

1 S.210

2 Introduced by Senator Carris

3 Referred to Committee on

4 Date:

5 Subject: Education; teachers; retirement; defined contribution plan

6 Statement of purpose: This bill proposes to require teachers who are hired on
7 or after July 1, 2010 to participate in a defined contribution retirement plan.

8 An act relating to a defined contribution retirement plan for teachers

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 Sec. 1. 16 V.S.A. chapter 53, subchapter 2 is added to read:

11 Subchapter 2. Defined Contribution Retirement Plan

12 § 1791. DEFINED CONTRIBUTION RETIREMENT PLAN

13 (a) The state treasurer shall offer a retirement plan for teachers who are
14 hired on or after July 1, 2010. Membership in the plan shall be a condition of
15 employment for all teachers hired on or after July 1, 2010. The plan shall
16 qualify as a defined contribution plan under the U.S. Internal Revenue Code, as
17 amended. No member shall be eligible to participate in any of the other plans
18 established under this chapter.

19 (b) Members in the defined contribution retirement plan shall contribute at
20 the rate established for group C members. The state shall contribute to each

1 employee's account at the rate set forth in subsection 1944(c) of this title.
2 Members may make additional contributions to the plan, provided that total
3 annual contributions by a member in any calendar year shall not exceed the
4 maximum permitted for plans under the U.S. Internal Revenue Code.
5 Contributions shall not be subject to taxation until distribution is actually made
6 or made available to the member.

7 (c) Members shall become vested in the plan after completion of one year
8 and 11 months of creditable service as a teacher.

9 (d) If a member, after having accrued a minimum of five years of service,
10 becomes disabled as determined by the Social Security Administration or by a
11 state-purchased disability insurance policy while currently employed by the
12 school district, the member shall be entitled to continue the same health and
13 dental benefits that are available to members of the state teachers' retirement
14 system of Vermont who qualify for disability retirement benefits.

15 (e) Upon retirement, members shall be entitled to the same life, dental, and
16 health insurance benefits available to members of the state teachers' retirement
17 system of Vermont.

18 (f) The state treasurer shall certify to the governor or governor-elect a
19 statement of the percentage of the payroll of all participating members
20 sufficient to fund all operating expenses of the defined contribution retirement

1 plan and all contributions of the state which will become due and payable
2 during the next biennium.

3 (g) The plan shall be administered by the state treasurer who shall adopt
4 rules necessary to implement and administer the provisions of this subchapter.