



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

Public Retirement Study Committee Meeting

November 23, 2016

1pm

Committee Members in Attendance:

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

Committee Members Not in Attendance:

Russ Bennett, Appointed by the Speaker
Lindsay DesLauriers, Appointed by the State Treasurer
Dan Boardman, Appointed by the Speaker

Also Attending:

Tim Lueders-Dumont, Policy Director, Office of the State Treasurer
Chris Rice, MMR
Chris D'Elia, Vermont Bankers Association
Jeff Fannon, VT-NEA (phone)
Angela M. Antonelli, Executive Director, Center for Retirement Initiatives, Georgetown University (phone)

CALL TO ORDER:

Ms. Pearce called the meeting to order at 1:12 p.m.

ITEM 1: Member Discussion

Ms. Pearce gave an overview of the legislative report due on January 15, 2017.¹ Discussion occurred regarding the recommendation(s) and legislative report. Ms. Pearce noted that it would be important for the Committee to re-convene before January 4th.

Ms. Pearce explained that a simplified bid RFP process had taken place and that Ms. Antonelli at Center for Retirement Initiatives, Georgetown University had been awarded that contract. (See attached for more

¹ ACT 157: <http://www.vermonttreasurer.gov/sites/treasurer/files/pdf/misc/ACT157%20As%20Enacted.pdf>

information on the scope of services). Ms. Pearce introduced Ms. Antonelli, who is the Executive Director, at the Center for Retirement Initiatives, Georgetown University.

Ms. Antonelli gave an overview of the scope of work and a general timeline for completion of the report. Ms. Pearce noted that the report being completed by the Center for Retirement Initiatives would serve as a foundation for the recommendation(s) that will be submitted to the General Assembly by Public Retirement Study Committee in January 2017.

Ms. Pearce also noted that it is possible that multiple recommendations may be included in the report that the Committee produces in January. Ms. Antonelli and the Committee discussed different factors at the federal level with respect to Congress as well as a change in the Administration which could impact State plans. She noted that information with respect to federal changes would be included in her report along with the other items noted in the Scope of Services document (which is attached).²

ITEM 2: Approval of minutes

Mr. Hooper made a motion to approve the minutes of 10.11.16. Ms. Noonan seconded the motion. A roll call was taken and the Committee unanimously approved the minutes.

Public Comment

Mr. Rice asked a question on behalf of ACLI with respect to the timeline for completion of the report and the next meetings of the Public Retirement Study Committee. Ms. Pearce noted that the Committee would attempt to meet twice before prior to January 4th to discuss the report being prepared by the Committee and Ms. Antonelli.

Adjournment

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

² The Retirement Enhancement and Savings Act (RESA) was discussed briefly as a potential federal item that may impact State MEP plans, more information linked here: <http://www.institutionalinvestor.com/article/3603919/investors-pensions/retirement-enhancement-and-savings-act-passes-its-first-hurdle.html#.WDWGP7IrJEZ>



**Office of the Vermont State Treasurer
Public Retirement Study Committee**

Request For Proposals
Review of Potential Public Retirement Plan Options for Private Sector
Employees/Employers in the State of Vermont

November 3, 2016

Scope of Services and Background

The Vermont Public Retirement Study Committee (PRSC)¹ is charged with making recommendations regarding the feasibility and implementation of a retirement program for private sector employees who do not have access to employer-sponsored retirement programs.²

A 2015 AARP study found that 45 percent of Vermont's private sector employees, roughly 104,000 individuals, work for an employer that does not offer a retirement plan. AARP also found that significant numbers of Vermont workers at all levels of earnings and education do not have the ability to use payroll deductions to save for retirement."³

Since 2014, the Committee has completed two reports, which are linked below:

- [2015 Report](#) - Interim Study of the Feasibility of Establishing a Public Retirement Plan (Submitted January 15, 2016)
- [2014 Report](#) - Interim Study of the Feasibility of Establishing a Public Retirement Plan (Submitted January 15, 2015)

While the Committee is still reviewing options, the Committee⁴ is requesting a feasibility and implementation review of the following models:

- 1. A Publicly-enabled IRA⁵**
- 2. A Publicly-sponsored 401(k) Open Multiple Employer Plan (MEP)⁶**

¹ The Committee's webpage is linked here: <http://www.vermonttreasurer.gov/retirement/Public-Retirement-Study-Committee>

² In 2014 the committee was charged with completing an interim study of the feasibility of establishing a public retirement plan. Since then, two reports have been completed. In 2016 the enabling legislation was amended and is linked here: [ACT 157](#).

