



General Assembly

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Amendment

LCO No. 7225

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Offered by:

SEN. GAFFEY, 13th Dist.

To: Subst. House Bill No. 6696

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Cal. No. 522

"AN ACT CONCERNING THE REEMPLOYMENT OF RETIRED TEACHERS, THE PURCHASE OF ADDITIONAL CREDITED SERVICE IN THE TEACHERS' RETIREMENT SYSTEM, THE EXCESS EARNINGS ACCOUNT, CREDIT FOR SERVICE WITH CERTAIN BARGAINING ORGANIZATIONS, AND PAYMENT FOR ADDITIONAL CREDITED SERVICE PURCHASED BY BOARDS OF EDUCATION, AND MAKING CHANGES TO THE TEACHERS' RETIREMENT SYSTEM."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 10-183v of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2003*):

5 (a) Except as provided in subsection (b) of this section, a former
6 teacher receiving retirement benefits from the system may not be
7 employed in a teaching position receiving compensation paid out of
8 public money appropriated for school purposes except that such
9 former teacher may be employed temporarily in such a position and
10 receive no more than forty-five per cent of the [entry-level salary]

11 maximum salary level for the assigned [subject area for such
12 compensation.] position. Any former teacher who receives in excess of
13 such amount shall reimburse the board for the amount of such excess.
14 Temporary employment means employment for less than a school
15 year. Notice of such employment shall be sent [monthly] semi-
16 annually on January thirty-first and June thirtieth to the board by the
17 employing officials and by the retired teacher at the end of each
18 assignment.

19 (b) [A] Notwithstanding the provisions of subsection (a) of this
20 section, a former teacher receiving retirement benefits from the system
21 may, with prior approval of the Teachers' Retirement Board, be
22 reemployed by a local or regional board of education [or by any
23 constituent unit of the state system of higher education if such
24 employment is authorized by the Teachers' Retirement Board upon
25 certification to such board that such reemployment is in the best
26 interests of the local or regional school system. Such certification shall
27 be made by the local or regional board of education, if the employer is
28 to be a local or regional board of education, or the Board of Governors
29 of Higher Education, if the employer is to be a constituent unit of the
30 state system of higher education] in a position designated by the
31 Commissioner of Education as a subject shortage area pursuant to
32 section 10-86 for the school year in which the former teacher is being
33 reemployed or in such other position as may be deemed necessary by
34 the commissioner. Such reemployment with any one board of
35 education may be for up to one full school year but may, with prior
36 approval by the Commissioner of Education and the Teachers'
37 Retirement Board, be extended for an additional school year. A local or
38 regional board of education shall submit a request for approval in
39 writing to the Teachers' Retirement Board prior to the reemployment
40 of such former teacher and prior to extending such reemployment for
41 an additional school year. Such requests for approval shall include a
42 statement indicating the type of assignment to be performed, the
43 anticipated date of rehire and the expected duration of the assignment.

44 (c) The [employment] reemployment of a former teacher under

45 subsection (b) of this section shall not be considered as service
46 qualifying for continuing contract status under section 10-151 and the
47 salary of such teacher shall be fixed at an amount at least equal to that
48 paid other teachers in the same school system with similar training
49 and experience for the same type of service. Upon approval by the
50 board of such reemployment, such former teacher shall be eligible for
51 the same health insurance benefits provided to active teachers
52 employed by such school system. No benefits shall be paid in pursuant
53 to section 10-183t while such former teacher is employed by such
54 system.

55 (d) No person shall be entitled to survivor's benefits under
56 subsection (f) of section 10-183f as a result of reemployment under this
57 section.

58 [(e) Retirement benefits to a former teacher reemployed under
59 subsection (b) of this section shall terminate on the first day of the
60 month of such reemployment. Retirement benefits shall resume on the
61 first day of the month after reemployment ceases.]

62 [(f)] (e) The same option plan of retirement benefits in effect prior to
63 reemployment shall continue for a reemployed teacher during
64 reemployment. [and upon subsequent retirement.]

65 [(g) Any former teacher reemployed under subsection (b) of this
66 section may elect upon completion of not less than six months
67 continuous service to make contributions to the system from such date.
68 The employer of such electing reemployed teacher shall thereafter treat
69 such teacher with respect to the system in the same manner as any
70 other member of the system except that such employer shall deduct
71 only six-sevenths of the amount that would be deducted from the
72 salaries of other members.

73 (h) Any reemployed teacher electing to make contributions to the
74 system under subsection (g) of this section may also elect to obtain
75 retirement credit for service during the period from the beginning of
76 reemployment to the date of such election by contributing to the

77 system within six months of the date on which such teacher makes
78 such election under said subsection (g), six per cent of the salary paid
79 such teacher during such period together with credited interest from
80 the time such salary was paid until such contribution is made to the
81 system.

82 (i) Upon the subsequent retirement of an electing reemployed
83 teacher, the retirement benefits payable to such retired teacher shall be
84 increased by triple the amount that would be payable based solely
85 upon contributions of such teacher made during the period of
86 reemployment plus credited interest thereon.]

87 (f) The provisions of this section in effect on June 30, 2003, shall be
88 applicable to any reemployed teacher making contributions under this
89 section to the Teachers' Retirement System on June 30, 2003.

