

**2009 RETIREMENT INCENTIVE  
Number of Applications Received by Agency/Department  
As of July 15, 2009**

- 52 - Agency of Transportation
- 37 - Children and Families
- 27 - Corrections
- 17 - Labor
- 14 - Buildings and General Services
- 12 - Agency of Natural Resources
- 12 - Judiciary
- 11 - Health
- 10 - Disabilities, Aging & Independent Living
- 9 - Public Safety
- 7 - Child Support
- 7 - Education
- 7 - Tax
- 6 - Agency of Agriculture, Food & Markets
- 5 - Liquor Control
- 5 - Military
- 38 - Other

**276 - Total\***

- 101 - Agency of Human Services
- 52 - Agency of Transportation
- 30 - Agency of Administration
- 12 - Agency of Natural Resources
- 6 - Agency of Agriculture, Food & Markets
- 75 - Other

**276 Total\***

\* Preliminary applications. We anticipate some of these individuals will not follow through with the retirement process once estimate information is provided.

<b>Applications Received</b>	
153	- Week of June 15th
70	- Week of June 22nd
26	- Week of June 29th
18	- Week of July 6th
9	- Week of July 13th
<b>276</b>	<b>Total</b>

<b>Service Credit Data</b>	
70	- 35+ - years of service
108	- 30 - 34 years of service
41	- 20 - 29 years of service
24	- 15 - 19 years of service
33	- Less than 15 years of service
<b>276</b>	<b>Total</b>
<b>28.7</b>	<b>Average Years of Service</b>

<b>Age Data</b>	
135	- 62 + years old
113	- 55 - 61 years old
28	- 48 - 54 years old
<b>276</b>	<b>Total</b>
<b>61</b>	<b>Average Age</b>

## Preliminary JFO Retirement Analysis

7/15/2009

<u>Department</u>	<u>Retirees</u>	<u>Employment</u>	<u>%</u>
Agency of Transportation	52	1237	4.2%
Children and Families	37	979	3.8%
Corrections	27	1047	2.6%
Labor	17	277	6.1%
Buildings and General Services	14	382	3.7%
Agency of Natural Resources	12	553	2.2%
Judiciary	12	329	3.6%
Health	11	515	2.1%
Disabilities, Aging & Independent Living	10	287	3.5%
Public Safety	9	588	1.5%
Child Support	7		
Education	7	183	3.8%
Tax	7	169	4.1%
Agency of Agriculture, Food & Markets	6	90	6.7%
Liquor Control	5	54	9.3%
Military	5	127	3.9%
Other	38		
<b>Total</b>	<b>276</b>		



JEB SPAULDING  
STATE TREASURER

RETIREMENT DIVISION  
TEL: (802) 828-2305  
FAX: (802) 828-5182



116109 - Clasen 3.0,  
UNCLAIMED PROPERTY DIVISION  
TEL: (802) 828-2407

ACCOUNTING DIVISION  
TEL: (802) 828-2301  
FAX: (802) 828-2884

STATE OF VERMONT  
OFFICE OF THE STATE TREASURER

June 12, 2009

To: Vermont State Employees Eligible for 2009 Retirement Incentive  
From: Vermont Retirement Systems

We are writing to let you know that, based upon a preliminary review of our records, you are eligible to voluntarily retire under the 2009 Retirement Incentive Program that was recently passed by the Vermont General Assembly. The 2009 Retirement Incentive Program is available to any State of Vermont employee who meets the following eligibility criteria:

- 1.) Employed on June 1, 2009;
- 2.) Participates in either the defined benefit or defined contribution retirement plans;
- 3.) At July 1, 2009, will have either 30 years of service or will be age 62 with at least 5 years of service.
- 4.) Has not initiated a purchase of service after May 1, 2009.

In accordance with the recently passed law, **eligible employees must apply for the incentive on or before July 31, 2009, for a September 1, 2009 effective retirement date.** If more than 300 eligible employees apply for the incentive, this office will utilize a lottery system to limit the incentive to 300 employees. That being said, the law does permit the Joint Fiscal Committee the ability to vote to increase the number of individuals who are eligible for the retirement incentive, should they find it necessary to do so.

The 2009 Retirement Incentive program provides the following benefits in addition to the monthly pension payments for defined benefit members and access to retirement funds for defined contribution members:

- A.) Payment by the State of at least 80 percent of the cost of the premium for health insurance coverage offered by the State of Vermont to retirees, provided they continue to meet the eligibility requirements for at least seven years following retirement, (unless the employee elects the premium reduction option under 3 V.S.A. § 479(e));
- B.) \$500 per year of service if the employee has fewer than five years of creditable service;
- C.) \$750 per year of service if the employee has five years of creditable service or more and fewer than 15 years of creditable service;
- D.) \$1,000 per year of service if the employee has 15 years of creditable service or more.

