

# Vermont Legislative Joint Fiscal Office

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## *Draft FISCAL NOTE*

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### **House 863: An Act Making Miscellaneous Amendments to Vermont Retirement Laws**

Section 1: Limits disability income reporting to those of pre-retirement age. - No impact

Section 2: Clarifies that if you are eligible for a public safety benefit, you do not get ordinary death benefit - Minimal savings possible

Section 3: Eliminates negative CPI adjustments to benefits but offsets this by limiting increases over next years until impact of eliminating negative benefit is made up. - Potential minimal increase in benefits

Section 4: Increases contribution rates .25% in employee contributions. State contribution is set by the actuary. Union agreed to this to address fund liabilities. - Benefits funding level

Section 5: Provides health insurance for survivors of state employee who die as a result of a willful reckless act of a third party, where the employee participated in the system and the spouse or dependent were covered. - These deaths are rare but will result in some system costs when they occur.

Section 6: Contributions to fund are irrevocable until liabilities of fund are met - No additional cost but protects fund.

Section 7: Mirrors Section 3 for Teachers (see above)

Section 8: Municipal system purchase of service: Allows lump sum or purchase or service over time "60 months" rather than 36 months. Interest rate set by actuary - No impact

Section 9: Session law maintaining last year's session law rates - No impact