90 Sec. 2. Subsection (c) of section 10-183e of the general statutes is
91 repealed and the following is substituted in lieu thereof (*Effective*
92 *October 1, 2004*):

93 (c) Additional credited service must be purchased by a member (1)
94 [at] prior to the time of retirement, [or] (2) at the time a surviving
95 spouse elects benefits under the provisions of subsection (d) of section
96 10-183h, or (3) at the time benefits commence [under an optional
97 payment form pursuant to section 10-183j. Any purchase of service
98 shall be accomplished by the member paying to the board an amount
99 equal to one-half of the actuarial present value, determined according
100 to actuarial tables adopted by the board, of the difference between the
101 retirement benefit which the member is entitled to receive based upon
102 his or her service apart from such purchased service and the benefit
103 which he or she is entitled to receive including such service] as
104 provided under sections 10-183g, as amended by this act, and 10-183jj,
105 as amended by this act. Any purchase of such service shall be
106 accomplished by the member paying to the board an amount
107 determined on the basis of actuarial factors adopted by the board
108 which reflect the present value of one-half of the full actuarial cost of

109 the benefit increase that will be derived by the purchase of such
110 service. Such factors shall consider the member's age at the time of
111 purchase, actual or projected salary, and the earliest date on which the
112 member would be eligible for a normal retirement allowance.
113 Payments for additional credited service may be made in a lump sum
114 by transfer of funds from the member's accumulated one per cent
115 contributions withheld prior to July 1, 1989, with credited interest and
116 accumulated voluntary contributions with credited interest plus such
117 other amounts as may be required to complete the purchase.

118 Sec. 3. Subsection (m) of section 10-183g of the general statutes is
119 repealed and the following is substituted in lieu thereof (*Effective July*
120 *1, 2003*):

121 (m) If the plan actuaries have certified in accordance with
122 subsection (n) of this section that the amount of the [excess earnings
123 account] cost of living adjustment reserve account which is available
124 for payment of a cost of living allowance is insufficient to fund the full
125 amount determined under subsection (l) of this section, each person
126 eligible for an annual cost of living allowance under said subsection (l)
127 shall be eligible for a cost of living allowance reduced proportionately
128 to a percentage that is actuarially supported by the amount so
129 certified, in lieu of the cost of living allowance provided under said
130 subsection (l), provided no cost of living allowance shall exceed six per
131 cent and provided further, if the total return earned by the trustees on
132 the market value of the pension assets for the preceding fiscal year is
133 less than eight and one-half per cent, any cost of living allowance
134 granted shall not exceed one and one-half per cent.

135 Sec. 4. Subsection (n) of section 10-183g of the general statutes is
136 repealed and the following is substituted in lieu thereof (*Effective July*
137 *1, 2003*):

138 (n) To administer cost of living allowances provided under
139 subsections (l) and (m) of this section, there is established the [excess
140 earnings account] cost of living adjustment reserve account which shall

141 be a separate account established within the Teachers' Retirement
142 Fund. For the calendar year commencing January 1, 1995, and each
143 subsequent calendar year, the [excess earnings account] cost of living
144 adjustment reserve account shall be credited by an amount equal to
145 that portion of the total return earned by the trustees on the market
146 value of the pension assets for the preceding fiscal year which is a total
147 return in excess of eleven and one-half per cent. The [excess earnings
148 account] cost of living adjustment reserve account shall be reduced
149 each year by the actuarial value of any cost of living allowance
150 awarded. On May first, annually, the plan actuaries shall determine
151 how much of the [excess earnings account] cost of living adjustment
152 reserve account balance is available for payment of a cost of living
153 adjustment determined in accordance with the provisions of this
154 section and shall certify their determination to the trustees of the
155 Teachers' Retirement Fund. If the plan actuaries determine that there
156 are no funds available in the [excess earnings account] cost of living
157 adjustment reserve account for the payment of a cost of living
158 allowance, no cost of living allowance shall be paid.

159 Sec. 5. Section 10-183c of the general statutes is repealed and the
160 following is substituted in lieu thereof (*Effective October 1, 2003*):

161 The Connecticut teachers' retirement system is established to
162 provide retirement and other benefits for teachers, their survivors and
163 beneficiaries. On or after a member vests in the system by becoming
164 eligible to receive a retirement benefit pursuant to section 10-183f, or
165 accumulates ten years of credited service in the system, as defined in
166 subsection (a) of section 10-183, whichever is later, the member's
167 benefit under sections 10-183e, 10-183f, 10-183g, 10-183h and 10-183aa
168 is contractual in nature and no public or special act of the General
169 Assembly shall diminish such benefit, provided this section shall apply
170 only to an active member who is vested on October 1, 2003, or to a
171 member who vests or accumulates ten years of credited service on or
172 after October 1, 2003, and shall apply to the member's benefit in
173 existence on October 1, 2003, or to the member's benefit in existence
174 on the date the member vests or accumulates ten years of credited

175 service, respectively, whichever is later. Nothing in this section shall
176 affect the provisions of section 10-183t, as amended by this act, or 10-
177 183z. On or after October 1, 2003, any public or special act enhancing
178 the benefits of the system shall be subject to the provisions of this
179 section.

180 Sec. 6. Subsection (e) of section 10-183jj of the general statutes is
181 repealed and the following is substituted in lieu thereof (*Effective from*
182 *passage*):

183 (e) For each year of additional credited service purchased pursuant
184 to this section, the local or regional board of education shall pay an
185 amount specified by the Teachers' Retirement Board equal to the
186 actuarial present value, determined according to actuarial tables
187 adopted by the Teachers' Retirement Board, of the difference between
188 the retirement benefit which the member is entitled to receive based
189 upon [his or her] the member's service apart from such purchased
190 service and the benefit which [he or she] the member is entitled to
191 receive including such service. Payment for such service may be made
192 in equal annual installment payments, including interest, not
193 exceeding three times the number of years being purchased. Payments
194 shall be made in accordance with subsection (b) of section 10-183n and
195 rules adopted by the Teachers' Retirement Board. Any late payments
196 or outstanding obligations from a prior year's purchase or from late
197 payment of monthly mandatory deductions shall be included as part
198 of the cost of purchasing such service. When a board of education
199 purchases additional credited service for a member pursuant to this
200 section, the Teachers' Retirement Board shall notify the member in
201 writing. Any additional credited service purchased for any such
202 member shall be in addition to any credited service purchased
203 pursuant to section 10-183e, as amended by this act.

