



# **CT TEACHERS' RETIREMENT SYSTEM**

## **Active Teachers' Handbook**

Publication #01  
*July 2018*

*765 Asylum Avenue  
Hartford, CT 06105-2822  
"An Affirmative Action/Equal Opportunity Employer"*

Welcome to CTRS

Dear CTRS Member:

On behalf of the Board of Trustees and staff, I am pleased to greet you from the Connecticut Teachers' Retirement System (CTRS).

CTRS was established in 1917 and today has over 100,000 active and retired members.

Your membership in CTRS is an investment in your future. This handbook provides you with valuable information about your CTRS benefits and services. It will help you make informed decisions about your future retirement. It is very important that you understand the material in this handbook. I encourage you to read this handbook and keep it with your important papers.

If you have questions about your benefits or any material in the handbook, please contact:

The Teachers' Retirement Board

765 Asylum Avenue

Hartford CT 06105-2822

Toll Free 1-800-504-1102

Fax 860-241-9295

Membership / Refunds 860- 241-8427

Service Credits/Purchases 860-241-8406

Retirement/Disability Benefits 860-241-8416

Survivor Benefits 860-241-8406

Health Insurance 860-241-8411

CTRS also provides additional information on our website at [www.ct.gov/trb](http://www.ct.gov/trb).

I wish you much success throughout your public school career.

Darlene Perez

CTRS' Administrator

# Table of Contents

ABOUT CTRS.....	5
MEMBERSHIP WITH CTRS .....	5
CONTRIBUTIONS TO THE SYSTEM BY THE STATE.....	8
CONTRIBUTIONS TO THE SYSTEM BY YOU.....	8
ANNUAL SALARY .....	9
CREDITED INTEREST .....	12
CREDITED SERVICE .....	12
NAMING BENEFICIARIES.....	12
MINOR PAYEE.....	13
MEMBER ANNUAL STATEMENT .....	13
DIVORCE .....	14
DEATH BENEFITS DURING EMPLOYMENT .....	14
CONTINUATION OF BENEFIT UPON REMARRIAGE.....	17
SPOUSE'S OPTIONS WHEN MEMBER DIES AFTER FILING RETIREMENT APPLICATION BUT BEFORE DATE OF RETIREMENT.....	17
WITHDRAWAL PRIVILEGE .....	17
BECOMING VESTED.....	19
YOUR RETIREMENT.....	19
BENEFIT LIMITS.....	20
APPLYING FOR RETIREMENT.....	20
NORMAL RETIREMENT BENEFIT .....	22
EARLY RETIREMENT BENEFIT (Reduced Benefit).....	22
PRO-RATABLE RETIREMENT BENEFIT .....	24
VESTED DEFERRED RETIREMENT BENEFIT.....	25
BENEFIT PAYMENT OPTIONS.....	26
PAYMENT PLAN OPTIONS (N, C, D).....	27
PARTIAL REFUND OPTION (Payment Plan N).....	27
LIFETIME AND PERIOD CERTAIN OPTION (Payment Plan C).....	27
CO-PARTICIPANT PLAN OPTION (Payment Plan D) .....	28
DISABILITY ALLOWANCE.....	30

PURCHASABLE SERVICE CREDIT .....	33
PREVIOUS TEACHING SERVICE IN CONNECTICUT IN MCS NOT ACS .....	36
CURRENT LEAVE OF ABSENCE (CLOA).....	37
PAYMENT FOR CREDITED SERVICE.....	38
TAXATION OF YOUR RETIREMENT BENEFIT .....	40
POINTS TO REMEMBER.....	41
POST RETIREMENT EMPLOYMENT IN CONNECTICUT PUBLIC SCHOOLS .....	42
CTRS APPEALS PROCESS.....	45
COST OF LIVING ADJUSTMENTS* .....	45
POST-RETIREMENT HEALTH INSURANCE BENEFITS .....	47
PUBLICATIONS .....	48
CONTACTING CTRS .....	48
PENSION REVOCATION OR REDUCTION FOR PUBLIC OFFICIALS AND STATE OR MUNICIPAL EMPLOYEES.....	48

## **ABOUT CTRS**

The Connecticut Teachers' Retirement System ("CTRS") is governed by [Chapter 167a](#) of the Connecticut General Statutes as amended through the current session of the State Legislature. CTRS is managed and controlled within applicable state and federal laws by a Board of Trustees.

CTRS is a governmental, cost-sharing, multiple-employer, defined benefit pension plan to which the State of Connecticut and school employees (members) contribute. A defined benefit plan means your retirement benefit is determined by a defined formula, which for CTRS is based on a pension multiplier, your credited years of service, your age, your final average salary and your full time equivalency (FTE).

The Connecticut Teachers' Retirement Board, ("CTRB" or "Board") is located in Hartford. All Board members serve without pay but are reimbursed for necessary expenses or loss of salary or wages which they incur through service on the Board.

The CTRB is comprised of the following:

The Commissioner of Education

The State Treasurer

The Secretary of the Office of Policy and Management

Five public members appointed by the Governor, one of whom shall be the mayor, first selectman or chief elected official of a municipality

Four representatives elected from the active members

Two representatives elected from the retired members

All Board meetings are open to the public. You can find a meeting schedule published annually on the CTRS website at [www.CT.gov/trb](http://www.CT.gov/trb)

Regular monthly meetings of the Board are held on the date established by the Board from time to time. The chair or the secretary may change or cancel the date for any regular monthly meeting. The chair or the secretary may at any time call a special meeting of the Board. Except as otherwise provided, all Board meetings shall be open to the public. At the discretion of the chair, any member of the public may be allowed to make comments appropriate to matters related to the system.

## **MEMBERSHIP WITH CTRS**

Membership and participation in CTRS is mandatory for all eligible Teachers.

Eligibility requirements

A Teacher eligible to be a member in the CTRS includes the following:

- Any teacher, permanent substitute teacher (one who serves as such for at least ten months during any school year), principal, assistant principal, supervisor, assistant superintendent or superintendent employed by the public schools in a professional capacity while possessing a certificate or permit issued by the State Board of Education, provided on and after July 1, 1975, such certificate shall be for the position in which the person is then employed;
- Certified personnel who provide health and welfare services for children in nonprofit schools, under an oral or written agreement;
- Any person who is engaged in teaching or supervising schools for adults if the annual salary paid for such service is equal to or greater than the minimum salary paid for a regular, full-time teaching position in the day schools in the town where such service is rendered;
- A member of the professional staff of the State Board of Education, the Office of Early Childhood, or of the Board of Regents for Higher Education or any of the constituent units;
- A member of the staff of the State Education Resource Center established pursuant to section 10-4q of the 2014 supplement to the general statutes, revision of 1958, revised to January 1, 2013, or the State Education Resource Center established pursuant to section 10-357a, employed in a professional capacity while possessing a certificate or permit issued by the State Board of Education;
- A Teacher employed in an assignment for an average of at least one half of each school day or greater during each school month. A "School month" means any month or part of a month in which school is in session. (Please see Annual Salary discussion for guidance on pensionable compensation.) ; or
- Members teaching in a nonpublic school classified as a public school by the board under the provisions of this section may continue as members as long as they continue as teachers in such school even if the school ceases to be so classified.

If you are a former teacher and you have not withdrawn your accumulated contributions you will be classified as an "inactive member".

If you are on a formal leave of absence granted by your employer and you continue to make mandatory contributions to the Board during your leave of absence, not exceeding an aggregate of ten school months throughout your career, you will retain your status as an active member.

Your membership in the CTRS will begin the month in which you start working provided it is on the first working day of the month, excluding July and August.

Special Note: If you are employed as a teacher or professional staff member by the Commission for Higher Education in one of the State of Connecticut's public universities, colleges or technical colleges, you have a choice of retirement plans. You may elect to participate in CTRS, the State Employees' Retirement System ("SERS") or an Alternate Retirement Program ("ARP").

If you are a Teacher at UConn, the 10-year limitation on the amount of additional credited service that a member may purchase for service as a teacher at the University of

Connecticut applies only to service prior to July 1, 1965. At that time Teachers at UConn were first made employees of the board of higher education and its constituent units eligible for membership in this system. All such service after June 30, 1965, is purchasable without limitation.

#### Retirement credit for members teaching at least half time

A member of CTRS who is employed in an assignment for an average of at least one half of each school day or more during a school month, shall receive retirement credit based on the full time equivalent ("FTE") of such employment.

A permanent substitute teacher (one who serves as such for half-time or greater for at least ten months during any school year) is a teacher eligible for membership and should be reported to CTRB as a member. A substitute teacher serving for less than half time is not eligible for membership but may be able to purchase this service as ACS.

#### Waiving Membership

Only a teacher, defined as a member of the professional staff of the State Board of Education (SBE), the Office of Early Childhood, the Board of Regents for Higher Education or any of the constituent units, or a member of the staff of the State Education Resource Center (SERC) who, under any provision of the general statutes, elects not to participate in CTRS by electing to participate in the SERS or ARP, or in the case of SERC, its own pension system, shall not be a member in CTRS, unless and until the that person elects to participate in CTRS. If a teacher does not elect to be a member of CTRS and communicates that decision to their employer then the teacher will be defaulted to the one of the State retirement systems. Once defaulted into the State system the teacher is bound by the default.

A teacher who teaches in a Connecticut public school and also teaches at a college or university covered by the CTRS is permitted to be in both CTRS and either SERS or ARP at the same for the different assignments.

When the combination of service is half time or greater, the teacher can elect CTRS on the combined work. The teacher must communicate this decision to be a member of CTRS to both the CTRB and the State otherwise the teacher will not be able to join CTRS. If the teacher later decides they want to be a member of CTRB they must completely divest themselves of the State retirement system. The member is responsible to tell both employers they chose CTRS and to withhold the mandatory contributions.

However, a teacher serving in one assignment cannot be a member of both CTRS and SERS or ARP with respect to that one assignment and changes are not permitted while working within the same assignment.

#### Working in a Charter School

Some Charter schools are considered public school entities. Some charter schools offer CTRS to some employees. If you decide to begin employment with a charter school, you should first contact the charter school to ask if they participate with CTRS and if this option is available to you.

If employed by a charter school before July 1, 2010 any administrator or person with the professional certification obtained pursuant to section 10-145b providing instruction or pupil services in a charter school who holds a charter school educator permit issued by the State Board of Education pursuant to section 10-145q may participate in CTRS.

If employed by a charter school on or after July 1, 2010 (with no previous employment by a charter school in Connecticut) any administrator or person with the professional certification obtained pursuant to section 10-145b providing instruction or pupil services in a charter school who holds a charter school educator permit issued by the State Board of Education pursuant to section 10-145q **is** mandated to participate in CTRS.

## **CONTRIBUTIONS TO THE SYSTEM BY THE STATE**

You are required to contribute towards the cost of your retirement benefits. The State of Connecticut also contributes towards the cost of these benefits.

