


LYNN, LYNN, BLACKMAN & MANITSKY, P.C.

memo

To: VASBO & VSHRP
From: Cindy Koenemann-Warren, Esq. 
CC: Laura Soares, VSBIT, Jennifer Burdick, Office of the Treasurer
Date: June 8, 2017
Re: VMERS Guidance for Merging School Districts

As a part of our work with VSBIT, please find below our guidance regarding the Vermont Municipal Employees Retirement System for merging school districts.

1. Contact the Office of the Treasurer

Contact Jennifer Burdick at jennifer.burdick@vermont.gov and notify her that your school district is merging. She will need to know:

- i. The date you are merging
- ii. The school districts (employers) who are merging
- iii. The name of the new district
- iv. A copy of the board action that indicates the following:
 1. Will the new employer participate in VMERS?
 2. If yes, which group (A, B, C) will be offered to newly hired employees of the district?
 3. If this is different for non-union vs. union groups, she will need to know.

2. Requirements for the New District

Option One: The New District Will Not Offer VMERS

If the new district will not offer VMERS, but one of the merging districts did, the new district must allow existing employees to continue to participate.

For example, District A offers VMERS to its employees, District B does not offer VMERS. The Merged District of A & B will not offer VMERS. The Merged District must allow the existing participating employees of District A to continue to participate.

The Merged District is not required to offer VMERS to the employees of District B and they are not required to provide VMERS to new employees.

Option Two: The New District Will Offer VMERS

If the new district will offer VMERS, but one of the merging districts did not, the new district must allow the state treasurer's office to hold an election for existing employees in the district that does not offer VMERS to elect whether they want to enroll or not.

For example, District A offers VMERS to its employees, District B does not offer VMERS. The Merged District of A & B will offer VMERS. The Merged District must allow the existing participating employees of District A to continue to participate. The Merged District is required to allow the state treasurer's office to hold an election allowing the existing employees of District B to elect to participate or not. The new district is required to provide VMERS to new employees.

Option Three: The New District Will Offer A New or Different Group Level

If the new district will offer VMERS Group B, but one of the merging districts offered Group A, the new district must allow the state treasurer's office to hold an election for existing employees to elect whether they want to remain in Group A or switch to Group B.

For example, District A offers VMERS Group A to its employees, District B offers Group B. The Merged District of A & B will offer VMERS Group B. The Merged District must allow the state treasurer's office to hold an election for the existing participating employees of District A to elect to remain in Group A or switch to Group B. The existing employees of District B will remain in Group B. Newly hired employees will automatically be enrolled in Group B

In summary:

- Existing employees enrolled in VMERS have to continue to receive the benefit from the new district, whether the new district will offer VMERS or not.
- The new district can opt not to offer VMERS to newly hired employees or to existing employees who did not previously participate in VMERS.
- Existing staff who do not currently participate in VMERS are not required to participate if the new district does offer VMERS; however, the new district must offer them the option to participate via an election held by the state treasurer's office.
- If the new school district will offer VMERS, new hires will be mandatory participants.