204 Sec. 7. Section 10-183b of the general statutes is repealed and the
205 following is substituted in lieu thereof (*Effective July 1, 2003*):

206 As used in this chapter, unless the context otherwise requires:

207 (1) "Actuarial reserve basis" means a basis under which the
208 liabilities of the retirement system are determined under acceptable
209 actuarial methods and under which assets are accumulated under a
210 program designed to achieve a proper balance between the
211 accumulated assets and the liabilities of the system.

212 (2) "Amortization of unfunded liabilities" means a systematic
213 program of annual payments determined as a level per cent of
214 expected member annual salaries in lieu of a lump sum payment.

215 (3) "Annual salary" means the annual salary rate for service as a
216 Connecticut teacher during a school year but not including unused
217 sick leave, unused vacation, terminal pay, coaching or extra duty
218 assignments, unless compensation for coaching or extra duty
219 assignment was included in salary for which contributions were made
220 prior to July 1, 1971. In no event shall annual salary include amounts
221 determined by the board to be included for the purpose of inflating the
222 member's average annual salary. The inclusion in annual salary of
223 amounts paid to the member, in lieu of payment by the employer for
224 the cost of benefits, insurance, or individual retirement arrangements
225 which in prior years had been paid by the employer and not included
226 in the member's annual salary, shall be prima facie evidence that such
227 amounts are included for the purpose of inflating the member's
228 average annual salary. Annual salary shall not include payments the
229 timing of which may be directed by the member. Annual salary shall
230 not include payments to a superintendent pursuant to an individual
231 contract between such superintendent and a board of education, of
232 amounts which are not included in base salary. Annual salary shall
233 include amounts paid to the member during a sabbatical leave during
234 which mandatory contributions were remitted, provided such member
235 returned to full-time teaching for at least five full years following the
236 completion of such leave.

237 (4) "Average annual salary" means the average annual salary
238 received during the three years of highest salary.

239 (5) "Board" means the Teachers' Retirement Board.

240 (6) "Child" means a natural child, an adopted child, or a stepchild of
241 a deceased member who has been a stepchild for at least one year
242 immediately prior to the date on which the member died. A child is a
243 "dependent child" of a deceased member if at the time of the member's
244 death (A) the member was living with the child or providing or
245 obligated to provide, by agreement or court order, a reasonable
246 portion of the support of the child, and (B) the child (i) is unmarried
247 and has not attained age eighteen, or (ii) is disabled and such disability
248 began prior to the child attaining age eighteen.

249 (7) "Contributions" mean amounts withheld pursuant to this chapter
250 and paid to the board by an employer from compensation payable to a
251 member. ["Mandatory contributions"] Prior to July 1, 1989, "mandatory
252 contributions" are contributions required to be withheld under this
253 chapter and consist of five per cent regular contributions and "one per
254 cent contributions". From July 1, 1989, to June 30, 1992, "mandatory
255 contributions" are contributions required to be withheld under this
256 chapter and consist of five per cent regular contributions and one per
257 cent health contributions. From July 1, 1992, to June 30, 2004,
258 "mandatory contributions" are contributions required to be withheld
259 under this chapter and consist of ["six per cent contributions" and "one
260 per cent contributions"] six per cent "regular contributions" and one
261 per cent health contributions. On or after July 1, 2004, "mandatory
262 contributions" are contributions required to be withheld under this
263 chapter and consist of six per cent regular contributions and one and
264 one-fourth per cent health contributions. "Voluntary contributions" are
265 contributions by a member authorized to be withheld under section
266 10-183i.

267 (8) "Credited interest" means interest at the rate from time to time
268 fixed by the board which shall be substantially that earned by the
269 funds of the system. Such interest shall be applied to a member's
270 account based on the balance as of the previous June thirtieth. Credited
271 interest shall be assessed on any mandatory contributions which were

272 due but not remitted prior to the close of the school year for which
273 salary was paid.

274 (9) "Current service" means service rendered in the current fiscal
275 year.

276 (10) "Dependent former spouse" means a former spouse of a
277 deceased member who (A) has in his or her care a dependent child of
278 the deceased member; and (B) was receiving, or was entitled to receive,
279 from the deceased member at the time of the death of the deceased
280 member, at least one-half of his or her support; and (C) has not
281 remarried; and (D) is the parent of the child or adopted the child while
282 married to the member and before the child attained age eighteen or,
283 while married to the member, both of them adopted the child before
284 the child attained age eighteen.

285 (11) "Dependent parent" means a parent of a deceased member who
286 (A) has reached the age of sixty-five; and (B) has not married after the
287 death of the member; and (C) was receiving at least one-half of his or
288 her support from the member at the time of the member's death and
289 files proof of such support within two years of the date of the
290 member's death; and (D) is not receiving, or entitled to a federal or
291 state old age benefit based on the parent's own earnings, equal to or
292 greater than the amount the parent would be entitled to as a
293 dependent parent under this chapter. A "parent of a deceased member"
294 is [(A)] (i) the mother or father of a deceased member; or [(B)] (ii) a
295 stepparent of a deceased member by a marriage entered into before the
296 member attained age sixteen; or [(C)] (iii) an adopting parent of a
297 deceased member who adopted the deceased member before the
298 member attained age sixteen.

299 (12) "Designated beneficiary" means a person designated on a form
300 prescribed by the board by a member to receive amounts which
301 become payable under this chapter as the result of the member's death
302 whether before or after retirement. If a designated beneficiary is not
303 living at the time of the death of a member, the amounts that would

304 have been payable to the designated beneficiary shall be paid to the
305 member's estate.

306 (13) "Disabled" means inability to engage in any substantial gainful
307 activity by reason of any medically determinable physical or mental
308 impairment which can be expected to result in death or to be of long-
309 continued and indefinite duration, except that during the first twenty-
310 four months that a member is receiving a disability allowance,
311 "disabled" means the inability to perform the usual duties of his
312 occupation by reason of any such impairment.

