

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

May 26, 2020 – 11:00 a.m.

VMERS Members present:

MAURA CARROLL, Chairperson, Employer Representative (term expiring July 1, 2022) – via telephone

KIMBERLY GLEASON, Vice-Chair, Employer Representative (term expiring July 1, 2020) – via telephone

MICHAEL CLASEN, Deputy State Treasurer – via telephone

MORGAN DAYBELL, Employee Representative (term expiring July 1, 2020) – via telephone

CHRISTOPHER DUBE, Employee Representative (term expiring July 1, 2022) – via telephone

Members absent:

BETH PEARCE, Vermont State Treasurer

Also attending:

Erika Wolffing, Director of Retirement Operations – via telephone

Tim Duggan, Assistant Attorney General – via telephone

Lesley Campbell, Administrative Services Coordinator IV – via telephone

Tina Forrend, Chief Retirement Specialist – via telephone

Ms. Carroll called the Tuesday, May 26, 2020 Board Meeting to order at 11:01 a.m. which was held by conference call.

ITEM 1: Agenda approval and announcements

Ms. Carroll asked for a legislative update and discussion on S. 124 in other business. Ms. Wolffing announced that the active employee representative notice was mailed in April and that only Morgan Daybell had submitted a nomination form with appropriate emailed letters of support. Ms. Wolffing stated that as a result no election would be held.

On a motion made by Mr. Daybell, seconded by Mr. Dube, the Board voted unanimously to approve the agenda with the addition of a legislative update to take place during other business.

ITEM 2: Approve the minutes of:

- April 21, 2020

On a motion made by Ms. Gleason, seconded by Mr. Dube, the Board voted unanimously to approve the minutes of April 21, 2020 as submitted.

ITEM 3: CARES Act – MRHSP & 457b Deferred Compensation

Mr. Duggan updated that Board that the Vermont State Employees Retirement System (VSERS) Board of Trustees as trustees of the 457b Deferred Compensation Plan adopted the provisions of the CARES Act. These provisions allow for qualifying members to take Coronavirus Related Distributions (CRDs) up to \$100,000 and municipal members in the plan will be eligible to apply.

Mr. Duggan explained the provisions in the CARES Act that impact the Municipal Retiree Health and Savings Plan (MRHSP) currently administered by ConnectYourCare. The CARES Act broadens the scope of eligible health care expenses in the plan to include over the counter medications purchased without a prescription, and menstrual care expenses. Mr. Duggan explained that the adoption agreement for the MRHSP currently does not limit the scope of reimbursable expenses as the maximum permitted by law. Due to this broad definition, and after discussions with the Plan Administrator, staff determined that no action is needed by the Board at this time. If it is determined after further regulatory guidance that a plan amendment is needed, the Board has until December 31, 2021 to amend the plan.

ITEM 4: VMERS Furloughs/Reduced Work Schedule – COVID Response

Ms. Wolffing explained the expanded VMERS furlough and reduced work schedule language. The Retirement Office has received some inquiries on how to code employees reduced or furloughed due to the COVID-19 pandemic. The staff worked to outline a number of various scenarios included in the memorandum dated May 26, 2020. These scenarios reflect how a municipality should report an employee depending on the hours worked and whether the reduction in hours is temporary or permanent. The guidance further defines what a reduction in hours or a work stoppage will mean to an individual member's retirement account. The Retirement Office will send this guidance out to payroll officers by the end of May.

ITEM 5: Other Business

Ms. Carroll asked for an update on S.124, a bill that contains a VMERS law enforcement retirement study. Ms. Wolffing stated that the bill is currently under consideration in the Senate Committee on Government Operations. The study requires the Retirement Office to examine how to put all municipal police officers in a new retirement plan that mirrors the State Group C plan excluding health benefits. Ms. Wolffing explained that the VMERS Board had opposed similar type studies in the past by written memo to the Senate Committee on Government Operations. The Board discussed the language and offered to submit additional testimony or input as a Board opposing the study.

ITEM 6: Adjournment

On a motion made by Ms. Gleason, seconded by Mr. Dube, the Board voted unanimously to adjourn at 11:30 a.m.

Next Meeting Date:

The next scheduled VMERS meeting is Tuesday, June 16, 2020 at 11:00 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Erika Wolffing".

Erika Wolffing
Director Retirement Operations