

ELIZABETH A. PEARCE  
STATE TREASURER

RETIREMENT DIVISION  
TEL: (802) 828-2305  
FAX: (802) 828-5182



UNCLAIMED PROPERTY DIVISION  
TEL: (802) 828-2407

ACCOUNTING DIVISION  
TEL: (802) 828-2301  
FAX: (802) 828-2884

STATE OF VERMONT  
OFFICE OF THE STATE TREASURER

**TO:** Mitzi Johnson, Speaker of the House  
Tim Ashe, President Pro Tempore  
Senator Jane Kitchel, Chair, Senate Committee on Appropriations  
Senator Jeanette White, Chair, Senate Committee on Government Operations  
Senator Michael Sirotkin, Chair, Senate Committee on Economic Development  
Representative Kitty Toll, Chair, House Committee on Appropriations  
Representative Sarah Copeland-Hanzas, Chair, House Committee on Government Operations  
Representative Michael Marcotte, House Committee on Commerce and Economic  
Development  
Susanne Young, Secretary of Administration

**FROM:** Beth Pearce, State Treasurer 

**DATE:** January 8, 2020

**RE:** Green Mountain Secure Retirement Plan Update

---

In 2017, the General Assembly authorized creation of the Green Mountain Secure Retirement Plan (Plan) through the passage of Act 69. Specifically, the General Assembly provided that “[t]he State of Vermont shall, consistent with federal law and regulation, adopt and implement a voluntary Multiple Employer Plan (MEP) public retirement plan, which shall remain in compliance with federal law and regulations once implemented, and shall be called the ‘Green Mountain Secure Retirement Plan.’” 2017 Acts & Resolves No. 69, Sec. C.1, Subsec. (a).

Per Act 69, the Plan is overseen by a 7-member Board, and as State Treasurer, I serve as Chair. I write today to update the General Assembly and Administration on the steps we have made toward implementation of the Plan and the activities that have been carried out in 2019.

As a reminder, the Green Mountain Secure Retirement Plan (Plan) was originally intended to be in place in January 2019. The Board worked throughout 2018 to achieve this goal. However, as discussed in last year’s update, we put the implementation schedule on hold in 2018, following the promulgation of proposed rule by the federal Department of Labor (DOL). *Definition of “Employer” Under Section 3(5) of ERISA—Association Retirement Plans and Other Multiple-Employer Plans*, 83 Fed. Reg. 53,534 (Oct. 23, 2018) (Proposed Rule). The Proposed Rule threatened to impact the ability of states to implement a multiple employer plan such as Green Mountain Secure.

In response to the Proposed Rule, we moved forward on two fronts. First, we discussed our concerns with officials from DOL and filed formal comments on the Proposed Rule in late December 2018. Second, we worked with the General Assembly during the last session to broaden the scope of permissible plan types for Green Mountain Secure. As noted above, Act 69 originally

required the Plan to be a multiple employer plan. In order to provide a path forward in the event DOL's final rule prohibited states from sponsoring a MEP, we worked the General Assembly to amend Green Mountain Secure's enabling legislation to allow for either a MEP or other types of aggregated plan solutions.

We are pleased to report success on both fronts in 2019. First, in last year's Budget Act, the General Assembly expanded the enabling legislation for Green Mountain Secure. 2019 Acts & Resolves No. 72, Sec. C.114. As amended, the Green Mountain Secure is now authorized to "design and implement a voluntary ERISA-covered public retirement plan, employing a multiple employer plan or aggregated single employer plans."

Second, on July 31, 2019, DOL promulgated its Final Rule. *Definition of "Employer" Under Section 3(5) of ERISA—Association Retirement Plans and Other Multiple-Employer Plans*, 83 Fed. Reg. 53,534 (Jul. 31, 2019) (Final Rule). In the Final Rule, DOL provided the clarification sought by Vermont and other states, confirming that the Final Rule has no superseding effect on prior DOL statements authorizing state-sponsored MEPs.

In the meantime, we have been moving forward toward implementation of the Plan. This summer, we re-issued an RFP for third-party administration of the Green Mountain Secure Retirement Plan, and in November, the Board selected a finalist. We are currently entering contract negotiations with the selected finalist and look forward to launching the Plan in 2020, targeted for the second quarter of the year.<sup>1</sup>

I want to again thank the General Assembly and the Administration for authorizing this important program through the passage of Acts 69 and 72. I want to further thank the Green Mountain Secure Retirement Plan Board members, as well as staff from the Treasurer's Office for their hard work in moving the Plan from concept to implementation.

While last year presented an unfortunate speed bump, we are back on track and confident that we will be able to implement a program this year that will address retirement security for a large sector of Vermonters who currently do not have access to affordable retirement plans.

---

<sup>1</sup> Act 69, Sec. C.1 requires an annual report on certain metrics beginning January 2020, e.g., number of participants and participating employers, funds contributed, etc. Because the Plan is not yet launched, there is no data to report. We look forward to providing this data in next year's report.