## **CONTRIBUTIONS TO THE SYSTEM BY YOU**

### **Mandatory Contributions**

As a member of CTRS, State law requires, effective January 1, 2018, 8.25% of your annual salary be paid into the retirement fund as a mandatory contribution. Although these are employee contributions, under the provisions of Section 414(h) (2) of the Internal Revenue Code, they are treated as employer contributions for federal tax purposes. The change in tax treatment of the contributions became effective July 1, 1991. This means that your mandatory contribution is paid into this system on a pre-tax basis while you are actively employed. Of the mandatory 7.25% contribution, 6%, until December 31, 2017 and 7% commencing January 1, 2018 is posted into your membership account and 1.25% is posted to the health insurance fund (retired teachers' health insurance premium account) which helps reduce the cost of health insurance for eligible retired members and dependents.

### **Mandatory Contribution and Rate**

The member mandatory contribution rate history is as follows:

- Prior to July 1, 1989, 5.00% regular contributions and 1.00% post tax supplemental contributions
- On or after July 1, 1989 to June 30, 1992, 5.00% regular contributions and 1.00% health contributions
- From July 1, 1992 to June 30, 2004, 6.00% regular contributions and 1.00% health contributions
- On or after July 1, 2004 to December 31, 2017, 6.00% regular contributions and 1.25% health contributions
- On or after January 1, 2018, 7% regular contributions and 1.25% health contributions

Mandatory contributions shall be forwarded by the employer to the CTRB by the fifth business day of the following month. Monthly contributions shall be in the amount of one-

tenth of your annual salary rate times the mandatory contribution , and shall be made for any school month in which you are employed on the first work day, according to your schedule, of that school month. No contribution is due from you for any school month in which you are not employed on the first school day of that school month. In addition, you are not eligible for membership service credit for that school month.

If you are employed for less than the full year the mandatory contribution is modified. Your employer shall make such contributions only with respect to school months for which you are eligible to receive credited service.

### Voluntary Contributions

If you choose, you may also contribute additional amounts (post-tax) from your Annual Salary each year. These amounts may be used at retirement to purchase an additional annuity or, at any time prior to retirement to purchase service credit.

Any voluntary contributions you make to CTRS earn interest on June 30th based on the prior June 30th account balance. You may withdraw your voluntary contributions from the CTRS only once, subject to the rules of the Board. Voluntary contributions are subject to the limitations imposed under Section 415(c) of the Internal Revenue Code for the applicable limitation year.

### Voluntary contributions—annuity upon retirement

Upon retirement you must elect to receive the accumulated contributions plus credited interest either in a lump sum or in the form of an actuarially equivalent annuity for life. The annuity shall commence to be paid when the first payment of your other retirement benefit is made. The lump sum is paid one to three months after your retirement benefit commences, with additional credited interest. If you die before the effective date of your retirement, the accumulated contributions plus credited interest shall be paid to your designated beneficiary. If you die after the effective date of your retirement, the account will be settled under the terms and conditions of the payment plan you elected for retirement.

Your retirement application will require you to make an election on how you want to receive your accumulated voluntary contributions. If you fail to make such election, CTRB will return your application to you and request that you indicate your choice. If upon retirement, you still have not elected to receive your accumulated voluntary contributions in the form of a lump sum, then those contributions together with credited interest will be payable to you in the same form of benefit as you elected with respect to your retirement benefit.

## ANNUAL SALARY

Your Annual Salary is the amount you receive as a Connecticut Teacher. (“See Eligibility Requirements” above),

For purposes of contributions to and benefits from the CTRS, annual salary includes the amount of cash compensation, before deductions mandated by state or federal law and employee contributions toward the cost of fringe benefits, payable to you on the basis of

an annual salary rate set out on a schedule adopted by your employer for you and paid to you according to an established pay schedule, including the following:

- (1) Longevity payments;
- (2) Payment for ongoing supervisory and/or programmatic responsibilities;
- (3) Payment for additional duties beyond the regular school year performed by persons whose primary responsibility is to matriculate new students in the district or students enrolled in special education programs, These persons are, among others, Guidance Counselors, Social Workers, and School Psychologists who perform these services as part of their overall job responsibilities.
- (4) Mandatory contributions to the CTRS picked up by the employer;
- (5) Payroll deductions of elective deferrals under a salary reduction agreement to a tax sheltered annuity plan selected by the member; and
- (6) Payment for additional teaching assignments in a program for adults for which high school credit is granted leading to a diploma provided the teacher is certified for such assignment and the annual salary paid for such service is equal to or greater than the minimum salary paid for a regular, full-time teaching position in the day schools in the town where such service is rendered.

If your annual salary rate is not covered by a schedule approved by your employer, then it is the annual rate identified in your written contract or letter of employment as salary. In the event that your annual salary rate is not clearly stated in your contract or salary agreement, or the terms of such contract or agreement are inconsistent with the practice or stated intent of your employer, the CTRB will determine the salary rate on the basis of contemporaneous evidence.

Your Annual Salary does NOT include:

- (1) Pay you receive for extra duty assignments or for coaching, unless coaching assignment was prior to July 1, 1971,
- (2) Unused vacation or sick leave,
- (3) Terminal pay,
- (4) Payments to the employee to cover anticipated expenses expected to be incurred, or as reimbursement of actual expenses incurred, by the employee in the performance of the employee's duties;
- (5) The cost of fringe benefits provided by the employer, including, but not limited to, insurance premiums and non-elective contributions to a tax sheltered annuity, car allowance, moving expenses, mileage, equipment allowances, cell phones, etc;
- (6) Any payment to the member the timing of which may be directed by the member;
- (7) Any payment for summer school work, (A program of courses of instruction during the summer months for school children offered by a BOE on a voluntary basis for which a reasonable fee may be charged but not in excess of the cost of the program. C.G.S. 10-74a);

- (8) Any payment for assigned responsibilities related to curriculum development, unless such assignment is part of the member's regular duties and the salary is included in the member's annual contract of employment [negotiated as part of and included in the collectively bargained agreement];
- (9) Any other payments pursuant to a contract of amounts which are not included in salary; and
- (10) Amounts included for purposes of inflating the Member's Average Annual Salary or any payment predicated or conditioned on your retirement.
- (11) Merit pay or similar forms of compensation

When referring to coaching it means by a coach (regardless of coaching assignment) of intramural or interscholastic athletics in kindergarten through grade 12 required to hold either a Five-Year Renewable Coaching Permit; or a Temporary Emergency Coaching Permit.

The term coach has been used to refer to other activities, e.g., the Debate Club coach. This form of coaching usually compensates the teacher with a stipend, occurs outside of the normal school day and the student receives no academic credit or grade. The stipend is not pensionable compensation.

There are certain payments that are presumed not included in your annual salary. Absent a showing by you to the CTRB that the following amounts are included in the member's salary for purposes other than inflating your average annual salary, the following shall not be included in annual salary:

Increases in annual salary rate which result from the foregoing of non-salary compensation such as fringe benefits, including increases where the member is given the option of receiving cash in lieu of fringe benefits.

The fact that a conversion of other forms of compensation such as fringe benefits was accomplished more than three years before your retirement shall not by itself be sufficient to overcome the presumption that the amounts were included for the purpose of inflating the member's average annual salary and therefore are not includable.

Your annual salary includes the full amount set out in a collectively bargained agreement between a local board of education and a local bargaining organization. The salaries set out in a schedule in that agreement form the basis for retirement contributions. If an agreement is reached to defer the payment of any portion of your salary or increase in salary to a later year, such portion shall be reported as salary when originally payable and not when actually paid.

In the case of individual contracts between your employer and members, including but not limited to a principal, assistant principal, supervisor, assistant superintendent or superintendent, the annual salary includes the base salary but does not include those items discussed above in items 1-11.

## **CREDITED INTEREST**

The rate of interest to be credited on your accumulated contributions shall be fixed by the CTRB from time to time consistent with industry standards and practices. This usually occurs at its regular meeting in June of each year. The interest shall be applied to your contributions based on the balance (including accumulated interest) as of the previous June thirtieth.

Interest shall be credited on your accumulated contributions to the date of payment in cases of withdrawal after termination or lump sum payment at retirement or death. Payment shall be made to you on the last business day of the month of withdrawal, and in addition to annually credited interest, additional interest shall be paid for each month from the preceding June 30 to the date of payment at a rate fixed by the Board.

Credited interest shall be assessed against you for any mandatory contributions which were due but not remitted prior to the close of the school year for which salary was paid.

## **CREDITED SERVICE**

You earn one month of credited service for each school month worked from September to June. A full year of service is ten (10) months and you cannot receive more than ten (10) months of credit in any school year. In order to receive credit, you must be employed on the first working day of the month in a CTRS eligible position and have the mandatory contributions deducted from the “pensionable” annual salary that you were paid. No credit is given for any month in which the member was not employed on the first school day of that month.

### **Example:**

If you start service on October 15th of a school year and work until June 20, the last day of the school year, you would receive eight months of credited service for that school year.

Similarly, if you terminate service as a teacher other than at the finish of a school year you are not entitled to a month of credited service for any month after the month in which service terminates.

### **Example:**

If you start service on September 2, the first day of the school year and terminates service on the following February 10, the member would receive six months of credited service for that school year.

## **NAMING BENEFICIARIES**

All members should name a beneficiary. A beneficiary is the person(s) or entity(ies) you wish to receive the benefits provided by CTRS upon your death. The last beneficiary designation filed with the CTRB shall apply to your retirement benefit. In order to change your designated beneficiary, you must file an [Active/Inactive Teacher Beneficiary Form](#) with CTRS. Your application for retirement will ask that you update your beneficiary information on a form issued by CTRS for this purpose.

You may name one or more primary beneficiaries and one or more secondary beneficiaries. Keeping your beneficiary designation up to date will ensure that survivor or co-participant benefits are paid promptly and in accordance with your wishes. If a beneficiary has not been named or your beneficiary predeceases you, your account balances will be paid to your estate, provided there are no statutory survivors eligible for survivor benefits. (Please see the section entitled Death Benefits During Employment below)

At a minimum, you should update your beneficiary information if:

- You marry or divorce.
- One of your beneficiaries changes his or her name or address.
- One of your beneficiaries dies.

You may submit a new Active/Inactive Teacher Beneficiary Form to CTRS at any time before applying for retirement. The new form will supersede all previous forms.

### **MINOR PAYEE**

In the event a minor or other person who is legally incapable of giving a valid receipt and discharge for any payment due them, CTRB may make the payment, or any portion, to the legal guardian of that person.

A payment by the CTRB shall be a complete discharge of the obligations of the State of Connecticut to the extent of and as to such payment, and the State shall have no obligations regarding the application of the payment.

### **MEMBER ANNUAL STATEMENT**

You will receive a Member Annual Statement (“MAS”) every year which will reflect the activity that occurred with respect to your account through June 30<sup>th</sup> of the prior school year.

The MAS is usually mailed in December to the address (provided to CTRB by your employer unless you are an inactive member or State employee in which case you must provide CTRB with your address) on our records and reflect employment credit, pensionable salary, designated beneficiary and rate of return posted up to the previous June 30<sup>th</sup> balance.

This MAS serves as a history of pensionable salary, contributions and employment credits for each academic year. It reflects the cumulative account totals, account withdrawal value and your annual pensionable salary and employment credit history as well as your designated beneficiary(ies).

Any adjustments or purchases of service credit that are transacted after the June 30<sup>th</sup> statement date will appear on the following year’s MAS.

