



# Green Mountain Secure Retirement

## A public retirement program will:

- › promote retirement savings for owners of small businesses and workers who do not have access to an employer-sponsored plan;
- › provide an opportunity for employer-elected match;
- › be administered by the state; and
- › enable Vermonters to better support themselves as they age.

**Small businesses represent 95% of all Vermont employers** and employ 43% of Vermont's labor force. Small businesses are the **least likely to offer access to retirement plans.**

**Less than one-third of individuals aged 65–74 have any savings in a retirement account**, and those that do have a median savings balance of just \$49,000. The mean yearly retirement income, including Social Security, for Vermont seniors falls more than \$3,000 below conservative basic-needs estimates.

**Vermont's 65+ population is growing more rapidly than other age groups** and is expected to increase by over 70% and account for almost one-quarter of the state's population by 2032. In 2015, **50% of retirees left the workforce earlier than planned** and of those, 60% reported doing so because of a health problem.

The median working-age household has just \$5,000 saved in retirement accounts.

Green Mountain Secure Retirement is a **statewide public retirement option** based on recommendations from the Vermont State Treasurer's public retirement study committee.

The program, as established by Act 69 of 2017, requires:

- The treasurer's office to set up and administer a multiple employer plan (MEP) that would be made available to small employers who do not currently offer retirement plans to employees.
- The treasurer to establish an online portal for employees who still do not have access to a retirement plan through their employer, after the MEP is implemented. This would allow them to access a plan independently.
- A review of participation rates in the MEP after 3 years. If there is not significant participation, a committee will consider ways to increase participation rates.

**45%** of Vermont's private sector employees work for an employer that does not offer a retirement plan.

## Studies have shown...

**< 10%** of workers without access to a employer-sponsored plan contribute to a retirement savings account on their own.

Modest increases in net worth among those who save the least for retirement would **IMPROVE** retirement readiness and **REDUCE** government expenditures on public assistance programs.

Workers are **15 TIMES** more likely to save for retirement if they have a way to save through an employer-sponsored plan.

When employees are offered a plan, about **70%** voluntarily participate; when workers are auto-enrolled in a plan, with the option to opt-out, **90%** participate.



(R to L) Moxi Fitzwater, owner of MoxiCares in Bennington, and Greg Hamilton, owner of Stone Block Antiques in Vergennes