

# Vermont Employees Retirement System

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throughout the lifetime of a beneficiary nominated at the time of his retirement.

## Contributions Payable by Members

Members of the retirement system are required to contribute to the system a certain percentage of their salary, which will be deducted on each pay day. The following tables give the percentage rates of contribution payable by members for full benefits. The tables show separate rates for men and women. Any member not desiring to pay the full rate may elect to reduce his rate as shown by the table to 4 per cent in which case his annuity will be proportionately less.

Age at Beginning to Contribute	Men	Women
20	4.09%	4.73%
25	4.55	5.26
30	5.23	6.04
35	5.33	6.16
40	5.48	6.33
45	5.66	6.54
50	5.87	6.78
55	6.12	7.07
60	6.38	7.37
64	6.61	7.64

(The rate applicable is the percentage shown for nearest birthday.)

In order to find his contribution rate one must first determine what his age will be on his nearest birthday as of the date he becomes a member. Then he will find the rate opposite such age in the appropriate column.

For example, if he is a man and is age 30 at the time when he becomes a member his rate will be 5.23 per cent of his salary. If his salary is \$200 a month his monthly contribution would be 5.23 per cent of \$200 or \$10.46. If his salary should increase, his percentage rate of contribution would remain constant at 5.23 per cent, but the amount of his contributions would increase. For example, if his monthly sal-

ary increased to \$260 then his monthly contribution would be 5.23 per cent of \$260 or \$13.60.

If an employee is age 65 or over when he becomes a member, he contributes the rate for age 64. The minimum rate of member contribution has been set at 4 per cent and if one prefers to receive a reduced annuity at retirement he may elect the 4 per cent rate at the time of joining the system. This will not affect the pension to be provided by the state since the pension will remain the same as explained under Service Retirement Allowance above.

## Contributions Payable by the State

The state makes contributions based upon the payroll of the membership and reserves are accumulated from which the benefits provided by the state are paid. The state provides:

(a) Pensions at least equal to the annuities which members are expected to provide by their contributions.

(b) All the benefits payable on account of service rendered prior to April 1, 1944.

(c) That part of the ordinary disability allowance which is not provided by the member's contributions.

(d) All of the administrative and overhead expenses in connection with the operating of the system.

## Administration of System

The responsibility for the administration of the retirement system is placed in the Retirement Board which consists of three members, The Governor, The State Treasurer, and The Auditor of Accounts.

## Questions and Answers

21. Q. Suppose a man at age 65 is entitled to retire on a regular retirement allowance of \$1,000 per annum, which is made up of (a) an annuity of \$500 which is provided by his contributions, with interest, amounting to