The law states that the retirement incentive shall not exceed \$15,000 per employee and the cash portion of the retirement incentive is to be paid in two equal amounts in fiscal years 2010 and 2011. The first payment is to be made within 90 days of the retirement date. The second payment is to be made within 30 days of the one year anniversary of the retirement date. Additionally, the retirement incentive will be treated as a severance payment under subdivision 1344(a)(5)(F) of Title 21, which means the incentive is taxable and subject to FICA withholding, and shall be disqualifying remuneration for unemployment benefits. This means that if you were laid off and are receiving unemployment compensation, your unemployment benefit will be temporarily suspended at the time the incentive is paid for the number of weeks it would take you to

earn the incentive as pay at your last rate of pay. In this case, you will need to report the receipt of the incentive to the Department of Labor. It should also be noted the retirement incentive will not be included in the average final compensation for defined benefit members, nor counted as retirement wages for defined contribution members.

Enclosed with this letter are two forms: an *Application for 2009 Retirement Incentive* and an *Estimate Request*. Both of these forms must be completed and returned to our office on or before July 31, 2009, if you are interested in retiring effective September 1, 2009 under the incentive. **NOTE: All applications with original signatures must be either hand-delivered or mailed and must physically be in our office by 4:30 p.m. on Friday, July 31, 2009. If you are planning on mailing your application, please mail it early to ensure it is delivered to our office on or before July 31, 2009. Applications that are received after July 31, 2009, regardless of the postmark date, will not be considered.**

As mentioned above, the enabling legislation limits this incentive to 300 employees. If more than 300 applications are received, and, following a lottery drawing, you are selected as one of the 300, we will send you the estimate information along with a standard retirement application where you will select the retirement option under which you wish to retire. At this time we anticipate sending the estimate and retirement paperwork by August 7, 2009 to the 300 employees who are selected to receive the retirement incentive so they may provide adequate resignation notice to their respective department. All retirement paperwork will need to be completed and returned to our office by August 31, 2009.

We have tentatively scheduled a number of group retirement seminars to be held the week of August 10, 2009 in the Pavilion Building in Montpelier to provide additional information about the retirement system and process. We will also have retirement specialists available to meet with individuals to answer specific questions during this same time period. More information about these seminars will be provided to the 300 employees in a mailing that will be sent out during the first week of August. **Note: Due to the large number of teachers who retire effective July 1, 2009, the Retirement Division will not be conducting individual retirement counseling appointments during the month of July.**

Employees that are not included in the initial 300 will not receive estimate information unless some of the initial 300 withdraw their applications or the Joint Fiscal Committee votes to increase the incentive program beyond the currently authorized 300. In other words, you will only receive estimate information if you are included as part of the 300 who are selected to receive the incentive. If you are not selected to receive the incentive and are still interested in receiving the estimate information, please contact our office.

Please note that if you are interested in voluntarily retiring effective September 1, 2009, you must terminate your employment on or before August 31, 2009. The law does allow an employer to stagger the retirement dates of multiple retiring employees if necessary to continue the normal operation of business. However, no retirement date shall be later than March 1, 2010. The law also states that no employee who receives the retirement incentive may return to state employment for at least one fiscal year unless: the Secretary of Administration otherwise approves for an executive branch employee; the Chief Justice of the Supreme Court otherwise approves for a judicial branch employee; or the Speaker of the House and the President Pro Tempore of the Senate otherwise approve for a legislative branch employee.

As mentioned above, we have determined your eligibility for the retirement incentive based upon a preliminary review of our records. Final eligibility is contingent upon verification and confirmation of membership date and corresponding years of service at July 1, 2009. This letter is not binding.

Please contact our office toll-free in Vermont at 1-800-642-3191, or at 802-828-2305, if you have any questions or require additional information.

# VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Pavilion Building, 109 State Street, Montpelier, VT 05609-6901  
802-828-2305 or 1-800-642-3191 (Toll free in VT only)

## Application for 2009 Retirement Incentive

I, \_\_\_\_\_, hereby make application for the Retirement Incentive contained in Section 13 of Act 2 of the 2009 Special Session as outlined below:

1. An individual who is employed by the State on June 1, 2009 and participates in either the defined benefit or defined contribution plan, has either 30 years of service, or is age 62 with 5 years of service, as of July 1, 2009, and does not initiate the purchase of any additional service credit after May 1, 2009, shall be eligible for the retirement incentive outlined below. The retirement division shall offer the retirement incentive to all eligible employees. If more than 300 eligible employees apply, the retirement division shall utilize a lottery system to limit the incentive to no more than 300 employees.
2. If the employee applies for the retirement incentive by July 31, 2009, for a retirement effective September 1, 2009, the employee shall be entitled to:
  - (A) Payment by the State of at least 80 percent of the cost of the premium for health insurance coverage offered by the State of Vermont to retirees, providing they continue to meet the eligibility requirements for at least seven years following retirement, unless the employee elects the premium reduction option under 3 V.S.A. § 479(e);
  - (B) \$500 per year of service if the employee has fewer than five years of creditable service;
  - (C) \$750 per year of service if the employee has five years of creditable service or more and fewer than 15 years of creditable service;
  - (D) \$1,000 per year of service if the employee has 15 years of creditable service or more.
3. An employer may stagger the retirement dates of multiple retiring employees if necessary to continue the normal operation of business, however, no retirement date shall be later than March 1, 2010.
4. The incentive set forth in subsection (a) of this section shall not exceed \$15,000 per employee. The employee shall receive the cash portion of the retirement incentive in two equal payments in fiscal years 2010 and 2011. The first payment shall be made within 90 days of the retirement date. The second payment shall be made within 30 days of the one year anniversary of the retirement date.
5. No employee who receives the incentive set forth in subsection (a) of this section may return to State employment for at least one fiscal year unless: the Secretary of Administration otherwise approves for an executive branch employee; the Chief Justice of the Supreme Court otherwise approves for a judicial branch employee; or the Speaker of the House and the President Pro Tempore of the Senate otherwise approve for a legislative branch employee. The Joint Fiscal Committee shall be notified of any employees who have received the incentive set forth in subsection (a) of this section and who return to State employment within one fiscal year.
6. The retirement incentive set forth in subsection (a) of this section shall be treated as a severance payment under subdivision 1344(a)(5)(F) of Title 21 and shall be disqualifying remuneration for unemployment benefits. This means that if the employee was laid off and is receiving unemployment compensation, the unemployment benefit will be temporarily suspended at the time the incentive is paid for the number of weeks it would take the employee to earn the incentive as pay at their last rate of pay. In this case the employee will need to report the receipt of the incentive to the Department of Labor.
7. Members who are not employed by the State of Vermont shall not be eligible for this retirement incentive.

I hereby acknowledge my understanding of, and agreement to, the conditions outlined above and further acknowledge that I must complete the standard retirement application indicating the retirement option I chose. I understand that final eligibility for this retirement incentive program is contingent upon verification and confirmation of my membership date and corresponding years of service at July 1, 2009. I further acknowledge and understand that the option I elect and my decision to retire from the State of Vermont are irrevocable after the first payment becomes normally due.

\_\_\_\_\_  
(Signature of Member)

\_\_\_\_\_  
(Mailing Address – Street or Box Number)

\_\_\_\_\_  
(City or Town)

\_\_\_\_\_  
(State)

\_\_\_\_\_  
(Zip Code)

\_\_\_\_\_  
(Social Security Number)

\_\_\_\_\_  
(Phone)

Name of Department where currently employed: \_\_\_\_\_

**NOTE: All applications and estimate requests with original signatures must be either hand-delivered or mailed and must physically be in our office by 4:30 p.m. on Friday, July 31, 2009. If you are planning on mailing your application, please mail it early to ensure it is delivered to our office on or before July 31, 2009. Applications that are received after July 31, 2009, regardless of the postmark date, will not be considered.**





**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM**  
**2009 RETIREMENT INCENTIVE**  
**ESTIMATE REQUEST**

Member Name: \_\_\_\_\_  
(Please Print) (First) (Middle Initial) (Last)

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
(Month Day Year)

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Home Telephone: \_\_\_\_\_ Work Telephone: \_\_\_\_\_

Name of Department Where Currently Employed: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

If you are also interested in receiving an estimate for an optional form of a monthly retirement benefit that includes a survivorship provision in the event of your death, please complete the information below.

Survivor Name: \_\_\_\_\_  
(First) (Middle Initial) (Last)

Survivor Date of Birth: \_\_\_\_\_  
(Month Day Year)

**NOTE: All applications and estimate requests with original signatures must be either hand-delivered or mailed and must physically be in our office by 4:30 pm on Friday, July 31, 2009. If you are planning on mailing your application, please mail it early to ensure it is delivered to our office on or before July 31<sup>st</sup>. Applications that are received after July 31, 2009, regardless of the postmark date, will not be considered. Please send forms to:**

Vermont State Employees Retirement System  
Pavilion Building  
109 State Street  
Montpelier, VT 05609-6901