All active and vested members are credited interest and receive a MAS for until retirement or for twenty-five (25) years whichever comes first. Inactive, non-vested members are

credited interest and receive a MAS for ten (10) years after leaving membership assignment as a Connecticut teacher.

Requests for duplicate or replacement statements can be made in writing, by phone to 860-241-8400 or by email to [trb.webmaster@ct.gov](mailto:trb.webmaster@ct.gov) on or after January 15<sup>th</sup> of each year or in writing to: CTRB, 765 Asylum Avenue, Hartford, CT 06105-2822.

## **DIVORCE**

A retirement benefit may be one of the largest financial assets a member may have. The division of the pension benefit may become an important issue in a divorce agreement.

The portion of the retirement benefits earned within a marriage are generally classified as marital property that may be subject to division in a divorce. Any attachment of a member's retirement benefit for the purpose of Equitable Distribution must be accomplished through the terms of a certified Domestic Relations Order (DRO), in compliance with the applicable laws and regulations governing the DRO and under the terms set by CTRB.

CTRB prefers the submission of a draft Domestic Relations Order (DRO) for review and approval, before it is submitted to the Court.

If, as written, the DRO is acceptable to CTRB and approved and signed by both parties and the court, the certified DRO is then considered a court order for the CTRB to administer. It is your former spouse's responsibility to timely furnish the DRO order to the CTRB. This is extremely important in those instances where the member is retired and receiving benefits. The CTRB only administers a certified DRO prospectively. The CTRB will not retroactively apply the DRO.

## **DEATH BENEFITS DURING EMPLOYMENT**

There are five survivorship death benefits available before retirement. They are the:

### **(1) Basic Survivor's Monthly Death Benefits**

A member's spouse, children under the age of 18, dependent parents and physically or mentally incapacitated dependents may qualify for survivor benefits when a member dies before service retirement.

If you die:

- a. while in active service, or
- b. within two months of the time you stopped working but before your actual retirement, while receiving a disability allowance, or
- c. while on a formal leave of absence and you are making contributions,

CTRS provides for Basic Survivor benefits to your statutory survivors. A statutory survivor is defined as a spouse and/or a minor child under the age of 18 and others (see below).

These benefits are payable to your survivors regardless of whom you have designated as your beneficiary. Your designated beneficiary may receive the balance of your account in a lump sum payment if there are no survivors or your survivors are no longer eligible for monthly benefits.

Connecticut statutes require that monthly survivorship benefits be paid to your statutory survivors before any balance of your account is paid to your designated beneficiary as follows:

- \$300.00 monthly to (the guardian of ) each minor child under age 18
- \$300.00 monthly to each disabled child
- \$300.00 - \$600.00 monthly to surviving spouse (\$300.00 plus \$25 for each year of service over twelve to a maximum of \$600.00)
- \$300 a month to dependent former spouse who is receiving child support, has not remarried; and is the parent of the child or adopted the child while married to the member and before the child attained age eighteen or, while married to the member, both of them adopted the child before the child attained age eighteen.
- \$300 a month to your dependent parent over age 65 if there is no surviving spouse or dependent former spouse and for a legal guardian of any dependent child if there is no surviving spouse, dependent former spouse or dependent parent,

The maximum family survivorship benefit is \$1,500.00 monthly.

In applying the family maximum, the benefit shall be first allocated to a child or children, with the excess allocated to the surviving spouse and any dependent former spouse in proportion to the amount each would receive according to the above formula.

In order to receive the benefit, the process must be initiated with the submission to CTRB of all necessary documentation evidencing the claim for the benefit. Payment of the benefit shall be initiated in the month following the receipt by CTRB of all documentation and paperwork required. Payment of the benefit shall be retroactive to the month following the month of the member's death. The benefit shall continue through the month in which the survivor dies or ceases to be eligible for such benefit. The benefit payment to the legal guardian of dependent children shall continue until all such children are no longer eligible for these benefits which is usually through the month prior to their eighteenth (18<sup>th</sup>) birthday regardless of their status as a student.

Notwithstanding the foregoing, any surviving spouse, dependent former spouse, dependent parent or legal guardian may waive the right to payment of the benefit under the description above in order that a designated beneficiary who is the adult child of the deceased member may receive such member's accumulated contributions plus credited interest. The waiver must be made prior to the payment of the benefit to any surviving spouse, dependent former spouse, dependent parent or legal guardian.

#### Reallocation of survivors' benefits

If subsequent to a determination of the allocation of the family maximum of survivors benefits, one or more of the survivors ceases to receive benefits as the result of death or

termination of eligibility, a reallocation shall be made among all survivors then eligible to receive benefits.

Example:

A twenty-four year member dies survived by a surviving spouse, a dependent former spouse and three children all in the care of the dependent former spouse. Two of the children are twins, age 16 and the third child is age 13. The \$1,500 family maximum of survivors' benefits would be allocated as follows: (a) \$400 to the surviving spouse; (b) \$200 to the dependent former spouse; (c) \$300 to each child. (\$900 total)

If two years later, the twins cease to be eligible for benefits as the result of their attaining age 18 (and they are not then disabled), then the surviving spouse would be entitled to \$600 and the dependent former spouse would be entitled to \$300 and the youngest child would be entitled to \$300.

If the decedent is only a twelve year member and all other facts remain the same then, the \$1,500 family maximum of survivors' benefits would be allocated as follows: (a) \$300 to the surviving spouse; (b) \$300 to the dependent former spouse; (c) \$300 to each child. (\$900 total)

If two years later, the twins cease to be eligible for benefits as the result of their attaining age 18 (and they are not then disabled), then the surviving spouse would be entitled to \$300 and the dependent former spouse would be entitled to \$300 and the youngest child would be entitled to \$300.

## **(2) Lump sum Death Benefit**

At the time of your death prior to retirement, your spouse will receive a Lump Sum Death Benefit in addition to the monthly survivor benefit (unless the Co-participant option is elected by your spouse).

A one-time lump sum death payment of up to \$2,000 maximum (see below) will be paid to the person who paid the funeral expenses only if there is no surviving spouse. To receive payment an application must be filed with the CTRB within two years of the member's death.

The maximum is calculated based on length of service. There is one thousand dollars for the first five years or less of Connecticut public school service. For each year above five, two hundred dollars is added for each year of credited service in excess of five years, to a maximum of two thousand dollars.

## **(3) Return of Accumulated Mandatory and Voluntary Contributions to Sole Survivor**

In lieu of such basic survivor's benefit and such lump sum benefit, a sole survivor who has attained age eighteen, and is the member's designated beneficiary may elect to receive an amount equal to a:

- Refund of your accumulated mandatory and voluntary contributions with credited interest in a lump sum.

#### **(4) Surviving Spouse Benefit**

If you die after meeting the age and service requirements for a retirement benefit, your surviving spouse may choose one of the following options in the settlement of the account:

- Monthly Survivorship Benefit (plus the one-time lump sum death payment only if the survivorship benefit is elected, not applicable to the Plan D or Lump sum payment option)
- Monthly Plan D 100% Co-participant Benefit (if the member did not waive the co-participant option, this benefit is based on the retirement allowance you would have received at the time of your death, reduced by an option factor based on your age and your spouse's age for this option) The plan D option is only available to the spouse if the member was eligible for a retirement benefit at death prior to retirement.

Refund of your accumulated mandatory and voluntary contributions with credited interest in a lump sum.

#### **(5) Benefit Payable When Contributions Exceed Payments.**

If no co-participant option is effective and if the aggregate payments under the death benefit provisions of the statute are less than the accumulated mandatory contributions of a deceased member plus credited interest, then there shall be paid to such member's designated beneficiary an amount equal to the difference between the aggregate payments and the accumulated mandatory contributions plus credited interest.

#### **CONTINUATION OF BENEFIT UPON REMARRIAGE**

The basic survivorship benefits payable to you under section 10-183h which are the five benefits listed above as the surviving spouse shall not be terminated because of remarriage if you have attained the age of sixty, but terminate upon remarriage prior to age 60 (except with respect to the Co-Participant option).

#### **SPOUSE'S OPTIONS WHEN MEMBER DIES AFTER FILING RETIREMENT APPLICATION BUT BEFORE DATE OF RETIREMENT**

If you filed an application for retirement and died prior to the effective date of retirement, your surviving spouse designated on your application as the sole beneficiary, may elect to receive either (1) the preretirement death benefits (described above), or (2) the benefit payment option selected by you on your retirement application, including Plan N.

#### **WITHDRAWAL PRIVILEGE**

If you left teaching and are not entitled to any monthly benefits, you may withdraw your contribution balances, thereby canceling your membership and the service credited to your account. You should be aware that you cannot obtain a refund of your contribution balances while on a leave of absence, or borrow funds from your account.

### Mandatory Contributions-Regular and Supplemental until 6/30/1989 and Health thereafter

If you terminate active membership in our system, you may apply for a refund of your mandatory regular contribution with credited interest. You may not apply for a refund while on a leave of absence or borrow funds from your account. The refund amount is based upon your number of years of service and the account balance as of the date of the refund.

By withdrawing your funds, you forfeit your right to any retirement benefit that you may be eligible from this system. If you have a minimum of 10 years of Connecticut teaching service, be sure to understand the amount of the potential benefit you will be forfeiting by withdrawing your funds.

### Five or More Years of Credited Service

If you have five or more years of credited service, the refund will consist of your regular contributions with interest to the date of the refund plus your 1% contributions to the supplemental account through June 30, 1989 with no interest.

### Less Than Five Years of Credited Service

If you have less than five years of credited service, the refund will consist of your regular contributions with interest to the date of the refund. Your contributions to the 1% supplemental account through June 30, 1989, as well as the related interest, will not be refunded.

### Voluntary Contributions

If you terminate your membership with CTRS prior to retirement you are entitled to have refunded your accumulated voluntary contributions with credited interest.

A teacher who withdraws their voluntary contributions with credited interest one time during their career without a qualifying event, e.g., death, separation from duty, does not terminate their membership with CTRS. New contributions can be deposited in the voluntary account but must remain with CTRS until a qualifying event occurs.

### Restoration of 1% Contributions and Interest

A member who receives a refund and returns to service shall be regarded as a new member. However, you may purchase service you previously withdrew when you return as an active member of CTRS.

The credited service accumulated before termination and any un-refunded one per cent contributions withheld prior to July 1, 1989, and credited interest shall be restored to a member who makes such repayment. Restored contributions and interest shall be credited with credited interest for the period between the last day for which interest was credited on such contributions and such member's return to service.

### Example:

A member received a refund on 9/30/1987 and forfeited his/her 1% Supplemental Contribution of \$150.00 and interest of \$75.00 (Total \$225.00). The member returned to service on 9/1/1997 and purchased his/her Prior Connecticut Service in 2007.

Upon payment, the member's forfeited 1% contribution and interest will be posted to his/her account.

1% Supplemental	\$150.00
1% Interest	<u>75.00</u>
Total	\$225.00

Upon full restoration, CTRB will then update the balance with interest from 9/30/1987 to 8/31/1997 using the interest factors from 6/30/87 to 8/31/97

### **BECOMING VESTED**

Vested means you are eligible for a monthly retirement benefit after leaving your membership employment. The current vesting requirement is ten years of credited Connecticut public school teaching service.

