

Teachers' Retirement:
The major components of agreement proposed by
Legislative Leadership, Treasurer and Vermont-NEA (1-28-10)

- A. To whom changes apply
- Regarding eligibility and benefit levels, teachers with up to 25 years' service would be affected
 - Regarding employee payments, all teachers would be affected
 - Regarding the health benefit, multiple categories.
- B. Eligibility for benefits
- "Normal retirement age" increased to 65 or "rule of 90"
 - Early retirement age remains at 55
- C. Benefits
1. Pension amount
Retain the current 3-year calculation period.
 2. Pension percentage
 - Lift the cap from 50% to 60% of "average final compensation"
 - Enable teachers to reach that level by the end of 34 years, through an increase in the "multiplier" from 1.67% to 2% after year 20
 3. Health insurance
Enable career teachers to retire with 80% of 2-person coverage, as follows:
 - For those not currently vested. Teachers not yet vested (fewer than 10 years' service) in the health benefit would not become vested until they have 15 years' service, at which point they would be eligible for 60% of single coverage, 70% of single coverage at 20 years, and 80% of 2-person coverage at 25 years.
 - For those currently vested. Teachers with at least 10 years' service now would remain vested for 80% of single coverage AND would become vested for 80% of 2-person coverage in accordance with this schedule:
 - Teachers with 10 to 15 years' service: after 25th year
 - Teachers with 15 to 25 years' service: after 10 more years of service
 - Teachers with 25 to 30 years' service: after 35th year
 - Teachers with more than 30 years' service: after 5 more years of service
- D. Employee payments
- Increase active teachers' payments to 5%, and
 - Eliminate the incremental contribution of active teachers to the cost of retired teachers' health insurance.
- E. Matters of general retirement policy
- No change in current retirees' benefits
 - No movement away from defined benefit pension
 - No intrusion into the Education Fund
 - Annual full funding a must