313 (14) "Employer" means an elected school committee, a board of
314 education, the State Board of Education, the board of governors or any
315 of its constituent units, the governing body of the Children's Center,
316 the E. O. Smith School and any other activity, institution or school
317 employing members.

318 (15) "Formal leave of absence" means any absence from active
319 service in the public schools of Connecticut formally granted by a
320 member's employer as evidenced by contemporary records of the
321 employer, provided in the case of an absence due to illness, medical or
322 other evidence of such illness may, at the discretion of the Teachers'
323 Retirement Board, be accepted in lieu of evidence of the formal
324 granting of a leave.

325 (16) "Formal application of retirement" means the member's
326 application, birth certificate or notarized statement supported by other
327 evidence satisfactory to the board, in lieu thereof, records of service
328 when required by the board to determine a salary rate or years of
329 creditable service, statement of payment plan and, in the case of an
330 application for a disability benefit, a physician's statement of health.

331 (17) "Funding" means the accumulation of assets in advance of the
332 payment of retirement allowances in accordance with a definite
333 actuarial program.

334 (18) "Member" means any Connecticut teacher employed for an

335 average of at least one-half of each school day, except that no teacher
336 who under any provision of the general statutes elects not to
337 participate in the system shall be a member unless and until the
338 teacher elects to participate in the system. Members teaching in a
339 nonpublic school classified as a public school by the board under the
340 provisions of this section may continue as members as long as they
341 continue as teachers in such school even if the school ceases to be so
342 classified. A former teacher who has not withdrawn his or her
343 accumulated contributions shall be an "inactive member". A member
344 who, during the period of a formal leave of absence granted by his or
345 her employer, but not exceeding an aggregate of ten school months,
346 continues to make mandatory contributions to the board, retains his or
347 her status as an active member.

348 (19) "Normal cost" means the amount of contribution which the
349 state is required to make into the retirement fund in order to meet the
350 actuarial cost of current service.

351 (20) "Public school" means any day school conducted within or
352 without this state under the orders and superintendence of a duly
353 elected school committee, a board of education, the State Board of
354 Education, the board of governors or any of its constituent units, the E.
355 O. Smith School, the Children's Center, joint activities of boards of
356 education authorized by subsection (b) of section 10-158a and any
357 institution supported by the state at which teachers are employed or
358 any incorporated secondary school not under the orders and
359 superintendence of a duly elected school committee or board of
360 education but located in a town not maintaining a high school and
361 providing free tuition to pupils of the town in which it is located, and
362 which has been approved by the State Board of Education under the
363 provisions of part II of chapter 164, provided that such institution or
364 such secondary school is classified as a public school by the retirement
365 board.

366 (21) "Retirement allowance" means payments for life derived from
367 member contributions, including credited interest, and contributions

368 from the state.

369 (22) "School year" means the twelve months ending on June thirtieth
370 of each year.

371 (23) "Surviving spouse" means a widow or widower of a deceased
372 member who (A) was living with the member at the time of the
373 member's death, or receiving, or entitled by court order or agreement
374 to receive, regular support payments from the member, and (B) has not
375 remarried.

376 (24) "Survivors" means a surviving spouse, a dependent former
377 spouse, a dependent child and a dependent parent.

378 (25) "System" means the Connecticut teachers' retirement system.

379 (26) "Teacher" means [(1)] (A) any teacher, permanent substitute
380 teacher, principal, assistant principal, supervisor, assistant
381 superintendent or superintendent employed by the public schools in a
382 professional capacity while possessing a certificate or permit issued by
383 the State Board of Education, provided on and after July 1, 1975, such
384 certificate shall be for the position in which the person is then
385 employed, [(2)] (B) certified personnel who provide health and welfare
386 services for children in nonprofit schools, as provided in section 10-
387 217a, under an oral or written agreement, [(3)] (C) any person who is
388 engaged in teaching or supervising schools for adults if the annual
389 salary paid for such service is equal to or greater than the minimum
390 salary paid for a regular, full-time teaching position in the day schools
391 in the town where such service is rendered, and [(4)] (D) a member of
392 the professional staff of the State Board of Education or of the Board of
393 Governors of Higher Education or any of its constituent units. A
394 "permanent substitute teacher" is one who serves as such for at least
395 ten months during any school year.

396 (27) "Unfunded liability" means the actuarially determined value of
397 the liability for service before the date of the actuarial valuation less
398 the accumulated assets in the retirement fund.

399 Sec. 8. Section 10-183g of the general statutes is repealed and the
400 following is substituted in lieu thereof (Effective July 1, 2003):

401 (a) The normal retirement benefit shall be two per cent times the
402 number of years of full-time credited service and a proportional
403 fraction of two per cent times the number of years of credited service at
404 less than full-time multiplied by average annual salary. In no event,
405 however, shall such benefit exceed seventy-five per cent of such salary
406 or the limits mandated by Section 415 of the Internal Revenue Code, or
407 be less than three thousand six hundred dollars.

408 (b) The proratable retirement benefit shall be computed as follows:
409 Average annual salary multiplied by (1) number of years of credited
410 service, excluding all additional credited service, except service
411 described in subdivisions (3), (8) and (10) of subsection (b) of section
412 10-183e, multiplied by the applicable percentage based on age and
413 service as determined from the table below, and (2) number of years of
414 all additional credited service not used in subdivision (1) of this
415 subsection multiplied by one per cent.