### **YOUR RETIREMENT**

You are probably concerned about when you can retire and how much your benefit will be. The answers to these questions depend on several factors. They are:

- Your age
- Your Credited Service
- Your Average Annual Salary and
- A retirement benefit formula
- Full time equivalency
- Payment plan option selected

Your Credited Service usually means the number of years and months you have served in the Connecticut public schools. You may earn credit for a maximum of ten months in any one school year from September 1 to June 30. This is equal to one year of Connecticut public school service.

Your Average Annual Salary means the average of your three highest-paid salaries (thirty (30) months) in the public schools of Connecticut. This Average Salary is used, along with your Credited Service, as part of a retirement benefit formula. If you have part-time service, your retirement benefit will be reduced to reflect the full-time equivalency. Refer to your MAS for information on your past salaries, FTE and credited service.

The retirement benefit formulas are established by statute. The retirement formula used to calculate the amount of your benefit depends on the type of retirement for which you qualify.

The various kinds of retirement are: Normal, Early, Pro-ratable and Vested Deferred and are explained later in this brochure.

## BENEFIT LIMITS

The Internal Revenue Code limits the amount of benefit. No retirement benefit payable shall exceed the maximum dollar limit in effect under Section 415(b) of the Internal Revenue Code for the applicable limitation year, as increased in subsequent years pursuant to Section 415(d) of the Internal Revenue Code.

The maximum benefit a member may receive from this system is 75% of average annual salary or not less than \$3,600.00. You must commence payment of your benefit by age 70 ½ unless you are still employed in a membership position.

Beginning date for your first required minimum distribution is generally, April 1 following the later of the calendar year in which you: reach age 70½, or retire. The plan's terms allow you to wait until the year you actually retire to take your first Required Minimum Distribution.

### Required Minimum Distributions (RMD)

You cannot keep retirement funds in your account indefinitely. Under IRS rules you generally have to start taking withdrawals from your retirement plan account when you reach age 70½ if you are not employed in a membership assignment.

CTRB requires you to take a full withdrawal no later than one year prior to when you reach age 70 ½. CTRB will send you notice of your need to withdraw your funds or if eligible for a retirement to apply for those benefits. You must notify CTRB to do one of three things:

- (1) Commence the retirement benefit or
- (2) Roll over the funds to another qualified plan or
- (3) Withdraw your funds and have them paid to you directly.

**If you fail to respond with a direction for one of the above options, CTRB will distribute to you a full withdrawal of your account approximately one year prior to when you reach age 70½ and include the amount distributed on Form 1099R and report it to the federal and State of Connecticut tax authorities.**

Your withdrawals will be included in your taxable income except for any part that was taxed before (your basis) or that can be received tax-free.

If you do not take any distributions you may have to pay a 50% excise tax on the amount not distributed as required.

## APPLYING FOR RETIREMENT

### Filing for Your Retirement Benefit

Retirement Benefit payments do not begin automatically.

In order to receive your retirement benefits, you must file an application with the CTRS. There are certain forms and documents you must file by law prior to the effective date of your retirement.

If you are planning to retire, CTRS strongly recommends that you [file for retirement](#) with CTRB at least four to six months prior to your effective date of retirement. You must file

an [Application for Retirement Benefits](#), along with a copy of your birth certificate. If you are electing Plan D, Co-participant Option, you must also file a copy of your co-participant's birth certificate. Late filing will result in the loss of monthly benefits

To insure that your retirement is effective on the first day of the month following your termination of service or on the first day of the month in which you are first eligible to receive a retirement benefit, you must submit all required elections set forth on the application and file the following items no later than the last day of the month preceding the month your retirement is to become effective. If CTRB receives your retirement application incomplete after the intended effective date of retirement benefits will be forever lost

When you apply for your benefits, you must provide the following information and forms:

- Application for Retirement
- Birth Certificate or other acceptable proof of birthdate which may include:
  - (1) A written statement from the registrar of vital statistics stating no such record is available,
  - (2) a statement of the member made under oath setting forth the date he has always been given to believe is his correct date of birth and
  - (3) two of the following:
    - a. The earliest available census record, a baptismal record,
    - b. An insurance record,
    - c. An early school record
    - d. An official or photo-static copy of his/her military record.
    - e. U.S. Passport/Passport card (valid and unexpired)

If the above primary evidence is not available (available means the document exists and the applicant can access or obtain it within 10 business days), the member may provide one of the following secondary evidence documents:

- f. U.S. Diplomatic Passport
- g. U.S. Official Passport
- h. U.S. military dependent identification card
- i. Certificate of Naturalization
- j. Certificate of U.S. Citizenship
- k. U.S. Indian Tribal card approved by the RO as an acceptable identity document
- l. U.S. military identification card, (Department of Defense (DOD) Common Access Card), (active duty, retiree, national guard, or dependent)

- m. U.S. government employee identification card (Form OF-55, U.S. Government Identification, or other document issued by the employing agency)

### NORMAL RETIREMENT BENEFIT

Normal retirement is an unreduced benefit where all age and/or service requirements are met.

In order to be eligible for a normal retirement benefit you must meet either of the following requirements:

- You have 20 years of credited service in a Connecticut public school and be at least age 60; or
- You have completed 35 years of credited service, at least 25 of which are credited service in Connecticut public school, at any age

#### Your Normal Retirement Benefit (unreduced benefit)

Normal retirement benefits are calculated as follows:

*2% X Credited Service in Connecticut Public Schools ("CSCPS") X FTE X final Average Annual Salary = Normal Retirement Benefit.*

#### Normal retirement examples:

Member Q retires at age 59 with 35 years of CSCPS at 85% FTE:

$$2\% \times 35.0 \times .85 = 59.5\% \text{ of final Average Annual Salary.}$$

Assume your Average Salary was \$100,000

$$59.5\% \times \$100,000 = \$59,500$$

Member B retire at age 64 with 22.5 years of CSCPS. Assume your Average Salary was \$100,000.

Here is how the formula works:

$$2\% \times 22.5 = 45.0\%$$

$$45.0\% \times \$100,000 = \$45,000$$

Your Normal Retirement benefit: \$45,000 a year or \$3,750.00 a month.

### EARLY RETIREMENT BENEFIT (Reduced Benefit)

If you do not qualify for normal retirement, you may qualify for early retirement if you meet either of the following requirements:

- 25 years of credited service at least 20 of which are credited service in the public schools of Connecticut at any age, or
- Attained the age of fifty-five (55) and accumulated 20 years of service at least 15 of which are credited service in the public schools of Connecticut

The amount that you will receive depends on how far away you are from Normal Retirement. In this case, your Normal Retirement date is when you reach 60 or later depending on when you could have had 20 years of Connecticut service credit had you continued teaching or the age you would be if you had completed 35 years of service, whichever comes first.

The amount of your early retirement benefit will be dependent upon:

- The number of years and months your early retirement date precedes your normal retirement date (Age 60 with 20 years of CSCPS or 35 years with 25 years of CSCPS )
- Whether you are retiring with less than 30 years of CSCPS (Table A) or with 30 years or more of CSCPS (Table B).

Early retirement benefits are calculated as follows:

$$\text{Early Retirement \%} \times \text{CSCPS} \times \text{FTE} \times \text{final Average Annual Salary} = \text{Early Retirement Benefit.}$$

For each year or fraction thereof you are away from Normal Retirement, there is a different Early Retirement Percentage. Your benefit is determined by multiplying this percentage by the number of years of service you have credited at the time of your retirement. All fractional years of service are used to calculate your final benefit, thus the table below has been condensed to illustrate how the early retirement formula works. The following table shows the percentages for full years of service:

**Table A - Less than 30 Years of CSCPS:**

<b>Years Away From Normal Retirement</b>	<b>Early Retirement Percentage</b>
0	2.00%
1	1.88%
2	1.76%
3	1.64%
4	1.52%
5	1.40%
6	1.32%
7	1.24%
8	1.16%
9	1.08%
10	1.00%

**Table B - 30 Years of CSCPS or More:**

<b>Years Away From Normal Retirement</b>	<b>Early Retirement Percentage</b>
0	2.00%
1	1.94%
2	1.88%
3	1.82%
4	1.76%
5	1.70%

Early retirement examples:

Member E retires age 55 with 20 years of CSCPS. The Early Retirement Benefit calculation will be based on 5 years early (distance away from age 60) using Chart A. It will also be necessary to apply the member's full-time equivalency to arrive at the final retirement percentage.

$$20 \text{ years} \times 1.4\% = 28\% \text{ of final Average Annual Salary}$$

Member F retires age 55 with 30 years of CSCPS. The Early Retirement Benefit calculation will be based on 5 years early using Chart B. It will also be necessary to apply the member's full-time equivalency to arrive at the final retirement percentage.

$$30 \text{ years} \times 1.7\% = 51\% \text{ of final Average Annual Salary.}$$

Member Z retires age 54 with 30 years of CSCPS at 90% FTE. The Early Retirement Benefit calculation will be based on 5 years early using Chart B.

$$30 \text{ years} \times 1.7\% \times .90 \text{ FTE} = 45.9\% \text{ of final Average Annual Salary.}$$

Member A retires age 54 with 29.9 years of CSCPS at 90% FTE. The Early Retirement Benefit calculation will be based on 5.1 years early. It will also be necessary to apply the member's full-time equivalency to arrive at the final retirement percentage.

$$29.9 \text{ years} \times 1.3932\% \times .90 \text{ FTE} = 37.491\% \text{ of final Average Annual Salary.}$$

**PRO-RATABLE RETIREMENT BENEFIT**

If you are not eligible for a Normal or Early Retirement benefit, you might be eligible for Pro-ratable Retirement.

You can qualify for a pro-ratable retirement benefit if you:

- Resign at age sixty (60) or older
- Have a minimum of ten (10) years of CSCPS but fewer than twenty (20) years of total service

Pro-ratable retirement benefits are calculated as follows:

$$\frac{\text{CSCPS}}{10} = \frac{\text{CSCPS}}{\text{Total Service \%}} \times \text{CT Years of Service plus 1\% per year of non-CT Service} = \text{Pro-ratable Retirement Benefit}$$

It will also be necessary to apply the member's full-time equivalency to arrive at the final retirement percentage.

**Pro-ratable retirement example:**

For example, suppose you retire at age sixty-two (62) with 15.2 years of CSCPS. Assume your final Average Annual Salary was \$100,000.

You can use the formula as follows:

$$15.2 \text{ years} \div 10 = 1.52 \text{ (we use 1.52 as a percent 1.52\%)}$$

$$1.52\% \times 15.2 \text{ years} = 23.104\% \quad 23.104\% \times \$100,000 = \$23,104$$

Your Pro-ratable Retirement Benefit:

$$\$23,104.00 \text{ yearly or } \$1,925.33 \text{ monthly.}$$

In some cases, you might have other service credit which is not considered Connecticut public school service, e.g., peacetime military service.

If this is the case, you will receive an extra 1% per year for each year of non- Connecticut service that you purchase. Suppose you had 2.8 years of out of state teaching service. Using the above example, your benefit including this service would be:

$$\text{Connecticut} = 23.104\% \text{ plus Non -Connecticut} = 2.8\% \text{ equals } 25.904\%$$

Your benefit would be:

$$25.904\% \text{ times } \$100,000 = \$25,904 \text{ or } \$2158.66 \text{ a month.}$$

**VESTED DEFERRED RETIREMENT BENEFIT**

You may be eligible for a Vested Deferred benefit if you leave Connecticut public school service before age sixty (60) after accruing ten (10) years of Connecticut teaching service credit.

