

Vermont State Employees' Retirement System

Group G Information Seminar

DEVELOPED AND PRESENTED BY

Retirement Division of the Vermont State Treasurer's Office



WHY ARE WE TALKING ABOUT GROUP G?

As a result of Act 114, Group G was created in recognition of the challenges employees in these front-line corrections and mental health positions face. Designed to allow for an earlier retirement.

- For typical Group F members; it would take thirty years to attain 50% of your Average Final Compensation (AFC).
- For Group G members; it will take only twenty years to attain the same 50% of your AFC.
- For those electing to move to Group G, it will be somewhere in between 20-30 years because you would have a mix of Group F and Group G years.



WHAT IS GROUP G?

You can be eligible for Group G either because of your job title (e.g., corrections officer, registered nurse, etc.) or your job location (e.g., prison, mental health facility, etc.).

- Beginning on July 1, 2023, all new employees in these positions will be members of Group G.
- **Current eligible employees have a choice on whether to stay in F/F* or to move to Group G.**



WHO IS ELIGIBLE FOR GROUP G?

Job Titles	Total Employee Count
Administrative Assistant A	3
Administrative Assistant B	10
Administrative Srvc Cord I	4
Administrative Srvc Cord IV	3
Administrative Srvc Mngr I	3
Community Corr Program Supvsr	25
Community Correctional Officer	44
Compliance Officer	1
Corr Facility Superintendent I	1
Correc Srvc Spec I	17
Correctional Educator	24
Correctional Educator Super	6
Correctional Foreman	6
Correctional Officer AC:Admin	1
Correctional Officer I	374
Correctional Officer II	121
Corrections Assistant Superint	11
Corrections Food Service Lead	0
Corrections Living Unit Super	9

Job Titles	Total Employee Count
Correctnl Facility Shift Super	41
Correctnl Security&Oper Sup	6
CorrFacility Superintendent II	5
DOC Work Crew Leader	10
DOC Work Program Coordinator	3
Facility Food Serv Supervisor	10
Facility Work Crew Leader	6
Financial Administrator I	1
Probation & Parole Officer I	17
Probation & Parole Officer II	94
Recreation Srvc Coord	6
Risk Intervention Serv Coord	4
Senior ProbationParole Officer	12
VCI Sales&Marketing Coord	1
Volunteer Services Coordinator	6
Work Crew Foreman Supervisor	1
Corrections Services Spec II	27
Corrections Victim Srvc Spec	4
Corrections Youth Services Spe	3

Group G members are:

- Facility employees of Dept. of Corrections who provide direct security and treatment services to offenders under supervision in the community.
- Employees of a facility for justice involved youth.

Certain employees will qualify for Group G because they work for at a Correctional facility.

WHO IS ELIGIBLE FOR GROUP G?

Job Titles	Sum of Employee Count
Associate Mental Health Spec	21
Clinical Dietitian	1
Dir, Psychology & Recovery Svc	1
DMH Activity Therapist	1
DMH Psychologist	2
Mental Health Specialist	80
MH Recovery Specialist	9
Nurse Supervisor	5
Nurse Supervisor (Night)	2
Psychiatric Admissions Spec	4
Psychiatric Social Worker I	1
Psychiatric Social Worker II	1
Recovery Services Clinician	3
Registered Nurse I - CSN	13
Registered Nurse II - CSN	18
Registered Nurse III - CSN	8
Residential Care Manager	1
RN I - CSN (Evening)	1
RN II - CSN (Night)	2
RN III - CSN (Night)	1
Senior Mental Health Spec	12
Social Services Chief	1
Sr Recovery Services Clinician	1
Sr. Psychiatric Social Worker	1
Triage Intake Supp Unit Coord	1

Group G members are also:

- Employees of a facility who provide patient care (Vt. State Hospital)

Certain employees will qualify for Group G because they work at a Department of Mental Health facility.

TO CHOOSE OR NOT TO CHOOSE GROUP G?



When do I need to make my decision?

- Eligible employees, employed on or before March 31, 2023, must decide whether to elect Group G on or before June 1, 2023.
- Eligible employees, first employed on or after April 1, 2023, must decide whether to elect Group G within 60 days of their hire date.

Group G will become effective July 1, 2023.

Your decision to elect Group G is **Irrevocable**.

WHAT DO YOU MEAN, IRREVOCABLE?

Once you make your decision to transfer to Group G, or remain in Group F/F*, you will not have an opportunity to change your decision as long as you remain in a Group G qualified position.

If you elect to remain in Group F/F*, and are hired into another position that is Group G qualified you must remain in Group F. For example:

- Brian is a Correctional Officer I and elects to remain in Group F. Brian is offered a new job 3 years later as Correctional Facilities Manager. Due to his decision to remain in Group F, Brian is unable to move to Group G when he takes the new position.