T1 TABLE

T2 AGE OF RETIREMENT

T3 Years Of

T4 Connecticut

T5 Service	60	61	62	63	64	65	66	67	68	69	70
T6 10	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
T7 11	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
T8 12	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
T9 13	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
T10 14	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
T11 15	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
T12 16	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
T13 17	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7

T14	18	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
T15	19	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
T16	20	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

416 (c) The early retirement benefit shall be computed in the same
417 manner as the normal retirement benefit, then actuarially reduced, on
418 the basis of early retirement tables adopted from time to time by the
419 board, for each month early retirement precedes the minimum age at
420 which the member could have retired with a normal retirement
421 benefit. Such minimum age shall be such member's actual age at
422 retirement plus the lesser of (1) the difference between such age and
423 age sixty, or (2) the difference between thirty-five years and the sum of
424 such member's years of Connecticut public school service plus all
425 purchased leaves of absence, military and out-of-state public school
426 service. On and after July 1, 1999, any revisions to the early retirement
427 tables shall be submitted to the Office of Policy and Management and
428 the joint standing committee of the General Assembly having
429 cognizance of matters relating to appropriations and the budgets of
430 state agencies within one month of their adoption by the board. Any
431 such revisions shall be accompanied by an actuarial certification of the
432 costs associated with such revisions.

433 (d) The deferred vested retirement benefit shall be computed as
434 follows: Average annual salary multiplied by (1) number of years of
435 credited service, excluding all additional credited service, except
436 service described in subdivisions (3), (8) and (10) of subsection (b) of
437 section 10-183e, multiplied by two per cent, then actuarially reduced in
438 the same manner as the early retirement benefit if the years of service
439 which could have been rendered were less than twenty years by age
440 sixty or by the subsequent date of retirement, and (2) number of years
441 of all additional credited service not used in subdivision (1) of this
442 subsection multiplied by one per cent.

443 (e) Repealed by P.A. 79-541, S. 5, 6.

444 (f) In addition to a retirement benefit computed under subsections
445 (a) to (d), inclusive, of this section and under subsections (a) to (g),
446 inclusive, of section 10-183aa, a member shall receive a lump sum
447 payment equal to the member's accumulated one per cent
448 contributions withheld prior to July 1, 1989, with credited interest. In
449 lieu of such lump sum, the member may elect to receive an actuarially
450 equivalent annuity for life. Such lump sum or annuity shall be paid, or
451 commenced to be paid, when the first payment of the other retirement
452 benefit is made.

453 (g) A member's complete formal application for retirement, if sent
454 by mail, shall be deemed to have been filed with the board on the date
455 such application is postmarked. No benefit computed under
456 subsections (a) to (d), inclusive, of this section and under subsections
457 (a) to (g), inclusive, of section 10-183aa shall become effective until the
458 end of the calendar month of the filing by the member with the board
459 of a complete formal application for retirement. Such benefit shall
460 accrue from the first day of the month following such calendar month
461 and payment of such benefit in equal monthly installments shall
462 commence on the last day of the month in which such benefit begins to
463 accrue. Upon a finding that extenuating circumstances relating to the
464 health of a member caused a delay in the filing of the member's
465 complete formal application, and such application is filed on or after
466 July 1, 1986, the board may deem such application to have been filed
467 up to three months earlier than the actual date of the filing. Upon a
468 finding that extenuating circumstances related to the health of a
469 member caused a delay in the filing of an election pursuant to
470 subsection (g) of section 10-183aa, and such election is filed on or after
471 July 1, 1986, the board may deem such election to have been filed as of
472 the date such member's benefits would otherwise have been converted
473 to a normal retirement allowance, provided such member's disability
474 allowance became effective on or before November 1, 1976, and such
475 member attained the age of sixty on or after August 1, 1984.

476 (h) A benefit computed under subsections (a) to (d), inclusive, of
477 this section and under subsections (a) to (g), inclusive, of section 10-

478 183aa shall continue until the death of the [retired] member. If twenty-
479 five per cent of the aggregate benefits paid to a [retired] member prior
480 to death are less than such member's accumulated [five per cent]
481 regular contributions, including any one per cent contributions
482 withheld prior to July 1, 1989, and any voluntary contributions plus
483 credited interest, the member's designated beneficiary shall be paid on
484 the death of the member a lump sum amount equal to the difference
485 between such aggregate payments and such accumulated
486 contributions plus credited interest that had been accrued to the date
487 benefits commenced.

488 (i) In lieu of a benefit computed under subsections (a) to (d),
489 inclusive, of this section and under subsections (a) to (g), inclusive, of
490 section 10-183aa, a member may elect one of the options described in
491 section 10-183j or any other actuarially equivalent option which the
492 board may offer from time to time.

493 (j) Beginning the first day of January or July which follows nine
494 months in retirement, a retired member who retired prior to
495 September 1, 1992, or a member's successor beneficiary, except a
496 person receiving survivor's benefits, shall be eligible for an annual five
497 per cent cost of living allowance on any benefit except a benefit based
498 upon such member's one per cent contributions or voluntary
499 contributions. Such cost of living allowance shall be computed on the
500 basis of the retirement benefits to which such retired member or
501 successor beneficiary was entitled on the last day of the preceding
502 December or June except benefits based upon one per cent or
503 voluntary contributions. Such member's successor beneficiary means
504 any person, other than such member, receiving benefits as the result of
505 the election of a period certain option or a coparticipant option,
506 including an election for such an option by a surviving spouse under
507 subsection (d) of section 10-183h. The right to such allowance, or any
508 portion thereof, may be waived by the person entitled thereto at any
509 time. Any waiver shall remain in effect until the first day of the month
510 following such person's death or the filing with the board of a written
511 notice of cancellation of the waiver. Any allowance waived shall be

512 forever forfeited. If on any subsequent first day of January or July the
513 Teacher's Retirement Board determines that the National Consumer
514 Price Index for urban wage earners and clerical workers for the twelve-
515 month period ending on the last day of the preceding November or
516 May has increased less than the cost of living allowance provided
517 under this subsection, the cost of living allowance provided by this
518 subsection shall be adjusted to reflect the change in such index
519 provided such cost of living allowance shall not be less than three per
520 cent.