In order to be eligible to collect a vested deferred retirement benefit from this system you must:

- Have a minimum of 10 years of credited service in the public schools of Connecticut (prior to age 60))
- Terminates service (prior to age sixty (60)) before becoming eligible for any other retirement benefit
- Leave the balances of your account on deposit with this system (until you are eligible at age sixty (60))

You can calculate your Vested Deferred benefit by first determining whether you would have completed twenty (20) years of Connecticut service by the time you were age sixty (60).

If by age sixty (60) you would have been credited with twenty (20) years of CSCPS, the vested deferred benefit would be as follows:

$$2\% \times \text{CSCPSX FTE} \times \text{final Average Annual Salary (FAS)}$$

*Plus all non-Connecticut service adds 1% per year.*

It will also be necessary to apply the member's full-time equivalency to arrive at the final retirement percentage.

Vested deferred retirement example:

Member A left teaching at age forty-seven (47) with eighteen (18) years of CSCPS and 1.8 years of (non-Connecticut) service. The benefit available to this member upon the attainment of age 60 would be as follows:

$$2\% \times 18 \text{ years} = 36.0\%$$
$$\text{plus } 1\% \times 1.8 \text{ years} = 1.8\%$$

Total 37.8% of final Average Annual Salary.

If you would not have been credited with twenty (20) years of CSCPS by age sixty (60), an early retirement factor will be applied to the calculation. Refer to the section marked Early Retirement for more information.

Vested deferred (early) retirement example:

Member B left teaching at age fifty-five (55) with ten (10) years of CSCPS. The vested deferred (early) retirement benefit available to this member upon the attainment of age sixty (60) would be as follows:

Age for completion of twenty (20) years CSCPS at sixty-five (65) minus age for benefits to begin at age sixty (60) equals five (5) years difference. Early retirement % from Table A (five (5) years early) = 1.4%.

$$1.4\% \times 10 \text{ years} = 14\% \text{ of final Average Annual Salary.}$$

## **BENEFIT PAYMENT OPTIONS**

The way you receive your benefits depends on the payment plan you choose. There are three different ways you can elect to receive your benefits, and all three options may provide benefits to your chosen beneficiary if you die after retiring.

The options, explained below, are known as the:

- a. Partial Refund Option (Plan N),
- b. Lifetime and Period Certain Option (Plan C), or
- c. Co-Participant Option (Plan D).

In addition to choosing a payment plan, you will be required to select the method of payment for your one (1%) percent supplemental contribution and voluntary accounts if applicable. You may opt to receive these funds in a lump sum, as an added monthly annuity, or applied towards the purchase of additional credited service. For further information on these choices, obtain the [1% Voluntary Bulletin](#) .

## **PAYMENT PLAN OPTIONS (N, C, D)**

Before monthly pension payments may be initiated there is a prescribed application procedure. Please go to [Frequently Asked Questions \(FAQs\)](#) and select [Filing for Retirement](#) for the necessary forms and instructions. Once an application for retirement is complete, we are required by law to initiate benefits no later than the third month following the effective date of retirement. Your pension will be paid to you on a monthly basis.

Your pension income will be payable to you for your lifetime. The payment plan you choose for retirement determines whether benefits will be provided to your beneficiary upon your death.

### **PARTIAL REFUND OPTION (Payment Plan N)**

Under this payment plan, if fifty (50%) percent of the benefits you receive between retirement and death are less than your contributions, your beneficiary may receive a lump sum benefit at your death. The amount of the lump sum benefit is the difference between fifty (50%) percent of the benefits already received, and your total contributions at retirement including accumulated interest.

This means you will receive your benefit for as long as you live and your beneficiary may receive a refund of some of your contributions when you die.

#### **Example:**

Suppose you died four years after you retired. During your retirement, you received benefits totaling \$120,000. Let's assume your contributions, plus interest, was \$100,000. The amount your beneficiary would receive, upon your death, is the difference between 50% of your benefits (.50 times \$120,000 = \$60,000) and your contributions (\$100,000), or a payment of \$40,000.

Starting Account Balance:	\$100,000
Total Benefits Received:	\$120,000
50% of Total Benefits Received:	\$ 60,000
Lump Sum Payment to Beneficiary:	\$ 40,000

### **LIFETIME AND PERIOD CERTAIN OPTION (Payment Plan C)**

Under this option, you agree to take an actuarially reduced benefit during your lifetime, with a certain number of payments guaranteed. You may choose a guaranteed period of:

- 5 years (60 payments)
- 10 years (120 payments)
- 15 years (180 payments)
- 20 years (240 payments)
- 25 years (300 payments)

While payments will continue over the course of your lifetime, if you should die before receiving all your guaranteed payments, your beneficiaries receive any remaining payments until the end of the selected period.

The guarantee begins on the effective date of your retirement, not death.

The [Plan C and Plan D Factors](#) are used to determine your monthly retirement benefit based on the period certain selected. These percentages are to be applied to your Normal Retirement benefit previously calculated.

Plan C Example:

You have determined that your Plan N normal Retirement benefit would be \$3,000 monthly. Let us assume you are retiring at age 60 and wish to elect a Plan C 20 year option.

Plan C 20

Your Plan N Normal Retirement benefit would be:

$$\$3,000 \times 95.3\% = \$2,859$$

If you died after seven years, your designated beneficiary would receive the monthly payment for the remaining 13 years.

Should your beneficiary die before receiving all of the payments due, a lump sum payment of the value of the remaining payments due would be issued to his/her Estate.

**CO-PARTICIPANT PLAN OPTION (Payment Plan D)**

Under this plan you agree to take an actuarially reduced benefit with the guarantee that upon your death, your Co-Participant will receive a selected portion of your monthly benefit for life. The Co-Participant Option is a form of protection for your beneficiary after you die. If you elect the Co-Participant Option, your payment will be reduced

so that benefits can be paid over two lifetimes yours and your beneficiary's. Contingent beneficiaries are not allowed under Plan D.

You may choose to have 100%, 75%, 66.6%, 50% or 33.3% of your actuarially reduced benefit continue to your Co-Participant upon your death. The actuarially reduced benefit (Normal, Early, Pro-ratable or Disability) is payable over two lifetimes - yours and your Co-Participant's. The amount you will receive will be influenced by your age at retirement, the age of your Co-Participant on such retirement date and the portion of your benefit that you wish to continue to your Co-Participant

The [Plan D Factors](#) are used to determine your potential benefits under the various Plan D options. These percentages are to be applied to your Normal benefit previously calculated.

Plan D Example:

You have determined that your Payment Plan N, normal allowance benefit would be \$3,000 monthly. Let's assume you are retiring at age 60 and wish to elect a Plan D 75% option for your spouse who is age 55.

Plan D 75% option

Your retirement benefit would be:

$$\$3,000 \times 90.3\% = \$2,709$$

Upon your death, your Co-participant would receive for life, 75% of your monthly benefit as follows:

$$\$2,709 \times 75\% = \$2,031$$

Plan D benefits that became effective on or after July 1, 1982 include a provision that should your Co-Participant predecease you or you become divorced from your Co-Participant, your benefit would "pop-up" to the unreduced benefit. All monthly payments would cease upon your death.

A divorce on or after July 1, 2016 of a member and his or her co-participant after the member retired. In that case the member may retain the co-participant designation and the co-participant option elected at the time of retirement by filing a qualified domestic relations order with the board.

Plan D benefits effective on or after January 1, 2001 have a partial refund feature. In the event that the member and Co-Participant die before the funds have been depleted, a lump sum of any remaining balances equal to the difference between such aggregate benefits paid and such accumulated contributions plus credited interest in the account will

be issued in a lump sum to the member's estate or designated beneficiary or the co-participants estate depending on the sequence of deaths, if named. If the Co-participant dies first, this death benefit will be calculated in the same manner as Plan N, Normal Allowance. Monthly benefits cease upon the second death.

The [Filing for Retirement/New Retiree - Questions and Answers Bulletin](#) provides important information regarding filing requirements, additional credited service, 1% Contribution and/or Voluntary Contribution account distribution, and new retiree procedures. In order to estimate your monthly benefit and the cost of any potential additional credited service, visit our [Benefit Estimator Page and Credit Calculator on our website](#).

## DISABILITY ALLOWANCE

### Eligibility

If you become disabled while as an active member, you may be eligible to receive a monthly disability allowance. In order to qualify for a disability allowance, you must:

- Be certified as disabled by the CTRB Medical Committee. This panel of licensed physicians will review the medical information submitted by you, your employer and your personal physicians, a hand written statement.
- Have five years of credited service in the public schools of Connecticut unless the disability was as a result of a [sickness or] injury which occurred while performing your duties as a teacher, in which case the minimum service requirement is waived.
- For the first 24 months "disabled" means that you are unable to perform your usual duties of your occupation, as a Teacher because of a physical or mental impairment which is expected to be of continued and indefinite duration or result in death. After 24 months, "disabled" means that you are unable to engage in any substantial gainful activity (not limited to the usual duties of your occupation).

Substantial gainful activity is the performance of significant duties over a reasonable period of time while working for pay or profit, or in work generally done for pay or profit. Full time work (or part time work done at your employer's convenience) in a competitive work situation for at least the minimum wage conclusively shows that you are able to engage in substantial gainful activity.

The amount of your Disability Allowance will depend on:

- your Final Average Annual Salary (FAS)
- your Credited Service to the date of disability

- whether you are receiving Worker's Compensation and/or Social Security disability income benefits
- other income (Please refer to CGS 10-183aa (c), (d) and (e).)

It will also be necessary to apply the member's full-time equivalency.

If you qualify for Disability Allowance, the minimum Disability Allowance is 15% of your FAS and the maximum Disability Allowance is 50% of your FAS.

Additional service credit purchased within five years of your disability will be excluded in the calculation of your disability allowance and included in the calculation of you're a benefit at the time your benefit is converted to a normal retirement benefit.

For each year of full-time credited service, the disability allowance would be calculated at two (2%) percent of your Average Annual Salary. The minimum disability allowance percentage is fifteen (15%) percent and the maximum is fifty (50%) percent. Any service credit purchased within five (5) years of the disability date cannot be used in the calculation. The member would receive the benefit of additional service credit at the date of Normal Retirement.

Also, if you are receiving Workers' Compensation and/or disability income benefits from Social Security, then the System is designed so that together with these payments, you can receive up to seventy-five (75%) percent of your FAS.

Service credit will accrue to a maximum of thirty (30) years while receiving a disability allowance. Upon the attainment of eligibility to receive a normal retirement benefit by a member who:

1. has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut; or
2. has attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut,

the disability allowance will be converted to a normal retirement benefit at which time you will be required to select a payment plan. Conversion can occur when you are no longer disabled, have not returned to work as a Connecticut public school teacher in a membership assignment and are eligible for a retirement benefit.

The converted benefit includes accrued cost of living adjustments accrued while on disability.

