual report on certain metrics beginning January 2020, e.g., number of participants and participating employers, funds contributed, etc. Because the Plan is not yet launched, there is no data to report. We look forward to providing this data in next year’s report.

*Section 3(5) of ERISA—Association Retirement Plans and Other Multiple-Employer Plans*, 83 Fed. Reg. 53,534 (Oct. 23, 2018) (Proposed Rule). The Proposed Rule threatened to impact the ability of states to implement a multiple employer plan such as Green Mountain Secure. In response, we, along with other states, urged DOL to clarify that its proposed rule does not impact state plans like Green Mountain Secure, which it did on July 31, 2019. *Definition of “Employer” Under Section 3(5) of ERISA—Association Retirement Plans and Other Multiple-Employer Plans*, 83 Fed. Reg. 53,534 (Jul. 31, 2019) (Final Rule). In the Final Rule, DOL provided the clarification sought by Vermont and other states, confirming that the Final Rule has no superseding effect on prior DOL statements authorizing state-sponsored MEPS.

With states’ authority to implement plans such as Green Mountain Secure reaffirmed, we moved forward by re-issuing an RFP for in late 2019. The process of negotiating a contract with a third-party administrator consumed much of 2020, and it was delayed in some respects by the COVID-19 pandemic. We are pleased that we were able to execute a contract with TAG Resources, LLC in September of this year to provide third-party administrator and plan fiduciary services.

The contract sets forth two phases of work—a plan development phase followed by a plan administration phase. We are currently working through the plan development phase of work, in which we are working with our contractor to identify appropriate subcontractors (which we have completed), establish a plan design features (which we expect to complete this month), and to put in place all of the processes and procedures necessary for the successful implementation of the Plan.

Our intent is to implement a “soft launch” in the first half of this year, in which we are seeking employers who wish to be early adopters of the Plan. Given the novelty of Green Mountain Secure, we believe it prudent to initiate the plan in this staged manner in order to work through any issues we may uncover with a handful of employers to ensure that a broader statewide launch is successful. We anticipate this full launch will take place in the second half of the year. The Treasurer’s Office is working closely with AARP Vermont, which has committed financial support to help raise public awareness of the plan upon launch.

This past year, and the COVID-19 pandemic, has presented challenges on numerous fronts. Among other things, this year has confirmed the need for programs such as Green Mountain Secure, which will provide a strong retirement savings vehicle to many who do not have access to such savings. I want to further thank the Green Mountain Secure Retirement Plan Board members, as well as staff from the Treasurer’s Office for their hard work in moving the Plan from concept to implementation. We look forward to this year’s launch.