



House of Representatives

General Assembly

File No. 428

February Session, 2010

Substitute House Bill No. 5401

House of Representatives, April 8, 2010

The Committee on Appropriations reported through REP. GERAGOSIAN of the 25th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT MAKING CLARIFYING CHANGES TO THE TEACHERS' RETIREMENT SYSTEM STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 10-183f of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (d) A member is eligible to receive a deferred vested retirement
5 benefit beginning at age sixty who: (1) Has accumulated ten years of
6 credited service in the public schools of Connecticut; and (2)
7 terminates service before becoming eligible for any other retirement
8 benefit; and (3) leaves his or her accumulated contributions with the
9 system. [If such ten years of credited service is completed after the
10 member attains age sixty, the benefit shall be payable beginning at age
11 sixty-five.]

12 Sec. 2. Subsection (a) of section 10-183jj of the general statutes is

13 repealed and the following is substituted in lieu thereof (*Effective from*
14 *passage*):

15 (a) A local or regional board of education may establish a retirement
16 incentive plan for teachers, as defined in subparagraph (A) of
17 subdivision (26) of section 10-183b, in its employ who are members of
18 the teachers' retirement system. The plan shall provide for purchase of
19 additional credited service by a board of education and a member of
20 the system who chooses to participate in the plan, of additional
21 credited service for such member and for payment by the board of
22 education of not less than fifty per cent of the entire cost of such
23 additional credited service and payment by the member of the
24 remaining percentage of such total cost. [Payment shall be made in one
25 lump sum, prior to retirement.] The member shall pay the remaining
26 percentage of such total cost, if any, in one lump sum not later than
27 thirty days after receipt of notification by the Teachers' Retirement
28 Board of the amount owed. Any such plan shall specify a maximum
29 number of years, not exceeding five years, of additional credited
30 service which may be purchased under the plan. Any such plan shall
31 have a two-month application period.

32 Sec. 3. Subsection (e) of section 10-183jj of the general statutes is
33 repealed and the following is substituted in lieu thereof (*Effective from*
34 *passage*):

35 (e) For each year of additional credited service purchased pursuant
36 to this section, the local or regional board of education and the member
37 shall pay, in accordance with subsection (a) of this section, an amount
38 specified by the Teachers' Retirement Board equal to the actuarial
39 present value, determined according to actuarial tables adopted by the
40 Teachers' Retirement Board, of the difference between the retirement
41 benefit which the member is entitled to receive based upon the
42 member's service apart from such purchased service and the benefit
43 which the member is entitled to receive including such service.
44 [Payment for such service may be made in equal annual installment
45 payments, including interest, not exceeding three times the number of

46 years being purchased.] The local or regional board of education may
 47 pay such board's percentage of the entire cost of the additional
 48 credited service purchased pursuant to subsection (a) of this section in
 49 equal annual installment payments, including interest, not exceeding
 50 three times the number of years being purchased. Payments shall be
 51 made in accordance with subsection (b) of section 10-183n and rules
 52 adopted by the Teachers' Retirement Board. Any late payments or
 53 outstanding obligations from a prior year's purchase or from late
 54 payment of monthly mandatory deductions shall be included as part
 55 of the cost of purchasing such service. Any additional credited service
 56 purchased for any such member shall be in addition to any credited
 57 service purchased pursuant to section 10-183e.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	10-183f(d)
Sec. 2	<i>from passage</i>	10-183jj(a)
Sec. 3	<i>from passage</i>	10-183jj(e)

Statement of Legislative Commissioners:

Title changed to accurately reflect contents of bill.

APP *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which makes technical and clarifying changes, does not result in a fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OFA Bill Analysis

sHB 5401

AN ACT MAKING CLARIFYING CHANGES TO THE TEACHERS' RETIREMENT SYSTEM STATUTES.

SUMMARY:

The bill makes clarifying changes and deletes obsolete language from the Teachers' Retirement System statutes.

EFFECTIVE DATE: Upon Passage

Deferred Vested Retirement

The bill deletes obsolete language from the definition of deferred vested retirement. The obsolete language contradicts the definition of pro-ratable retirement which says if a member accumulates ten years of service after attaining age 60 they are eligible for an immediate benefit.

Retirement Incentive Plans

The bill clarifies the language regarding payments to the Teachers' Retirement System when a local board of education establishes a retirement incentive plan for teachers.

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Substitute

Yea 50 Nay 1 (03/25/2010)