Example:

Suppose you were age 52 with 18 years of Connecticut public school service when you became disabled. Your disability would be converted to a service retirement at age 60 as follows:

18 yrs Connecticut service plus 8 years disability service = 26 years thus, 2.0% times 26 years equals 52.0% times the FAS used to calculate the Disability Allowance plus accrued COLAs.

Your service benefit would be:

$52.0\% \times \$50,000 = \$26,000$  a year plus Cost of Living Adjustments accrued.

Your accumulated 1% contribution withheld prior to July 1, 1989 with credited interest and/or voluntary account balances are distributed in your choice of a lump sum or extra monthly annuity when your disability allowance commences. A reduction factor will apply at the time your retirement benefit is converted to a service retirement if you elect plan C or D.

The disability allowance is subject to possible offsets against outside earned income, Workers Compensation and/or Social Security.

For further information, you should obtain the [Disability Application](#).

Disability allowance example:

The formula for calculating your Disability Allowance is:

2% times Your Credited Service times your Average Service Salary equals your Yearly Benefit (the minimum disability allowance is 15% of your FAS and the maximum disability allowance is 50% of your FAS).

Example:

Suppose you were age 52 with 18 years of Connecticut public school service when you became disabled. Your Average Salary was \$50,000. In addition, you qualify for a \$7,500 yearly Social Security disability income benefit. Your Disability benefit from the System would be:

$2.0\% \times 18 \text{ years (36.0\%)} \times \text{FAS} = \text{Disability Benefit}$

Your disability benefit would be:

$36.0\% \times \$50,000 = \$18,000$  a year.

The \$18,000 from the System added to the \$7,500 from Social Security would give you \$25,500 per year or \$2,125 per month. This would be equal to 51% of your Average Salary.

### Example

Member V is approved for a disability allowance at age 52 with 18 years of full-time service:

$2\% \times 18.0 = 36\%$  of FAS.

## PURCHASABLE SERVICE CREDIT

There are numerous types of service credit that may be purchased to increase your retirement benefit. Some are treated the same as actual Connecticut public school teaching service and some are considered as Non-Connecticut. The types of service fall in one of two categories: Membership Credited Service (MCS) or Additional Credited Service (ACS).

### ACS

Effective October 1, 2004, a member can purchase ACS prior to the time of retirement, at the time a surviving spouse elects benefits or at the time benefits commence. If an active employee dies after attaining eligibility to receive an immediate retirement benefit and has not waived benefits for his or her spouse and has designated his/her spouse as his/her primary beneficiary, the surviving spouse can purchase ACS in accordance with the laws and regulations in effect at the time of the member's death.

It is your responsibility to document ACS on the appropriate form(s). Lack of the required information requested on the appropriate ACS forms will cause delays (or forfeiture of the purchase option) in processing an invoice or cost statement. Forms are listed below and available on the [Active Teacher Forms](#) page on the website. CTRS must receive your purchase of service credit application(s) prior to retirement.

You will receive an invoice or cost statement if your purchase of service credit is approved. The invoice will contain options on how to pay for your purchase of service credit. If CTRS does not receive the payment in full by the due date, CTRS will have to recalculate the cost statement and any additional interest due. Partial payments will not be refunded unless it is after your effective date of retirement in which case the purchase option becomes null and void and you will be unable to purchase the credit.

### Types of Service Eligible for Purchase

Active members who qualify can purchase the following types of school and non-school service:

- Military Dependents School
- Outside State Teaching Service
- Wartime Military Service
- Full-time Permanent State of CT Employment (including but not limited to Judicial, DMV, DPW, DPH)
- State of CT Employment - Teaching (UCONN, colleges, CTHSS, State of CT agencies, i.e. DOC, DMR)
- Service in a permanent full-time position for the State;
- Service as a teacher at The University of Connecticut prior to July 1, 1965;
- Service as a teacher at the Wheeler School and Library, North Stonington, prior to September 1, 1949;
- Service as a teacher at the Gilbert Home, Winsted, prior to September 1, 1948;
- Previous Leave of Absence;
  - Previous Absence or Terminations Due to Pregnancy
  - Previous Leave of Absence for Child Rearing Purposes When Not Granted by CT Local School District
  - Any formal leave of absence as provided in regulations adopted by the board, if the member subsequently returns to service for at least one school year;
- American School for the Deaf Teaching Service
- CT Institute for the Blind Teaching Service
- Newington Children's Hospital Teaching Service
- Service as a teacher at the American School at Hartford for the Deaf, the Connecticut Institute for the Blind or the Newington Children's Hospital;
- Substitute Teaching
- Peacetime Military Service
- Elected Official
- Federal Teacher Corps
- Peace Corps
- VISTA
- Social Work Assistant in a Public School from 1969 to 1986
- State Education Resource Center Teaching

There are certain other terms and requirements associated with the eligibility to purchase ACS. These include but are not limited to the following:

Additional credit is calculated on a school year basis (September through June). No credit is given for July and August.

All ASC is limited to an aggregate maximum of ten (10) years with some types of ASC having independent limits as follows:

A maximum of three (3) years of Peacetime Military service; ten (10) years of Wartime Military service. Members are not able to purchase service if they are eligible for a regular military pension.

Leaves of absence are limited to one year for every five years of full-time Connecticut teaching service and no more than a maximum of three consecutive years (thirty consecutive school months) if the member returns to service for at least one school year.

A maximum of two (2) years of Federal Teacher Corps Service.

State of Connecticut Employment in a non-teaching position must be a full-time permanent position.

Part-time lecturing when not employed by a town Board of Education in a regular public school teaching position.

Substitute service requires that a member work at least the equivalent of 40 days or more in a single public school system within the State of Connecticut in a single school year. Eighteen (18) days of such service is the equivalent to one (1) month of additional credited service. Substitute service also includes a Long-Term Substitute. A Long-Term Substitute means a person serving in the employ of a board of education in the same assignment for more than forty (40) school days.

A member may purchase up to ten (10) years of additional service for Outside State Teaching Service (OSS) at the rate of one year for every two (2) years of full time CPSTS.

Additional OSS years beyond the maximum ten (10) year total may be purchased at full actuarial value provided no other ASC is, has or will be purchased.

Private schools or institutions and parochial school service is not purchasable credit.

Service credit may not be purchased if the member is receiving or is, or will become, entitled to receive a retirement benefit based upon such service from any governmental system **other than** the CTRS or the U.S. Social Security System Administration, or a military pension in the case of military service.

#### Approved Leave of Absence

You have the opportunity to purchase retirement credit for formal leaves of absence granted by your employer. Documented additional credited service in the CTRS may be purchased at any time prior to retirement. The majority of approved leaves are granted without pay. Occasionally, there are leaves granted with pay for reasons such as sabbatical. Regardless, the salary paid or which would have been paid while on a leave

may not be used in determining your final average salary for purpose of computing retirement benefits. An absence due to illness for which you are receiving accrued sick leave is not considered as a leave of absence. If you are receiving accrued sick leave benefits, your employer should continue to report you as an active contributing member through the monthly transmittal process.

#### Previous leave of absence

A formal leave of absence not purchased through the payment of monthly mandatory contributions or leaves of absence in excess of ten school months may be purchased subject to the following limitations:

1. Not more than ten (10) months (1 year) for each five years of active full-time service as a Connecticut teacher.
2. Not more than thirty (30) consecutive school months (three (3) years).
3. You return to service for at least one full school year following the leave of absence.
4. You have five full-time years of service credit for each ten months of leave of absence you wish to purchase.

The previous leave of absence form must be forwarded to your employer for completion. All documentation must be received by CTRB prior to your effective date of retirement in order to be purchasable.

#### **PREVIOUS TEACHING SERVICE IN CONNECTICUT IN MCS NOT ACS**

The following types of service are considered as MCS not ACS. The cost is determined by using what mandatory contributions would have been paid at the time of employment plus the credited interest that would have accrued through the date of payment. The payment options are discussed below

- **Prior Connecticut Service**  
This is service you forfeited when you withdrew your contributions.
- **Hourly Paid Certified Teaching Service**  
If you have Tutor, Title One, Chapter IV, Head Start, ESL or CETA service.
- **Adult Education Assignments**  
If you taught in an Adult High School Credit Diploma Program, Not GED.
- In order to be in an Adult Education assignment, the adult educator must be issued an "Adult Education Authorization". An Adult Education Authorization means an authorization issued for a period of one year to an adult educator who

meets certain statutory requirements. [ of Sections 10-145d-594, 10-145d-599 or 10-145d-604 except for fulfilling the assessment requirements in subsections (a) and (b) of Section 10-145d-404.]

- State of Connecticut Employment as a Teacher  
Previous teaching at UCONN, State Colleges, CTHSS, State of Connecticut Agencies such as DOC, DMR.
- Part-time Lecturer  
If you were an active contributing member of TRB and also were employed as a part-time lecturer at a Connecticut State College or University, you may elect to include such earnings as part of your pensionable salary. Please be advised if you are currently working as a regular public school teacher and a part-time lecturer, you need to contact the university or college payroll office regarding your eligibility to enroll in CTRB and include your earnings as part of your pensionable salary, which may have an effect in determining your highest 3-year average at the time of your retirement.
- Part-time Service

### CURRENT LEAVE OF ABSENCE (CLOA)

You may elect to pay the monthly mandatory contributions while on your approved CLOA for a total of ten (10) months during your career for any leave occurring on or after July 1, 1986.

A CLOA form must be completed by you and your employer and forwarded to this office as soon as possible before the current leave begins for the TRB office to bill you so payment can be made during the CLOA. Upon receipt of this form, CTRB will notify you of the amount due and payment options. The amount due will be the 7.25% until December 31, 2017 and on or after January 1, 2018 8.25% mandatory contributions based the annual salary rate that you would have received if actively employed at full-time (100% FTE). It is your responsibility to make payment for your approved leave of absence directly to CTRB. Your employer may not deduct and/or transmit approved leave of absence payments through the transmittal process.

Payment for a CLOA is now required either in advance or in monthly installments during each month of the leave. All payments for a CLOA must be received by TRB before the end of your CLOA. **Failure to pay the total amount due by the last day of the leave will result in a change in the member's status from active to inactive.** An inactive member is ineligible to purchase any of the remaining months of the leave as a CLOA. Months already paid for will be credited. However, you may be eligible to purchase them as a previous leave of absence subject to certain limitations.

## PAYMENT FOR CREDITED SERVICE

We have an estimator on the website we encourage you to use. Once you have estimated the cost of your Credited Service (CS) and accumulated sufficient funds to complete the purchase in full you should write to this office for an invoice using the [Request to Purchase Service Credit](#). Payment for CS must be completed in full by the due date.

Your pre-1989 accumulated one (1%) per cent contributions supplemental account (if applicable) can be used towards the purchase of CS in a lump sum transfer of funds at any time during your career.

If you have made contributions to the CTRS above and beyond the mandatory contributions, these contributions are posted to your voluntary contribution account. Your voluntary contribution account is available to use to purchase your ACS at any time during your career.

If you elect to use any portion of your pre 1989 1% supplemental account or your voluntary contribution account towards the purchase of service credit the unused portion of the supplemental account, if any, will be subject to a mandatory refund or rollover into the voluntary account at the time of the service purchase.