521 (k) Beginning the first day of January or July which follows nine
522 months in retirement, a retired member who retired on or after
523 September 1, 1992, or a member's successor beneficiary, except a
524 person receiving survivor's benefits, shall be eligible for an annual cost
525 of living allowance calculated in accordance with the provisions of
526 subsections (l) or (m) of this section on any benefit except a benefit
527 based upon such member's one per cent contributions or voluntary
528 contributions. Such cost of living allowance shall be computed on the
529 basis of the retirement benefits to which such retired member or
530 successor beneficiary was entitled on the last day of the preceding
531 December or June except benefits based upon one per cent or
532 voluntary contributions. Such member's successor beneficiary means
533 any person, other than such member, receiving benefits as the result of
534 the election of a period certain option or a coparticipant option,
535 including an election for such an option by a surviving spouse under
536 subsection (d) of section 10-183h. The right to such allowance, or any
537 portion thereof, may be waived by the person entitled thereto at any
538 time. Any waiver shall remain in effect until the first day of the month
539 following such person's death or the filing with the board of a written
540 notice of cancellation of the waiver. Any allowance waived shall be
541 forever forfeited.

542 (l) Beginning the first day of January or July which follows nine
543 months in retirement, a retired member who retired on or after
544 September 1, 1992, or a member's successor beneficiary, except a
545 person receiving survivor's benefits, shall be eligible for an annual cost

546 of living allowance for each year in which the plan actuaries have
547 certified under the provisions of subsection (n) of this section that
548 sufficient funds are available. The cost of living allowance shall be
549 calculated by using the percentage cost of living adjustment granted
550 by the Social Security Administration for the applicable year,
551 computed on the basis of the retirement benefits to which such retired
552 member or successor beneficiary was entitled on the last day of the
553 preceding December or June except benefits based upon one per cent
554 or voluntary contributions, provided no cost of living allowance shall
555 exceed six per cent and provided further, if the total return earned by
556 the trustees on the market value of the pension assets for the preceding
557 fiscal year is less than eight and one-half per cent, any cost of living
558 allowance granted shall not exceed one and one-half per cent.

559 (m) If the plan actuaries have certified in accordance with
560 subsection (n) of this section that the amount of the excess earnings
561 account which is available for payment of a cost of living allowance is
562 insufficient to fund the full amount determined under subsection (l) of
563 this section, each person eligible for an annual cost of living allowance
564 under said subsection (l) shall be eligible for a cost of living allowance
565 reduced proportionately to a percentage that is actuarially supported
566 by the amount so certified, in lieu of the cost of living allowance
567 provided under said subsection (l), provided no cost of living
568 allowance shall exceed six per cent and provided further, if the total
569 return earned by the trustees on the market value of the pension assets
570 for the preceding fiscal year is less than eight and one-half per cent,
571 any cost of living allowance granted shall not exceed one and one-half
572 per cent.

573 (n) To administer cost of living allowances provided under
574 subsections (l) and (m) of this section, there is established the excess
575 earnings account which shall be a separate account established within
576 the Teachers' Retirement Fund. For the calendar year commencing
577 January 1, 1995, and each subsequent calendar year, the excess
578 earnings account shall be credited by an amount equal to that portion
579 of the total return earned by the trustees on the market value of the

580 pension assets for the preceding fiscal year which is a total return in
581 excess of eleven and one-half per cent. The excess earnings account
582 shall be reduced each year by the actuarial value of any cost of living
583 allowance awarded. On May first, annually, the plan actuaries shall
584 determine how much of the excess earnings account balance is
585 available for payment of a cost of living adjustment determined in
586 accordance with the provisions of this section and shall certify their
587 determination to the trustees of the Teachers' Retirement Fund. If the
588 plan actuaries determine that there are no funds available in the excess
589 earnings account for the payment of a cost of living allowance, no cost
590 of living allowance shall be paid.

591 (o) On January 1, 1988, each eligible retired member who had
592 rendered at least twenty-five years of full-time service prior to normal
593 retirement under the provisions of subsection (a) of section 10-183f, or
594 such member's successor beneficiary, as defined in subsection (j) of this
595 section, shall receive a single increase in retirement benefits provided
596 under this chapter. Such increase shall be paid to such eligible
597 members or successor beneficiaries whose monthly benefit as of
598 December 31, 1987, before any reduction for an optional benefit
599 payment plan, is less than eight hundred dollars, and shall be
600 sufficient to increase such monthly benefit to eight hundred dollars.

601 (p) On January 1, 1991, each eligible retired member who had
602 rendered at least twenty-five years of full-time service at least twenty
603 years of which were service in the public schools of Connecticut prior
604 to early retirement before January 1, 1976, under the provisions of
605 subsection (c) of section 10-183f, or such member's successor
606 beneficiary, as defined in subsection (j) of this section, shall receive a
607 single increase in retirement benefits provided under this chapter.
608 Such increase shall be paid to such eligible members or successor
609 beneficiaries whose monthly benefit as of December 31, 1990, before
610 any reduction for an optional benefit payment plan, is less than eight
611 hundred dollars, and shall be sufficient to increase such monthly
612 benefit to eight hundred dollars.

613 (q) On January 1, 1999, each eligible retired member who had
614 rendered at least twenty-five years of full-time service, or such
615 member's successor beneficiary, as defined in subsection (j) of this
616 section, shall receive a single increase in benefits provided under this
617 chapter. Such increase shall be sufficient to increase the monthly
618 benefit of such eligible members or successor beneficiaries, whose
619 monthly benefit as of December 31, 1998, before any actuarial
620 reduction for early retirement or for an optional benefit payment plan,
621 is less than twelve hundred dollars and shall be sufficient to increase
622 such monthly benefit to twelve hundred dollars.