³ <http://www.aarp.org/content/dam/aarp/ppi/2015-08/aarp-vermont-fact-sheet.pdf>

⁴ http://www.vermonttreasurer.gov/sites/treasurer/files/pdf/misc/_DRAFT_10.11.16_PRSC_MINS_withAttachments.pdf

⁵ See option number 3 under "Range of Options Considered": <http://comptroller.nyc.gov/reports/an-analysis-of-options-to-increase-retirement-security-for-new-york-city-private-sector-workers/>

⁶ See option number 5 under "Range of Options Considered": <http://comptroller.nyc.gov/reports/an-analysis-of-options-to-increase-retirement-security-for-new-york-city-private-sector-workers/>

The report should include:

1. A full vetting of models for delivery of retirement services with a particular emphasis on the above noted plan options (*1 and 2*). This should include a review of existing reports and models from other states.⁷
2. To the extent that a voluntary MEP could be contemplated, identify models that could be used in combination to achieve greater participation.
3. An estimate of employee participation under each model.
4. Identify State, employee, and individual employer responsibilities under each model.
5. Identify any limitations of employer contributions under the contemplated models.
6. Identify the potential impact of any federal legislation or federal legal requirements under each model.
7. Identify limits regarding highly compensated employee tests under each model.
8. Identify ERISA requirements as they relate all options, particularly the MEP model.
9. Provide background on preliminary design specifications under each model—including: administrative responsibilities, payroll deductions, record keeping, auto-enrollment, opt-out procedures, and lessons learned from other states under each model.
10. An estimate of potential and projected costs that the State would incur in implementing as well as planning delivery under each model.

Deadline

Proposals in response to this RFP are due no later than 4:30 P.M. Eastern Time (ET) on November 15, 2016 to Tim.Lueders-Dumont@Vermont.Gov

It is expected that a draft of this report will be available in late December with a final report due by the end of December, 2016.

The Public Retirement Study Committee will be submitting a Legislative Report by January 15, 2017. The information provided in this report may be used in whole or in part within that Legislative Report.

Budget

The proposed budget for this study shall not exceed \$20,000.

Bidder Profile:

Please provide basic information about your firm and staff, including the following:

1. Any potential conflicts of interest that are currently or would be created if it provided the services requested in this RFP.

⁷ NYC and Philadelphia: <http://comptroller.nyc.gov/reports/an-analysis-of-options-to-increase-retirement-security-for-new-york-city-private-sector-workers/>, and http://www.philadelphiacontroller.org/publications/RetirementSecurity_Final_May2016_web2.pdf

2. Please describe the firm's qualifications and experience regarding the subject area.
3. Please provide a full biography/resume for each consultant who will be assigned to the project identified in this RFP.
4. Please provide references

Bidder's Proposal: Please provide a brief description of how you would propose approaching the services outlined in the scope of services and development of proposed options. Please identify a proposed timeline and any scheduling constraints that would impact the timeframe for completion of this project.

Cost: The bidder must provide a flat fee incorporating all expenses, exclusive of travel expenses, for the consultant services outlined in the RFP. Reasonable travel expenses, subject to negotiation/approval, will be reimbursed separately.

With any questions please email Tim.Lueders-Dumont@Vermont.Gov or call 802-828-1451.

(3) the name of the town wherein such business is to be carried on, or towns where the organization conducts business under the name; and

(4) a brief description of the kind of business transacted under such name, and the corporate or the limited liability company name and location of the principal office of such corporation or limited liability company the organization conducts under the name.

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* * * Vermont State Treasurer; Public Retirement Plan * * *

Sec. F.1. INTERIM STUDY ON THE FEASIBILITY OF ESTABLISHING

A PUBLIC RETIREMENT PLAN

(a) Creation of Committee.