In accordance with Section 415(n)(3)(A) of the Internal Revenue Code, as revised from time to time, a member may purchase service credit in the CTRS using funds from:

- I.R.C. 403(b) Annuity or 403(b) Custodial Account
- I.R.C. 457 Deferred Compensation Plan
- I.R.C. 401(a) Qualified Plan
- I.R.C. 401(k) Profit Sharing Plan
- I.R.C. 408 non-Roth IRA (Pre-Tax only)

This activity may take place prior to retirement provided you have received an invoice for the service credit.

CTRS strongly recommends you submit your purchase of service credit documentation as early in your employment as possible. The purchase factors are subject to change every five years. This change could make the cost more or less expensive depending on the change. In addition it will assist in avoiding processing delays. With a current leave of absence, you have a limited time frame in which to apply. Purchasing service credit may help you reach eligibility for a retirement benefit earlier, or an increased death benefit. There are no refunds of purchased service credit once purchased, unless the TRB determines you were invoiced in error. .

### Methods of Payment

You will receive an invoice once your purchase is approved. The invoice will contain the different payment options available to you. These options are:

1. A lump-sum payment, or
2. Payroll deduction

Payroll deductions (only for purchase of prior Connecticut service)

If you are an active member of CTRB you may elect to purchase prior Connecticut teaching service credit other than by the payment of a single lump sum. An installment purchase may only be accomplished through payroll deductions by the member's employer. An installment purchase agreement need not cover all the service credit available to the member. In any event the entire payment including interest must be concluded prior to the member's retirement. A member may at any time prepay the balance due on an installment purchase agreement. If a person ceases to be an active member, such person loses the right to continue installment payments.

If payments are not made in accordance with the installment purchase agreement between the member and the board whether because a person ceases to be an active member or because the member terminates the authority of the employer to continue payroll deductions, upon request the member shall receive that portion of the service credit being purchased under the installment purchase agreement which the principal amounts already paid bears to the entire principal amounts originally required by the agreement. That portion of the service credit not received as the result of termination of installment payments may be purchased at a later time, provided, however, that the same period of prior Connecticut service may not be the subject of more than two installment purchase agreements.

Amounts transferred from member's 403(b) or governmental 457 plans or other qualified plans to pay for the purchase of service must be for either a) the exact amount of the cost of service, or b) the remaining unpaid balance of the cost, in the event that the member has already submitted other funds (such as a personal check, or the authorization to transfer funds from the voluntary or supplemental account) to pay for the service. Transfer checks should be made payable to the CTRB FBO (for the benefit of) the member (his/her name).

Members who are paying for the total cost of the service with a combination of such a transfer and a personal check should try to obtain the transfer check from the plan custodian as opposed to having the custodian send it directly to CTRB. The member should then submit both the transfer check and the personal check to the CTRB together as a single payment to ensure the timely completion of the purchase. In the event the custodian will not send the check to the member, you will need to submit a personal check to CTRB directly for the balance due prior to receipt of the custodian

check. It is your responsibility to coordinate with the custodian to ensure compliance with the requirements of the tax laws and State statutes and regulations.

### Acceptable Forms of Payment

#### **CTRS will accept:**

- member's check drawn on an individual checking account in the member's name;
- bank check, or money order signed by the member;
- direct rollover from another of the member's retirement accounts, subject to rollover Acceptance Policy;
- check drawn on a joint checking account if the member is one of the names on the account, provided that the member signs the check;
- funds that a member has withdrawn from another retirement account (such as an Individual Retirement Account) and has deposited into their bank account will be accepted by the Teachers' Retirement Board only as post-tax funds, not as a rollover of pre-tax funds.

### Unacceptable Forms of Payment

#### **Unacceptable items include but are not limited to:**

- payments received and/or postmarked after the due date;
- rollover from anyone else's (including the member's spouse) retirement account;
- check drawn on an account not in the member's name;
- check payable to the member but endorsed on the back as "payable to TRB";
- incomplete check (missing date, signature, or amount);
- check drawn on a joint checking account not signed by the member (even if signed by the joint account holder);
- check from business/corporate entities or trusts, even if the member's name appears in the entity's name (e.g., the member is John Doe and the name on the check is "John Doe Enterprises" or "John Doe & Co.");
- check without documentation that identifies the member and substantiates the purpose of the payment;
- post-dated check.

**We will return unacceptable items to the member uncashed, or will refund them to the member as unacceptable funds.**

## **TAXATION OF YOUR RETIREMENT BENEFIT**

Prior to July 1, 1991, the contributions you made to the system were on an “after-tax” basis. This means the amounts which you contributed were part of your gross income for the calendar year in which you made the contribution. After July 1, 1991, your contributions were treated as “pretax” contributions because they were not included as part of your gross income for the calendar year in which the contributions were made. If and when you retire or receive a refund of your account, your “aftertax” contributions will be excluded as taxable income because they have already been subject to tax.

Your CTRS monthly retirement benefits are subject to federal withholding tax. CTRS retirement benefits are subject to Connecticut State income tax as well if you are a legal resident of Connecticut. If you are planning to live elsewhere, you should contact State and local tax agencies in that State to determine whether your benefit is taxable. CTRS can withhold for the IRS and for the Connecticut Department of Revenue Services. CTRS does not withhold taxes for any other states.

When you retire, you will be notified of the amount that you contributed to the retirement plan on an "after-tax" basis. This amount also appears on your initial IRS Form 1099R. The amount of money that you contributed to the plan that was subject to tax in the year in which the contributions were made is known as "investment in contract". This amount will include any after-tax payments that you may have made towards the purchase of additional service credit. You may also obtain the [Taxability of Your Retirement Benefit Bulletin](#) from this website. For more information, you should contact the IRS directly or visit their website at: [www.irs.gov](http://www.irs.gov).

For more information about the tax consequences when withdrawing your retirement funds, please consult with your tax and or financial advisor.

### **POINTS TO REMEMBER**

While an active member of CTRS, there are some things you can do to ensure you remain well informed about your CTRS account.

1. Make sure your address is always up to date in our records. CTRS sends all active, inactive and vested members an annual MAS (Please see discussion on MAS above) to the address we have on file. While employed with a Connecticut public school, please notify your employer of any change or correction of address. Your employer will report your address change to CTRS. State employees need to change their address with CTRS directly. As a State of Connecticut employee or an inactive member be certain to include your name, old and new addresses, the last four digits of your Social Security number, and your signature.

2. Review your MAS. Your MAS is mailed yearly, usually in December. When you receive your statement, be sure to review all of the information provided. If your beneficiary is not up to date, please submit a new Active/Inactive Teacher Beneficiary Form. If you do not agree with salary or service reported by your employer, please contact your employer to resolve any discrepancies. All other inquiries should be directed to CTRS.
3. Keep your beneficiary information up to date. Keeping your beneficiary information up to date ensures that benefits are paid according to your wishes. You should review and consider submitting to CTRS a new [Active/Inactive Teacher Beneficiary Form](#) if:
  - You or your beneficiary divorces or marries.
  - One of your beneficiaries dies.
  - One of your beneficiaries has a name or address change.
  - You have a child or adopt a child.
  - A minor beneficiary reaches age 18.

The most recently received form will supersede all previous forms.

4. You may not borrow from your account. Under the law, you must terminate all Connecticut public school employment to receive any funds from your account. CTRS may not, therefore, provide you with a loan or allow you to borrow funds from your account. Additionally, your funds in CTRS may not be attached, assigned or used for collateral.
5. Use the Online Retirement Calculator. CTRS provides a Retirement Calculator so that you can create your own retirement estimates, under certain circumstances.
6. Take advantage of CTRS online resources. Whether you are a new, active, or retired member, the answer to most of your retirement-related questions can be found within the CTRS website. News, Board information, forms, processing time frames, publications, and every phase of your membership life cycle is easily accessible online at [www.CTRS](http://www.CTRS) .

## **POST RETIREMENT EMPLOYMENT IN CONNECTICUT PUBLIC SCHOOLS**

The post retirement reemployment rules are outlined in the [Post Retirement Reemployment Bulletin](#).

Section 401(a) of the Internal Revenue Code prohibits a qualified pension plan, such as the Connecticut Teachers' Retirement Board from commencing a member's pension benefits prior to his or her actual retirement as defined under the terms of the plan. The

IRS code permits a teacher who has retired under the CTRB system to return to work as a teacher and continue to receive his or her CTRB pension benefits during such reemployment.

The Connecticut statute does not override IRS rules that require one to actually retire (subject to exceptions explained below) before he or she can start receiving his or her pension. In order for CTRB and its members to receive the tax benefits as qualified, pension plan sponsors it must operate the pension plan in accordance with IRS requirements.

TRB is concerned about pensions starting for employees who have not truly retired from their employers. These types of “sham” retirements present a serious IRS code compliance problem for the CTRB system. To address that concern, CTRB will start requiring persons who have either started their CTRB pensions (1) before reaching the definition of normal retirement in the CTRB statute, or (2) before turning age 62 in cases where the person hasn’t met the normal retirement statutory rules, to have at least a 6-month break in service before going back to work as a teacher. If the person doesn’t have a break lasting that long, then his or her pension will be suspended and any duplicate compensation will be reimbursed to CTRB by the member.

Federal tax law applicable to pension plans requires that the employer (Superintendent’s action on behalf of the Board of Education) and the employee reemployed (retired teacher) follow certain rules in order to be reemployed. A teacher may be reemployed if they are 62 and retired, have normal retirement status under the CTRB system (20 years and age 60, or 35 years of credited service at any age, of which at least 25 are in the public schools of CT); or if the reemployment is considered to be a bona fide “arm’s length” employment.

The CTRB requires a separation of duty from teaching in any CT school district for a minimum of six months in order for reemployment to be considered an “arm’s length”. The CTRB now requires that the Superintendent certify that your reemployment is based upon an arm’s length transaction. In the case of employment arrangements for the Superintendent, an Officer (Chair, Vice Chair, Secretary) of the Board of Education must provide the CTRB with a certification to evidence the absence of any pre-arranged plan, arrangement, understanding or agreement between the employer and the employee (plan participant).

Connecticut retired teachers receiving pension benefits from the Teachers’ Retirement Board may return to work in a teacher position for an entity that participates in CTRB, subject to IRS and CTRB rules. There are three ways:

1. A retired teacher may return to work for two years in a Priority School District (PSD) or a Subject Shortage Area (SSA) teaching assignment.

Such teachers can work full-time for an aggregate of up to two school years during their lifetime.

2. Under the 45 percent rule, a retired teacher may return to teaching either on a part time schedule for the whole school year, or a full-time schedule for a part of the school year and earn up to 45 percent of the maximum salary for the job assignment.
3. A retired teacher may elect to have their pension benefits suspended and return to work full time. The teacher's pension benefits would again resume the month following termination of that re-employment. During this period of reemployment, the former teacher may be offered the same health insurance benefits provided to active teachers employed by such school system but is not required to do so. If health insurance benefits provided to active teachers is not offered to the reemployed teacher, a health insurance subsidy payment may be issued and the reemployed member is eligible to participate in a CTRB Health Plan.

A retired member may be reemployed as a teacher or administrator in the public schools of Connecticut and earn up to forty-five (45%) percent of the maximum salary level, established by the school district, for the position occupied. This limitation is on a school year basis. The employing school district and the retired member must notify this office by completing a [Post Retirement Reemployment 45% Rule - Employer/Employee Form](#) .

