

# **Rutland City Pension Plan for School System Employees**

## **Summary of Terms**

The Rutland City Pension plan is a municipal, defined benefit plan open to all school system employees. For licensed employees in the VT State Teacher's pension (VSTRS) and non-licensed employees in VMERS, it serves as a supplement. For employees who do not qualify for either of those two State pensions, it is their only defined pension plan and has enhanced benefits as a result. All employees are encouraged to use this unique opportunity to build a stronger retirement program for themselves with funds contributed by both employees and the school district.

### **For Teachers, Administrators and other Licensed Personnel in VSTRS**

The benefit is 1% per year of service times the final 5 years of average salary.

The cost to administrators is 4.8% of annual salary deducted from paychecks.

The cost for teachers and other licensed personnel is 4.2% of annual salary.

### **For Non-licensed Personnel Eligible for VMERS**

The benefit is 1% per year of service times the final 5 years of average salary.

The cost is 4.8% of annual salary deducted from paychecks.

### **For Para-Educators, Maintenance, Custodial and Others Not Qualifying for VMERS or VSTRS**

The benefit is 2% per year of service times the final 5 years of average salary.

Upon retirement, benefit payments increase 2% per year for inflation.

The cost is 5.0% of annual salary for maintenance and custodial personnel.

The cost is 5.3% of annual salary for para-educators and others in that collective bargaining unit.

Vesting occurs after 5 years of employment. If an employee terminates employment before 5 years contributions plus interest are returnable to the employee. Retirement under the plan is typically age 65 but there are adjustments to "retirement age" based on years of service and date of plan participation. The terms of the pension plan are included in the 60 page plan itself.

[https://www.rutlandcity.org/vertical/sites/%7B7B135F7F-3358-43FC-B154-A313EF1F3222%7D/uploads/City\\_of\\_Rutland\\_School\\_Dept\\_Employees\\_Retirement\\_Income\\_Plan.pdf](https://www.rutlandcity.org/vertical/sites/%7B7B135F7F-3358-43FC-B154-A313EF1F3222%7D/uploads/City_of_Rutland_School_Dept_Employees_Retirement_Income_Plan.pdf)