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STATE OF VERMONT
OFFICE OF THE STATE TREASURER

VMERS RATE INCREASE

To: VMERS Employers, Defined Benefit Payroll/HR
From: Tim Duggan, Director, Vermont Retirement Systems *TMD*
Date: May 17, 2022
Re: VMERS Employee and Employer Rate Increase

Title 24, Chapter 125 requires the VMERS Board of Trustees to review actuarial data to set the employer contribution rates and conclude if any legislative action is required for the employee contribution rates.

In 2020, the VMERS Board approved a TOTAL increase of 0.50% for each VMERS group for a period of four fiscal years beginning July, 1, 2022, to be offset by any increases in employee contributions mandated by the Legislature.

In 2022, the Vermont Legislature passed H.740, which included an increase in the employee rate of 0.25% for each VMERS group for the following four fiscal years. While this bill has not yet been signed by the Governor, we expect this provision to become law this year.

Therefore, beginning July 1, 2022, and continuing for the next four fiscal years, the VMERS employee and employer rates will each increase by 0.25% per year, as follows:

Fiscal Year 2023, Effective the first reported payroll, July 1, 2022

	EMPLOYEE	EMPLOYER
GROUP A	3.500%	5.000%
GROUP B	5.875%	6.500%
GROUP C	11.000%	8.250%
GROUP D	12.35%	10.850%

Fiscal Year 2024, Effective the first reported payroll, July 1, 2023

	EMPLOYEE	EMPLOYER
GROUP A	3.750%	5.250%
GROUP B	6.125%	6.750%
GROUP C	11.250%	8.500%
GROUP D	12.600%	11.100%

Fiscal Year 2025, Effective the first reported payroll, July 1, 2024

	EMPLOYEE	EMPLOYER
GROUP A	4.000%	5.500%
GROUP B	6.375%	7.000%
GROUP C	11.500%	8.750%
GROUP D	12.850%	11.350%

Fiscal Year 2026, Effective the first reported payroll, July 1, 2025

	EMPLOYEE	EMPLOYER
GROUP A	4.250%	5.750%
GROUP B	6.625%	7.250%
GROUP C	11.750%	9.000%
GROUP D	13.100%	11.600%

If you have any questions about the upcoming rate changes, please contact Jen Grace at jennifer.grace@vermont.gov.