A retired member may be reemployed in a designated subject shortage area or a school in a priority school district and [this is not correct re Federal tax requirement] continue to receive pension income for a period of one school year. (With prior approval by the Teachers' Retirement Board, such reemployment may be extended for an additional school year). The employing school district must submit a [Subject Shortage Area or Priority School District Reemployment Form](#) to CTRB prior to the reemployment of the retired member. While reemployed in a designated subject shortage area or a school in a priority school district, such former teacher may be offered the same health insurance benefits provided to active teachers employed by such school system but is not required to do so. During this period of reemployment, if health insurance benefits provided to active teachers is not offered to the reemployed teacher, a health insurance subsidy payment may be issued and the reemployed member is eligible to participate in a CTRB Health Plan.

This limitation also applies if you are employed as a Connecticut State employee in a position which is eligible for membership in the Teachers' Retirement System such as UCONN, the State Department of Education or the State Universities and Community Colleges. Under certain conditions (i.e., subject shortage area, priority school district), you may be reemployed other than on a temporary

basis if such employment is approved by the Teachers' Retirement Board. There are no restrictions on earnings for out of State teaching or private school teaching.

### **CTRS APPEALS PROCESS**

A member of CTRS who disagrees with an official decision reached by the CTRS staff has the right to request a review by the TRB. The request for review must be received by CTRS within ninety (90) days of the written decision. All appeal requests must be made in writing and sent to:

Teachers' Retirement Board

Attention: Administrator

765 Asylum Avenue

Hartford CT 06105-2822

If an appeal is denied by the Committee and approved by the Board, the disputing party has the opportunity to request an administrative hearing before the full Board.

### **COST OF LIVING ADJUSTMENTS\***

To help keep up with rising costs, the Teachers' Retirement System provides a Cost of Living Adjustment each year. Please see the Cost of Living bulletin for additional information.

\*Cost of Living Adjustments do not apply to basic survivors' benefits granted before retirement.

CTRB provides for [cost of living adjustments](#) once you have retired and begun receiving benefits. You must be retired for a minimum of at least nine months in order to be eligible for your initial cost of living increase. These increases are paid in your benefit issued on the last business day of July or January depending on your retirement date.

#### **Members who retired prior to September 1992.**

For members who retired prior to September 1992 or a member's successor beneficiary, except a person receiving survivor's benefits, shall be eligible for an annual three to five per cent cost of living allowance on any benefit except for an annuity.

The cost of living allowance shall be computed on the basis of the retirement benefits to which the retired member or his successor beneficiary was entitled on the last day of the preceding December or June except benefits based upon one per cent or voluntary contributions.

A member's successor beneficiary is any person, other than such member, receiving benefits as the result of the election of a period certain option or a co-participant option, including an election for such an option by a surviving spouse. The right to such allowance, or any portion thereof, may be waived by the person entitled to it at any time. Any waiver shall remain in effect until the first day of the month following that person's death or the filing with the board of a written notice of cancellation of the waiver. Any COLA waived shall be forever forfeited.

The cost of living adjustment is based on the National Consumer Price Index for the twelve month period ending on the last day of the preceding November, for COLA paid in January or the last day of the preceding May, for COLA paid in July.

If on any subsequent first day of January or July the CTRB determines that the National Consumer Price Index for urban wage earners and clerical workers for the twelve-month period ending on the last day of the preceding November or May has increased less than the cost of living allowance provided under this subsection, the cost of living allowance provided by this subsection shall be adjusted to reflect the change in such index provided that the cost of living allowance shall not be less than three per cent.

#### Members who retired on or after September, 1992

For members who retired on or after September, 1992 or a member's successor beneficiary, except a person receiving survivor's benefits, shall be eligible for an annual cost of living allowance on any benefit except a benefit based upon such member's one per cent contributions or voluntary contributions.

The cost of living adjustment is based on the Social Security cost of living adjustment up to a maximum of 6% and the investment performance of the retirement fund for the preceding fiscal year. If the investment performance of the retirement fund is less than 8.5%, the cost of living adjustment will be capped at 1.5%.

The cost of living allowance shall be computed on the basis of the retirement benefits to which the retired member or successor beneficiary was entitled on the last day of the preceding December or June except benefits based upon one per cent or voluntary contributions.

The cost of living allowance shall be calculated by using the percentage cost of living adjustment granted by the Social Security Administration for the applicable year, computed on the basis of the retirement benefits to which such retired member or successor beneficiary was entitled on the last day of the preceding December or June except benefits based upon one per cent or voluntary contributions, provided no cost of living allowance shall exceed six per cent. In addition, if the total return earned by the trustees on the market value of the pension assets for the preceding fiscal year is less than eight and one-half per cent, any cost of living allowance granted shall not exceed one and one-half per cent.

A member's successor beneficiary means any person, other than such member, receiving benefits as the result of the election of a period certain option or a co-participant option, including an election for such an option by a surviving spouse.

The right to such allowance, or any portion thereof, may be waived by the person entitled thereto at any time. Any waiver shall remain in effect until the first day of the month following such person's death or the filing with the board of a written notice of cancellation of the waiver. Any allowance waived shall be forever forfeited.

#### Members who join the system on or after July 1, 2007

For members who join the system on or after July 1, 2007 or the member's successor beneficiary, except a person receiving survivor's benefits, shall, beginning the first day of January or July that follows nine months in retirement, be eligible for an annual cost of living allowance.

The cost of living adjustment will be based on the Social Security cost of living and the investment performance of the retirement fund for the prior fiscal year to a maximum of 5%. If the investment performance of the retirement fund is less than 8.5%, the cost of living adjustment will be capped at 1%. If the investment performance of the retirement fund for the prior fiscal year is between 8.5% and 11.5%, the cost of living will be capped at 3%. If the investment performance of the retirement fund is over 11.5%, the cost of living will be capped at 5%.

#### POST-RETIREMENT HEALTH INSURANCE BENEFITS

As a retired member, you and your spouse are eligible for [subsidized health benefits](#) that are funded in part from active teacher 1.25% supplemental contributions and State appropriations. CTRB currently offers a Medicare Supplement Plan for members and/or spouses enrolled in Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance). If you and/or your spouse are not participating in Medicare Part A and Part B, you and/or your spouse may choose to remain with your local school district plan and purchase the same health insurance benefits that are available to active teachers.

If you and/or your spouse are not participating in Medicare Part A and Part B, you may elect to continue your health insurance coverage through the local school district in which you were employed at the time of retirement. The cost of health insurance varies from district to district. Your former employer may charge you the same premium that is assessed by the insurance company for the type of coverage you are receiving. For self-insured plans, your former employer must charge you the budgetary premium rate for your form of coverage. To offset this cost, CTRB will issue a subsidy payment on your behalf to your former employer. The current subsidy payment is up to \$110.00 monthly for individual coverage and up to \$220.00 monthly for member/spouse coverage. Once you and/or your spouse are participating in Medicare Part A and Part B,

you may join the CTRB sponsored plan. For additional information on this topic, obtain the [Health Insurance FAQs Bulletin](#) .

Existing retirees should obtain the [Health & Prescription Drug Benefits Plan Summary](#) . For questions concerning your hospital, medical claims, you should contact Stirling Benefits at 1-800-447-6689. For questions concerning your prescription benefits, call Express Scripts at 1-844-433-4883. For questions regarding your dental benefits, call Cigna Dental at 1-800-244-6224

## **PUBLICATIONS**

In addition to this brochure, please visit our website at <https://www.ct.gov/trb/cwp/view.asp?a=1582&q=272366> for recent publications.

## **CONTACTING CTRS**

You may contact CTRS toll-free at 1-800-504-1102, Monday through Friday, except on major holidays. CTRS operating hours are found on the CTRS website.

Connecticut Teachers' Retirement Board

765 Asylum Avenue

Hartford CT 06105-2822

Toll-Free: 1-800-504-1102

Local Telephone: 860-241-8400

Email Address: [trb.webmaster@ct.gov](mailto:trb.webmaster@ct.gov)

Website: [www.ct.gov/trb](http://www.ct.gov/trb).

## **PENSION REVOCATION OR REDUCTION FOR PUBLIC OFFICIALS AND STATE OR MUNICIPAL EMPLOYEES**

The right of a person to receive retirement benefits from CTRS is subject to revocation or reduction as provided by the statute entitled Pension Revocation or Reduction For Public Officials and State or Municipal Employees. ("Pension Revocation or Reduction Statute").

The Pension Revocation or Reduction Statute states that all service and benefits payable to a CTRS member may be revoked or reduced if the member is convicted of, or pleads guilty or nolo contendere to any of the crimes related to State or municipal office in a State criminal or federal criminal court under the Pension Revocation or Reduction Statute when the crime is committed through the member's position as a

public employee or when the member's public employment places the member in a position to commit the crime(s).

The Pension Revocation or Reduction Statute requires the Attorney General to apply to the Superior Court for an order to revoke or reduce the pension of any kind to which such public official or State or municipal employee is otherwise entitled under the general statutes for service as a public official or State or municipal employee.

If the Superior Court determines that the pension of a public official or State or municipal employee should be reduced, it may, after taking into consideration the financial needs and resources of any innocent spouse, dependents and designated beneficiaries of the public official or State or municipal employee, order that some or all of the reduced pension be paid to any such innocent spouse, dependent or beneficiary as justice may require.

If the Superior Court determines that the pension of such public official or State or municipal employee should not be revoked or reduced, it shall order that the retirement or other benefit or payment be made to such public official or State or municipal employee.

The Connecticut crimes listed under the Pension Revocation or Reduction Statute are:

Crimes related to State or municipal office" means any of the following criminal offenses committed by a person while serving as a public official or State or municipal employee:

- (A) The committing, aiding or abetting of an embezzlement of public funds from the State, a municipality or a quasi-public agency;
- (B) The committing, aiding or abetting of any felonious theft from the State, a municipality or a quasi-public agency;
- (C) Bribery in connection with service as a public official or State or municipal employee; or
- (D) The committing of any felony by such person who, willfully and with the intent to defraud, realizes or obtains, or attempts to realize or obtain, a profit, gain or advantage for himself or herself or for some other person, through the use or attempted use of the power, rights, privileges or duties of his or her position as a public official or State or municipal employee.

Examples of the above include:

- Theft by deception
- Theft by extortion
- Theft of services

- Theft by failure to make required disposition of funds received
- Forgery
- Tampering with records or identification
- Misapplication of entrusted property and property of government or financial institutions
- Bribery in official and political matters
- Threats and other improper influence in official and political matters
- Perjury
- False swearing
- Unsworn falsification to authorities
- False reports to law enforcement authorities
- Witness or informant taking a bribe
- Tampering with or fabricating physical evidence
- Tampering with public records or information
- Intimidation of witnesses or victims
- Retaliation against witness, victim, or party
- Obstructing administration of law or other governmental function
- Official oppression, speculating or wagering on official action or information

The following crimes when committed by a school employee against a student:

- rape
- statutory sexual assault
- involuntary deviate sexual intercourse
- sexual assault
- aggravated indecent assault
- indecent assault and
- indecent exposure

The Pension Revocation or Reduction Statute also includes all Federal criminal offenses that are substantially the same as the above listed crimes.