If you elect to transfer to Group G and are hired into another position that is Group F/F* qualified you will transfer back into Group F/F*. For example:

- Dean is a Correctional Officer II and is offered a position at the Agency of Transportation. His service in Group G will cease and he will begin service in Group F/F* again.

WHAT IS THE COST DIFFERENCE FOR GROUP G?

Group F/F* Contribution Rate Schedule

	July 1, 2023 - June 30, 2024	July 1, 2024 - June 30, 2025	July 1, 2025 - June 30, 2026	July 1, 2026 - June 30, 2027
1st Quartile	6.65%	6.65%	6.65%	6.65%
2nd Quartile	7.65%	8.15%	8.15%	8.15%
3rd Quartile	7.65%	8.15%	8.65%	8.65%
4th Quartile	7.65%	8.15%	8.65%	9.15%

Group G Contribution Rate Schedule

	July 1, 2023 - June 30, 2024	July 1, 2024 - June 30, 2025	July 1, 2025 - June 30, 2026	July 1, 2026 - June 30, 2027
1st Quartile	11.33%	11.33%	11.33%	11.33%
2nd Quartile	12.33%	12.83%	12.83%	12.83%
3rd Quartile	12.33%	12.83%	13.33%	13.33%
4th Quartile	12.33%	12.83%	13.33%	13.83%

SERVICE CREDIT CALCULATION

SERVICE CREDIT WILL BE CALCULATED BASED UPON THE GROUP IN WHICH IT WAS ACCRUED. IF YOU MOVE TO GROUP G, YOUR PRIOR SERVICE WILL REMAIN GROUP F/F*.

GROUP G

- Group G service credit is calculated at 2.50% of Average Final Compensation (AFC)

GROUP F

- Group F service credit after January 1, 1991 is calculated at 1.67% of AFC to a combined maximum of 50%

GROUP F*

- Group F* service credit for new members on or after July 1, 2008 and after calculate at 1.67% of AFC to a combined maximum of 60%

ELIGIBILITY FOR RETIREMENT

Members who switch from Group F/F* to Group G will be eligible to retire at the following ages:

Group F to Group G

- Normal retirement at age 62, or age 55 with 20 years of service, or with 30 years of service at any age. Maximum benefit is up to 50%.
- Early Retirement at age 55 with 5 years of service.

Group F * to Group G

- Normal Retirement at age 65 or age 55 with 20 years of service, or the combination of age and years to equal 87. Maximum benefit is up to 60%.
- Early retirement at age 55 with 5 years of service.

If you retire before you are eligible for normal retirement, you will be subject to early retirement reductions. This is an important factor to consider when making your decision.

CALCULATING MY BENEFIT: NORMAL RETIREMENT

Your retirement benefit is calculated using the following formula:

$$\text{Final Benefit} = \text{Benefit Multiplier} \times \text{Years of Service} \times \text{AFC}$$

Benefit Multiplier : 1.67% for Group F/F* years of service
2.50% for Group G years of service

Years of Service : Years employed in VSERS

Average Final Compensation (AFC) : Average of highest three consecutive years of service

$$\text{Ex: } \$60,000 + \$65,000 + \$75,000 = \frac{\$200,000}{3} = \$66,666$$

Remember; service credit is calculated based on the group in which it was accrued. For example:

5 years in Group F: $1.67\% \times 5 = 8.35\%$

15 years in Group G: $2.50\% \times 15 = 37.50\%$

Total: $45.85\% \times \$66,666 \text{ (AFC)} = \$30,566.36$ estimated yearly benefit

CALCULATING MY BENEFIT

The following scenarios are examples only. Unique facts and circumstances may change the result.

These scenarios do not account for any early retirement reductions that may be incurred prior to reaching normal retirement age.

Also, for the sake of simplicity, we calculated scenarios using 50% as the benchmark. This does not take into account the fact that F* members may reach 60% of AFC by working more years.

CALCULATING MY BENEFIT – Group F members

Art is a 36-year-old Corrections Officer with 16 years of service.

- If he elects to remain in Group F and continues to work for the State, he will:
 - o Continue to pay Group F contribution rates (4.68% lower than Group G);
 - o Reach normal retirement at age 50; and
 - o Reach 50% of his AFC for his pension at age 50 because he has 30 years.

- If he elects to transfer to Group G and continues to work for the State, he will:
 - o Begin paying Group G contribution rates (4.68% higher than Group F);
 - o Reach normal retirement at age 50;
 - o Reach 50% of his AFC at age 45 with 16 years in Group F and 9 years in Group G but would have to wait until age 50 to begin collecting the full benefit.

CALCULATING MY BENEFIT – Group F members

Bob is a 45-year-old Corrections Officer with 16 years of service.

