

Summary of Current Events:

We are hearing that a starting proposal on the state's two largest public pensions could emerge in the House Government Operations committee as early as this week. Indeed, the committee's scheduled agenda for the week has pensions under discussion Wednesday, Thursday, and Friday. Although House Speaker Jill Krowinski has taken pains to say that Treasurer Beth Pearce's proposal to hike costs, lower the benefit, and prevent cost-of-living adjustments in retirement for teachers is only an opening act, she nonetheless insists that action must be taken now. "I know that there is a lot of conjecture out there, but again, I want to be clear: we are still reviewing all the options, and there is no specific plan that would immediately go into effect and impact those close to retiring," she wrote in [an op-ed appearing in the state's newspapers](#). "The last thing I want is to create fear in Vermonters who have been working for decades and planning for retirement."

We have made it abundantly clear that we will not support any plan whose aim is to charge teachers more, slash benefits, and eliminate COLAs. Be sure to keep up-to-date by viewing [our pension resources page](#).

Not on us – Find the money for a solution:

With the signing of the American Rescue Plan Act, the total amount of federal money flowing into Vermont during the pandemic is expected to exceed \$2.5 billion – nearly 10 percent of the state's annual economy. This creates a once in a generation opportunity. We believe that the course forward in addressing the pension's funding issues is fairly simple:

- **Federal Dollars First** – Use the expanded fiscal capacity of the state to steer significant money to pay-down the unfunded liability.
- **Wealthy Should Pay Their Fair Share** – Devise a dedicated revenue source – such as S.59's tax surcharge on the income of Vermonters earning more than \$500,000 a year – to address the system's annual needs. This proposal alone would inject over \$80 million annually into the unfunded pension liabilities.

We know that the in early 1990's then Governor Richard Snelling (R) pushed for and enacted an income tax surcharge on the wealthiest Vermonters. It worked then and it can work now. Additionally, we know that as a result of the 2017 federal Trump tax cuts the wealthiest 5% of Vermonter reaped over \$200 million¹ in savings.

Lawmakers must not find the money they need to address the system's funding issues from the pockets of teachers. Teachers have paid every penny ever ask of them.

Context:

Your pension is not just an important feature of a financially secure retirement; it is also an engine for the local and state economies. Indeed, according to a new analysis by our friends at the National Institute on Retirement Security, pension payments to retirees supported nearly 4,300 jobs that paid \$270 million in wages. Those payments also generated \$670 million in economic activity, including the generation of \$133 million in federal and local taxes. [Check out the findings here](#).

And from our friends at the National Public Pension Coalition is a new article on how public pensions are crucial in closing the women's retirement gap. "As the ongoing recession continues to [disproportionately impact women](#), it's more important than ever that policymakers protect pensions, especially for female public employees," the article said. [Read it in its entirety here](#).

¹ <https://publicassets.org/library/publications/reports/state-of-working-vermont-2019/> (Page 8)