



CT TEACHERS' RETIREMENT BOARD  
765 ASYLUM AVENUE HARTFORD, CT 06105-2822  
"An Affirmative Action/Equal Opportunity Employer"  
Toll-Free 1-800-504-1102 (860) 241-8400 Fax (860) 622-2845 www.ct.gov/trb

## **Divorce and Your Teachers' Retirement Benefits**

### **What happens to my benefits if I become divorced?**

A court may order that your former spouse receive a portion of your retirement benefits. This can only be accomplished if a copy of the court order or judgement is filed and approved by the Teachers' Retirement Board. Such an order is commonly known as a Domestic Relations Order (DRO) and the former spouse is referred to as an Alternate Payee.

### **What kind of plan is the Connecticut Teachers' Retirement System (CTRS) plan?**

CTRS is a contributory defined benefit plan. This means that your retirement benefits are based on a formula (age, years of service and average salary). Simply speaking, your account balances have no bearing in determining your monthly retirement benefits. This is different from a defined contribution plan (e.g. Tax sheltered Annuity, Deferred Compensation, Profit Sharing Plan) which determines your benefits based upon your total account balances.

### **Does this mean that the court can order a transfer of some of my account balances to my former spouse?**

Not necessarily. An Alternate Payee has no greater standing or rights than a member does. If a lump sum is payable, a refund can only be issued if a member terminates service, dies or retires. The court cannot order any payment to the Alternate Payee to be made unless and until the member applies for benefits.

### **What kind of information can CTRS provide concerning my account status?**

At your request, CTRS will prepare a Summary of Account (see sample on page 3) that will reflect your account balances and accrued benefit as of the most recent posting date. If you are eligible for a vested benefit, we will provide you with the amount of the benefit earned and the date that it is payable.

### **My attorney has requested the value of my pension. Can CTRS provide me with this value?**

No. CTRS can provide you with your most recent account balances and the vested benefit earned to date. The pension value is the present actuarial value of the benefit. Basically, it is the current lump sum value or worth of your accrued monthly benefit. The information contained in the Summary of Account can be used by a professional actuary to determine this value, if needed.

### **I am planning to receive monthly retirement benefits. Can the court order that a lump sum payment is made to the Alternate Payee?**

If you choose to receive monthly retirement benefits in lieu of a refund the Alternate Payee cannot receive a lump sum of your account. The only exception is any of the 1% Supplemental/Voluntary Balances that you may have in your account for which you elected to receive in a lump sum at the time of your retirement.

### **Does this mean that the Alternate Payee can receive part of my monthly benefits?**

Yes. The Court may require that a Domestic Relations Order be filed designating that a portion of the member's benefits be paid to the Alternate Payee.

### **How is this determined?**

In most cases, the court will order that a portion of the accrued benefit (the benefit earned during the period of marriage based on the member's age, service and average salary at the time of divorce) be paid to the Alternate Payee. The court may make other determinations as to how this amount will be determined based on individual circumstances.

**What is a coverture fraction and how does it affect the amount that might be paid to my former spouse?**

If you were married for a portion of your teaching career, a coverture fraction may be calculated. A coverture fraction represents the percentage of the benefits earned from the beginning of the marriage to the date of dissolution of the marriage. It is calculated by dividing the length of the marriage by the total service as of the date of dissolution. For example, if you were married for the past eight of the twenty years that you've been teaching, 40% of your accrued benefit was earned during the course of the marriage ( $8/20 = 40\%$ ). If the court were to order that the Alternate Payee is entitled to half of the benefit earned during the marriage, the Alternate Payee's share would be 20% ( $\frac{1}{2} \times 40\%$ ) of the accrued benefit.

**Can the Alternate Payee begin receiving these benefits before I retire?**

No. The Alternate Payee does not have any greater rights or standing than the member. Benefits cannot begin for the Alternate Payee unless and until the member actually retires from service and begins receiving a retirement benefit.

**How does my attorney or my former spouse's attorney prepare a Domestic Relations Order?**

Because of the unique provisions of the law governing CTRS, we recommend that the parties' attorneys obtain a *Domestic Relations Order Sample* from CTRS. This will allow all parties to be fully aware of the plan provisions affecting pre and post retirement benefits, avoid unnecessary time and expense and insure administrative approval of the order by CTRS.

**Can the Alternate Payee receive health insurance benefits through the Teachers' Retirement Board?**

No. The retirement board only offers health benefits to a member receiving retirement benefits or a disability allowance from the system, the spouse or surviving spouse of a member, or a disabled dependent of such member if there is no spouse or surviving spouse.



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**SAMPLE**

TEACHER, IMA 122 SCHOOL STREET HARTFORD, CT 06106	Social Security Number: XXX-XX-6789 Member Number: 123456 Birth Year: 1944
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**Summary of Account - June 30, 2003**

The Connecticut Teachers' Retirement System is a contributory defined benefit plan providing pension, disability and survivor benefits. The Plan is governed by Chapter 167a of the Connecticut General Statutes.

**FUNDS MAY NOT BE WITHDRAWN PRIOR TO TERMINATION OF SERVICE**

<b>Cumulative Account Totals</b>				
	Regular	Voluntary	Supplemental	Totals
Taxed Contributions	\$26,559.10	\$0	\$4,251.50	\$30,810.60
Pre-Taxed Contributions	\$34,651.26	\$0	\$0	\$34,651.26
Interest	\$114,299.50	\$0	\$17,499.07	\$131,798.57
<b>Totals</b>	<b>\$175,509.86</b>	<b>\$0</b>	<b>\$21,750.57</b>	<b>\$197,260.43</b>

*\*Forfeited if funds are withdrawn prior to retirement \$17,499.07*

**Current Beneficiary Information**

MARION TEACHER	PRIMARY
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**Credited Service and Benefit Information**

Total Vesting Service	34 years @ 100%
Benefit Eligibility Type	VESTED
Benefit Commencement Date	08/01/04
Salary Base (3 year average)	\$70,869.00
X Percentage Factor	68%
Maximum Annual Benefit:	\$48,190.92
Maximum Monthly Benefit	\$4,015.91

*Optional payment plans are available and serve to reduce the monthly benefit according to actuarial tables adopted by the Teachers' Retirement Board. The maximum monthly benefit may be reduced if benefits commence prior to age of 60. Cost of living increases are granted annually, subject to investment return on the Fund and changes in the Consumer Price Index.*

Prepared by: CTRB STAFF MEMBER	Date: 09/03/2003
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