623 Sec. 9. Section 10-183k of the general statutes is repealed and the
624 following is substituted in lieu thereof (*Effective July 1, 2003*):

625 (a) A member who terminates prior to retirement shall be entitled to
626 have refunded his or her accumulated voluntary contributions with
627 credited interest.

628 (b) A member who terminates with less than five years' credited
629 service shall be entitled to have refunded his or her accumulated [five
630 per cent] regular contributions with credited interest. A member who
631 terminates with more than five years of credited service shall be
632 entitled to have refunded his or her accumulated [five per cent] regular
633 contributions with credited interest and his or her accumulated one
634 per cent contributions withheld prior to July 1, 1989.

635 (c) A member who terminates with more than ten years' credited
636 service in the public schools of Connecticut but prior to retirement may
637 elect to receive in lieu of the benefits provided by this chapter a refund
638 of his or her accumulated [mandatory] contributions with credited
639 interest as provided in subsection (b) of this section. If such member
640 elects a refund, all credited service shall be cancelled and any rights to
641 benefits provided by this chapter shall be extinguished, except as
642 provided in subsection (d) of this section. If such member does not
643 elect a refund, but dies before age sixty or before receiving the deferred
644 vested benefit, if later, such member's accumulated voluntary

645 contributions, accumulated [five per cent] regular contributions and
646 accumulated one per cent contributions withheld prior to July 1, 1989,
647 together with credited interest shall be paid to such member's
648 designated beneficiary.

649 (d) A member who receives a refund and returns to service shall be
650 regarded as a new member unless such member repays the amount
651 refunded, other than voluntary contributions and the interest thereon,
652 together with credited interest compounded from the date interest was
653 last credited to such member's account to the date of repayment. The
654 credited service accumulated before termination and any unrefunded
655 one per cent contributions withheld prior to July 1, 1989, and credited
656 interest shall be restored to a member who makes such repayment.
657 Restored contributions and interest shall be credited with credited
658 interest for the period between the last day for which interest was
659 credited on such contributions and such member's return to service.

660 Sec. 10. Section 10-183n of the general statutes is repealed and the
661 following is substituted in lieu thereof (*Effective July 1, 2004*):

662 (a) Each employer shall: (1) Before employing a teacher notify such
663 teacher of the provisions of this chapter applicable to such teacher; (2)
664 distribute, post or otherwise disseminate in a timely manner, to
665 teachers in its employ, any notices, bulletins, newsletters, annual
666 statements of account and other information supplied by the board for
667 the purpose of properly notifying teachers of their rights and
668 obligations under the system; (3) furnish to the board at times
669 designated by said board such reports and information as the board
670 deems necessary or desirable for the proper administration of the
671 system; and (4) deduct each month seven and one-fourth per cent of
672 one-tenth of such teacher's annual salary rate as directed by said board
673 and any additional voluntary deductions as authorized by such
674 teacher, except that no deductions shall be made from any amounts
675 received by regularly employed teachers for special teaching
676 assignments rendered for the State Board of Education or the Board of
677 Governors of Higher Education unless the salary for such special

678 teaching assignment is equal to or greater than the minimum salary
679 paid for such teacher's regular teaching assignment.

680 (b) Each local treasurer or other person having custody of amounts
681 deducted under this chapter by an employer shall transmit and report
682 such amounts to the board so that they are received by said board no
683 later than the fifth business day of the following month. On and after
684 July 1, 2001, all such amounts shall be transmitted via electronic
685 transfer of funds. Such amounts shall at all times be the property of the
686 system and while in the custody of such local treasurer or other person
687 such person is a fiduciary with respect to such amounts and shall
688 discharge his responsibilities solely for the benefit of the system. Said
689 board shall be entitled to receive from an employer interest at the rate
690 of nine per cent per year from the due date on all amounts deducted
691 by such employer and not received by said board by the fifth business
692 day of the following month. Interest at the rate of nine per cent per
693 year shall be compounded annually on the interest assessed from the
694 date payment is received to the date the interest assessment is paid.
695 Such interest shall be treated as an amount earned by assets of the
696 system.

697 (c) All amounts received by the board under this section shall be
698 forwarded to the State Treasurer.

699 (d) Each member shall file with the board an enrollment and such
700 other forms, documents and information as the board deems necessary
701 or desirable for the proper administration of the system.

702 Sec. 11. Subsections (a) to (c), inclusive, of section 10-183t of the
703 general statutes are repealed and the following is substituted in lieu
704 thereof (*Effective July 1, 2005*):

705 (a) The board shall offer one or more health benefit plans to any
706 member receiving retirement benefits or a disability allowance from
707 the system, to the spouse or surviving spouse of such member, and to
708 a disabled dependent of such member if there is no spouse or
709 surviving spouse, provided such member, spouse or surviving spouse,

710 or disabled dependent is eligible for Medicare Part A hospital
711 insurance. The board may offer one or more basic plans, the cost of
712 which to any such member, to the spouse or surviving spouse of such
713 member and to a disabled dependent of such member if there is no
714 spouse or surviving spouse, shall be [twenty-five per cent] one-third of
715 the basic plan's premium equivalent, and one or more optional plans,
716 provided such member, spouse, surviving spouse or disabled
717 dependent shall pay [twenty-five per cent] one-third of the basic plan's
718 premium equivalent plus the difference in cost between any such basic
719 plans and any such optional plans. The board shall designate those
720 plans which are basic and those plans which are optional for the
721 purpose of determining such cost and the amount to be charged or
722 withheld from benefit payments for such plans. The surviving spouse
723 of a member, or a disabled dependent of a member if there is no
724 surviving spouse, shall not be ineligible for participation in any such
725 plan solely because such surviving spouse or such disabled dependent
726 is not receiving benefits from the system. With respect to any person
727 participating in any such plan, the state shall appropriate to the board
728 [twenty-five per cent] one-third of the cost of such basic plan or plans,
729 or [twenty-five per cent] one-third of the cost of the rate in effect
730 during the fiscal year ending June 30, 1998, whichever is greater.