(1) There is created a Public Retirement Plan Study Committee to evaluate the feasibility of establishing a public retirement plan.

(2) It is the intent of the General Assembly that the Committee continue the work of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016.

(b) Membership.

(1) The Public Retirement Plan Study Committee shall be composed of eight members as follows:

(A) the State Treasurer or designee;

(B) the Commissioner of Labor or designee;

(C) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(D) an individual with private sector experience in the area of providing retirement products and financial services to small businesses, to be appointed by the Speaker;

(E) an individual with experience or expertise in the area of the financial needs of an aging population, to be appointed by the Committee on Committees;

(F) an individual with experience or expertise in the area of the financial needs of Vermont youth or young working adults, to be appointed by the Treasurer;

(G) a representative of employers, to be appointed by the Speaker; and

(H) a representative of employees who currently lack access to employer-sponsored retirement plans, to be appointed by the Committee on Committees.

(2) Unless another appointee is specified pursuant to the authority granted under subdivision (1) of this subsection, the members of the Public Retirement Plan Study Committee created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, which ceased to exist on January 15, 2016, shall serve as the members of the Committee created pursuant to this section.

Report Due on Jan. 15, 2017

(c) Powers and duties.

(1)(A) The Committee shall study the feasibility of establishing a public retirement plan, including the following:

(i) the access Vermont residents currently have to employer-sponsored retirement plans and the types of employer-sponsored retirement plans;

(ii) data and estimates on the amount of savings and resources Vermont residents will need for a financially secure retirement;

(iii) data and estimates on the actual amount of savings and resources Vermont residents will have for retirement, and whether those savings and resources will be sufficient for a financially secure retirement;

(iv) current incentives to encourage retirement savings, and the effectiveness of those incentives;

(v) whether other states have created a public retirement plan and the experience of those states;

(vi) whether there is a need for a public retirement plan in Vermont;

(vii) whether a public retirement plan would be feasible and effective in providing for a financially secure retirement for Vermont residents;

(viii) other programs or incentives the State could pursue in combination with a public retirement plan, or instead of such a plan, in order to encourage residents to save and prepare for retirement; and

- (B) if the Committee determines that a public retirement plan is necessary, feasible, and effective, the Committee shall study:
- (i) potential models for the structure, management, organization, administration, and funding of such a plan;
 - (ii) how to ensure that the plan is available to private sector employees who are not covered by an alternative retirement plan;
 - (iii) how to build enrollment to a level where enrollee costs can be lowered;
 - (iv) whether such a plan should impose any obligation or liability upon private sector employers; and
 - (v) any other issue the Committee deems relevant.
- (2) The Committee shall:
- (A) continue monitoring U.S. Department of Labor guidance concerning State Savings Programs for Non-Governmental Employees regarding ERISA rules and other pertinent areas of analysis;
 - (B) further analyze the relationship between the role of states and the federal government; and
 - (C) continue its collaboration with educational institutions, other states, and national stakeholders.
- (3) The Committee shall have the assistance of the staff of the Office of the Treasurer, the Department of Labor, and the Department of Disabilities, Aging, and Independent Living.

(d) Report. On or before January 15, 2018, the Committee shall report to the General Assembly its findings and any recommendations for legislative action. In its report, the Committee shall state its findings as to every factor set forth in subdivision (c)(1)(A) of this section, whether it recommends that a public retirement plan be created, and the reasons for that recommendation. If the Committee recommends that a public retirement plan be created, the Committee's report shall include specific recommendations as to the factors listed in subdivision (c)(1)(B) of this section.

(e) Meetings; term of Committee; Chair. The Committee may meet as frequently as necessary to perform its work and shall cease to exist on January 15, 2018. The State Treasurer shall serve as Chair of the Committee and shall call the first meeting.

(f) Reimbursement. For attendance at meetings, members of the Committee who are not employees of the State of Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel expenses.

* * * Vermont State Treasurer; ABLE Savings Program * * *

Sec. F.2. 33 V.S.A. § 8001 is amended to read:

§ 8001. PROGRAM ESTABLISHED

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(c) The Treasurer or designee shall have the authority to implement the Program in cooperation with one or more states or other partners in the manner