

# Vermont Employees Retirement System

Excerpts from a Pamphlet Published  
by the State of Vermont.

## TO THE EMPLOYEES OF THE STATE VERMONT:

At the 1943 session of the Legislature, provision was made for the establishment of a jointly contributory retirement system for the benefit of employees of the State of Vermont. This system became effective April 1, 1944. It offers a plan whereby the state joins with you in making adequate provision for your old age and for protection in the event of disability. It is believed that the system should prove a source of great satisfaction to you in the protection which it offers to you and to your dependents.

### *Service Retirement Allowance*

Any member who has attained age 65 may retire on his own application. Retirement will be compulsory at age 70, except that during the five year period following the date of establishment of the system any member may remain in service beyond age 70 by extension or successive one year extensions granted by the Retirement Board. Elected and appointed officials may remain in service after age 70 to complete their terms of office. No member has to prove disability or financial dependence in order to retire at age 65 or at an older age, and no one has the discretionary power to hold up the granting of the member's retirement allowance.

On retirement the member is entitled to an allowance in the average case equal to  $1/70$  of the average annual compensation received by him during the last 10 years of service, multiplied by the number of his years of creditable service. For example, if a member has 35 years of creditable service upon retirement at age 65 he may expect a retirement allowance of about one half his average final compensation. If his

creditable service is less than 35 years, his benefit will be proportionately less. If his service is greater than 35 years, his benefit will be greater. In determining creditable service the first three years of service are omitted and the maximum credit that will be allowed, taking into account both membership service and prior service, is 35 years. Precisely, the retirement allowance is made up of an annuity provided by the member's own accumulated contributions, and a pension provided by the state's contributions, as follows:

1. Each member will have a certain percentage of his salary deducted for his annuity. The amount deducted will be credited to his own savings account in the retirement system. Interest will be credited regularly to his savings. If he retires on a service retirement allowance, his total savings will be used to provide an annuity for him. The contribution rates are computed to provide that on the average the member's savings will provide an annuity of  $1/140$  of his average final compensation for each year of service as a member.

2. The State will also contribute a certain percentage of each member's salary which will be used to provide a pension. The amount of pension will be exactly  $1/140$  of the member's average final compensation for each year of membership service not in excess of 35 years.

3. In addition, in the case of a member with credit for service rendered prior to the establishment of the system on April 1, 1944, the retirement allowance will include an additional pension on account of prior service equal to  $1/70$  of the member's average final compensation for each year of prior service for which he receives credit.

### *Disability Retirement Allowances*

If a member who has not reached age 65 becomes permanently unable to work after he has had 15 or more years of creditable service, he may be retired, regardless of age, on a disability allowance payable for the remainder of his life, or until he is able to return to work.