731 (b) Any member who is receiving retirement benefits or a disability
732 allowance from the system, the spouse or surviving spouse of such
733 member, or a disabled dependent of such member if there is no spouse
734 or surviving spouse, and who is not participating in Medicare Part A
735 hospital insurance, may fully participate in any or all group health
736 insurance plans maintained for active teachers by such member's last
737 employing board of education, or by the state in the case of a member
738 who was employed by the state, upon payment to such board of
739 education or to the state, as applicable, by such member, spouse or
740 surviving spouse, or disabled dependent, of the premium charged for
741 his form of coverage. Such premium shall be no greater than that
742 charged for the same form of coverage for active teachers. The
743 surviving spouse or disabled dependent shall not be ineligible for

744 participation in any such plan solely because such surviving spouse or
745 disabled dependent is not receiving benefits from the system. No
746 person shall be ineligible for participation in such plans for failure to
747 enroll in such plans at the time the member's retirement benefit or
748 disability allowance became effective. Nothing in this subsection shall
749 be construed to impair or alter the provisions of any collective
750 bargaining agreement relating to the payment by a board of education
751 of group health insurance premiums on behalf of any member
752 receiving benefits from the system. Prior to the cancellation of
753 coverage for any member, spouse or surviving spouse for failure to
754 pay the required premiums or cost due, the board of education or the
755 state, if applicable, shall notify the Teachers' Retirement Board of its
756 intention to cancel such coverage at least thirty days prior to the date
757 of cancellation. Absent any contractual provisions to the contrary, the
758 payments made pursuant to subsection (c) of this section shall be first
759 applied to any cost borne by the member, spouse or surviving spouse
760 participating in any such plan. As used in this subsection, "last
761 employing board of education" means the board of education with
762 which such member filed his initial application for retirement, and
763 "health insurance plans" means hospital, medical, major medical,
764 dental, prescription drug or auditory benefit plans that are available to
765 active teachers.

766 (c) On and after July 1, 2000, the board shall pay a subsidy equal to
767 the subsidy paid in the fiscal year ending June 30, 2000, to the board of
768 education or to the state, if applicable, on behalf of any member who is
769 receiving retirement benefits or a disability allowance from the system,
770 or the spouse, or the surviving spouse of such member, or a disabled
771 dependent of such member if there is no spouse or surviving spouse,
772 who is participating in a health insurance plan maintained by a board
773 of education or by the state, if applicable. Such payment shall not
774 exceed the actual cost of such insurance. With respect to any person
775 participating in any such plan pursuant to subsection (b) of this
776 section, the state shall appropriate to the board [twenty-five per cent]
777 one-third of the cost of the subsidy. No payment to a board of

778 education pursuant to this subsection may be used to reduce the
779 amount of any premium payment on behalf of any such member,
780 spouse or surviving spouse, or disabled dependent, made by such
781 board pursuant to any agreement in effect on July 1, 1990.

782 Sec. 12. Subsection (d) of section 10-183t of the general statutes is
783 repealed and the following is substituted in lieu thereof (*Effective July*
784 *1, 2003*):

785 (d) The Treasurer shall establish a separate retired teachers' health
786 insurance premium account within the Teachers' Retirement Fund.
787 Commencing July 1, 1989, and annually thereafter all [one per cent]
788 health contributions withheld under this chapter in excess of five
789 hundred thousand dollars shall, upon deposit in the Teachers'
790 Retirement Fund, be credited to such account. Interest derived from
791 the investment of funds in the account shall be credited to the account.
792 Funds in the account shall be used for payments to boards of
793 education pursuant to subsection (c) of this section and for payment of
794 premiums on behalf of members or surviving spouses of members
795 participating in one or more health insurance plans pursuant to
796 subsection (a) of this section in an amount equal to the difference
797 between the amount paid pursuant to said subsection (a) and the
798 amount paid pursuant to subsection (c) of this section. If, during any
799 fiscal year, there are insufficient funds in the account for the purposes
800 of all such payments, the General Assembly shall appropriate
801 sufficient funds to the account for such purpose.

802 Sec. 13. Subsection (g) of section 10-183e of the general statutes is
803 repealed and the following is substituted in lieu thereof (*Effective July*
804 *1, 2003*):

805 (g) Any member who has been elected to a full-time or part-time
806 position in an organization which has been duly designated as the
807 teachers' representative or who has been elected to a full-time or part-
808 time position in [the] a state-wide, national or international bargaining
809 organization [with which the local bargaining organization is

810 affiliated, under the provisions of section 10-153b,] may, during the
 811 time [he] such member so serves, continue [his] membership and may
 812 make, or have made for [him] such member, payments of [his]
 813 contributions for such time, provided the organization which such
 814 [teacher] member represents shall pay the full actuarial cost that would
 815 otherwise be incurred by the state for the time such [teacher] member
 816 serves in excess of one year. If payment is made during such periods or
 817 at any time before retirement, such member shall receive credit for
 818 such service and shall be considered as serving as a public school
 819 teacher in the state for the purpose of computing length of service, and
 820 for the purpose of computing average annual salary, and shall be
 821 considered by the retirement board as though [he] such member were
 822 remaining in [his] such member's latest teaching position."

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>
Sec. 2	<i>October 1, 2004</i>
Sec. 3	<i>July 1, 2003</i>
Sec. 4	<i>July 1, 2003</i>
Sec. 5	<i>October 1, 2003</i>
Sec. 6	<i>from passage</i>
Sec. 7	<i>July 1, 2003</i>
Sec. 8	<i>July 1, 2003</i>
Sec. 9	<i>July 1, 2003</i>
Sec. 10	<i>July 1, 2004</i>
Sec. 11	<i>July 1, 2005</i>
Sec. 12	<i>July 1, 2003</i>
Sec. 13	<i>July 1, 2003</i>