



STATE OF CONNECTICUT
TEACHERS' RETIREMENT BOARD
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TO: School Business Officials

FROM: William J. Sudol, Acting Administrator

DATE: August 15, 2003

SUBJECT: 2003 Legislation affects Active Teacher Contribution Rate for Health Insurance and the Health Insurance Premium Account (HIPA).

Public Act No. 03-232 was signed by the Governor on July 9, 2003.

Changes provided in Sections 7 and 11 of this act will ensure that the Health Insurance Premium Account (HIPA) will remain solvent through 2010. A brief summary of these changes is being provided below. The specific provisions of the law are available on the Teachers' Retirement Board's website @ www.state.ct.us/trb on the "What's New" page.

Effective July 1, 2004

- The active teacher contribution rate for health insurance will increase from one percent (1%) to one and one-quarter percent (1.25%) effective July 1, 2004.

Specific instructions necessary to implement this change along with updated transmittal software will be sent to you in the first quarter of 2004.

Effective July 1, 2005

- CTRB Sponsored Health Plan allocation of cost will change effective July 1, 2005. The cost of the plan will be shared equally with the retired teacher, State of Connecticut and Health Insurance Premium Account each responsible for one-third of the cost. (Currently, the retired teacher pays 25%, the State of Connecticut pays 25% and the Health Insurance Premium Account pays 50%).
- The State will increase its contribution rate from one-quarter to one-third of the cost of the subsidy paid to a retired teacher and spouse enrolled in local school district health plans. Under the existing law, the State currently pays one-quarter of the cost with the remaining three-quarters of the cost paid by HIPA.

Please contact this office if you have any questions.