- If he elects to remain in Group F and continues to work for the State, he will:
 - Continue to pay Group F contribution rates (4.68% lower than Group G);
 - Reach normal retirement at age 59 or unreduced early retirement at age 55; and
 - Reach 50% of his AFC as his pension at age 59 because he has 30 years and 43.42% at age 55 with 26 years.
- If he elects to transfer to Group G and continues to work for the State, he will:
 - Begin paying Group G contribution rates (4.68% higher than Group F);
 - Reach normal retirement at age 55;
 - Reach 50% of his AFC as his pension because he is 55 with 16 years in Group F and 10 years in Group G.

CALCULATING MY BENEFIT – Group F members

Curt is a 53-year-old Corrections Officer with 20 years of service.

- If he elects to remain in Group F and continues to work for the State, he will:
 - Continue to pay Group F contribution rates (4.68% lower than Group G);
 - Reach normal retirement at age 62 or unreduced early retirement at age 55; and
 - If he retires at age 62, he will have 29 years of Group F service and therefore reach 48.43% of AFC. He will not reach 50% of AFC unless he waits to age 63 to retire so as to have 30 years of service. If he were to retire at age 55, he would reach 36.74% of AFC with 22 years.

- If he elects to transfer to Group G and continues to work for the State, he will:
 - Begin paying Group G contribution rates (4.68% higher than Group F);
 - Reach normal retirement at age 55;
 - If he retires at 55, he will have 20 years of Group F service and 2 years of Group G service and therefore reach 38.4% of AFC. He will not reach 50% of his AFC unless he waits to age 60 to retire so as to have 20 years of Group F service and 7 years of Group G service.

CALCULATING MY BENEFIT – Group F* members

Deb is a 28-year-old Corrections Officer with 5 years of service.

- If she elects to remain in Group F* and continues to work for the State, she will:
 - o Continue to pay Group F* contribution rates (4.68% lower than Group G);
 - o Reach normal retirement at age 55; and
 - o Reach 53.44% of her AFC as her pension at age 55 because she has 32 years.
- If she elects to transfer to Group G and continues to work for the State, she will:
 - o Begin paying Group G contribution rates (4.68% higher than Group F*);
 - o Reach normal retirement at age 55;
 - o Reach the full 60% of her AFC as her pension at age 55 because she has 5 years in Group F* and 27 years in Group G. She would reach the max AFC at age 49 but would have to wait until age 55 to begin collecting the full benefit.

CALCULATING MY BENEFIT – Group F* members

Eve is a 40-year-old Corrections Officer with 5 years of service.

- If she elects to remain in Group F* and continues to work for the State, she will:
 - Continue to pay Group F* contribution rates (4.68% lower than Group G);
 - Reach normal retirement at age 61; and
 - If she retires at 61, she will have 26 years of Group F* service and therefore reach 43.42% of AFC. She will not reach 50% of AFC unless she waits to age 65 to retire so as to have 30 years of service.
- If she elects to transfer to Group G and continues to work for the State, she will:
 - Begin paying Group G contribution rates (4.68% higher than Group F*);
 - Reach normal retirement at age 55;
 - If she retires at 55, she will have 5 years of Group F* service and 15 years of Group G service and therefore reach 45.85% of AFC. She will not reach 50% of her AFC unless she waits to age 57 to retire so as to have 5 years of Group F* service and 17 years of Group G service.

CALCULATING MY BENEFIT – Group F* members

Faith is a 52-year-old Corrections Officer with 11 years of service.

- If she elects to remain in Group F* and continues to work for the State, she will:
 - Continue to pay Group F* contribution rates (4.68% lower than Group G);
 - Reach normal retirement at age 64 due to the rule of 87; and
 - If she retires at 64, she will have 23 years of Group F* service and therefore reach 38.41% of AFC. She will not reach 50% of AFC unless she waits to age 71 to retire so as to have 30 years of service.
- If she elects to transfer to Group G and continues to work for the State, she will:
 - Begin paying Group G contribution rates (4.68% higher than Group F*);
 - Reach normal retirement at age 61;
 - If she retires at 61, she will have 11 years of Group F* service and 9 years of Group G service and therefore reach 40.87% of AFC. She will not reach 50% of her AFC unless she waits to age 65 to retire so as to have 11 years of Group F* service and 13 years of Group G service.

MEMBER DIRECT

Did you know you can set up a Member Direct account and have the ability to log into your VSERS retirement account?

By signing up for Member Direct you can:

As an active employee:

- view your nominated beneficiary
- create pension estimates

As a retiree:

- view and change Direct Deposit information
- view and change federal and state tax withholdings
- change an address
- view and print monthly statements

Please visit www.vermonttreasurer.gov/content/member-direct to find out how to securely sign up.

FOR MORE INFORMATION

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