

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Conference Call Meeting of the Board of Trustees

December 13, 2012

VSERS Members present:

Kevin Gaffney, Chairperson, VSEA Representative (term expiring September 1, 2013)

Roger Dumas, Vice-Chairperson, VRSEA Representative (term expiring September 1, 2014) – via telephone

Paul White, Jr., VSEA Representative (term expiring September 1, 2014) – via telephone

Jeff Briggs, VSEA Representative (term expiring September 1, 2014) – via telephone

Thomas Hango, VSEA Alternate (term expiring September 1, 2013) - via telephone

Richard Johannesen, Governor's Delegate (ex-officio) – via telephone

James Reardon, Commissioner of Finance & Management (ex-officio)

Kate Duffy, Commissioner of Human Resources (ex-officio) – via telephone

Elizabeth Pearce, VT State Treasurer

Members absent:

None

Also attending:

Stephen Wisloski, Deputy VT State Treasurer

Matthew Considine, Director of Investments

Laurie Lanphear, Director of Retirement Operations

Nancy Dimick, Secretary to the Board

Monica Chiren, Assistant to Nancy Dimick

The Chairperson, Kevin Gaffney, called the Thursday, December 13, 2012, meeting to order at 9:01a.m., which was held in the Treasurer's Conference Room, Fourth Floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the Minutes of:

- November 8, 2012

On motion by Mr. Briggs, seconded by Mr. White, the Board voted unanimously to approve the minutes of November 8, 2012, as submitted.

ITEM 2: Discussion/Act on disability retirement recommendation for:

- James T. Claremont New

On motion by Mr. Dumas, seconded by Mr. Briggs, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for James T. Claremont, with a one-year review.

ITEM 3: Discuss/Act on members with recalculated pensions

Ms. Pearce indicated there was a need to recalculate the pension benefits for 14 members of the State system since there was an error in calculating the COLA's for beneficiaries from January 1, 2010. Ms. Pearce's recommendation was to calculate the December pension to what it should have been and then to withhold the 2013 COLA and any further COLA's until the excess amount was paid back.

(Mr. Reardon arrived at the meeting at this time.)

It was indicated this error occurred because the new computer system considered the beneficiaries new retirees and did not calculate the negative COLA on their pension. Ms. Pearce indicated there were also members that were owed monies. It was indicated the members that were owed money from the State would be sent a letter informing them and the members that owed the State money would personally be called and explained the situation, and if they desired to pay off the amount sooner, they would be allowed that option.

On motion by Mr. Briggs, seconded by Mr. Dumas, the Board voted unanimously to approve the process as outlined by Ms. Pearce that the affected members' pensions would be recalculated to what they should be for December and then COLA's would be withheld until the arrears amount was paid back, unless the member wanted to pay off the amount sooner.

ITEM 4: Any other business to be brought before the Board

Ms. Pearce indicated 30,000 postcards were sent out from the Unclaimed Property Division to inform people to check for unclaimed property.

Ms. Pearce indicated the staff reviewed the members that retired in the same time period as Charly Dickerson and made adjustments to any pensions that needed to be recalculated.

Mr. Considine indicated he has not heard back from Great West yet, but they are working on the issue that ETF's be available for the self-directed brokerage accounts.

Mr. Gaffney indicated the auto enrollment was presented to the Union, and they are currently reviewing the issue to decide if it is a bargaining issue or not.

Ms. Pearce indicated one of the issues that will be presented during this legislative session will be the payment of pensions to people who have been involved in fraud or embezzlement cases. Ms. Pearce indicated they currently do not have the ability to forfeit the pension. Ms. Pearce indicated some of the circumstances under which pensions can be garnished. Ms. Pearce indicated she would like the Board to discuss this further so that they can weigh in on the issues.

(Mr. Wisloski and Ms. Lanphear entered the meeting at this time.)

Ms. Pearce indicated she will research what other states are currently doing relative to this issue. Ms. Duffy requested that Ms. Pearce keep her in the loop in the discussions concerning the pension forfeiture issue.

(Mr. Considine left the meeting at this time.)

Ms. Lanphear indicated to the Board that her staff reviewed 170 members that retired in the four or five month time frame similar to Charly Dickerson and that for 63 members an adjustment will be made to their pensions.

The Board discussed negative COLA's. The Board discussed Group F * and the CPI-NE.

Mr. Gaffney indicated Great West sent the link to the revised website. Since the Board members were also sent the link, Mr. Gaffney invited the Board members to review the site and provide any feedback they had.

Mr. Gaffney indicated a member contacted him about a possible disability retirement and Mr. Gaffney indicated he forwarded the member to the Retirement Division.

Ms. Duffy indicated the Trooper's Association indicated an interest in having one of their members included on the Board. Ms. Pearce indicated this was the first she heard of that, but that she would contact the VTA and have a conversation with them and Mr. Gaffney.

ITEM 5: Adjournment

On motion by Mr. Dumas, seconded by Ms. Pearce, the Board unanimously voted to adjourn at 9:53 a.m.

Next Meeting Date:

The next scheduled VSERS meeting is an in-house meeting on Thursday, January 10, 2013 at 9:00 a.m.

Respectfully submitted,

Nancy Dimick
Secretary to the Board