



House Bill No. 5402

Public Act No. 10-57

AN ACT CONCERNING EXPENSES FOR HEALTH BENEFIT PLANS UNDER THE TEACHERS' RETIREMENT FUND.

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

Section 1. Section 10-183r of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The system shall be funded as follows:

(1) [All] Except as provided in subdivision (3) of this subsection, all expenses of the administration of the system, exclusive of payment of benefits, shall be paid for out of amounts appropriated by the General Assembly on certifications and recommendations submitted by the board.

(2) The cost of all benefits payable from the system shall be paid out of the retirement fund which shall consist of contributions paid by members, appropriations by the General Assembly based upon certifications and recommendations submitted by the board, the proceeds of bonds held by the system under section 10-183m, the proceeds of bonds issued pursuant to section 10-183qq and earnings of the system.

(3) Professional fees associated with the administration of the health

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benefit plans offered pursuant to section 10-183t, as amended by this act, of not more than one hundred fifty thousand dollars annually may be paid for out of the retired teachers' health insurance premium account established pursuant to said section 10-183t.

Sec. 2. Section 10-183t of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The retirement board shall offer one or more health benefit plans to: Any member receiving retirement benefits or a disability allowance from the system; the spouse or surviving spouse of such member, and a disabled dependent of such member if there is no spouse or surviving spouse, provided such member, spouse, surviving spouse, or disabled dependent is participating in Medicare Part A hospital insurance and Medicare Part B medical insurance. The board may offer one or more basic plans, the cost of which to any such member, spouse, surviving spouse or disabled dependent shall be one-third of the basic plan's premium equivalent, and one or more optional plans, provided such member, spouse, surviving spouse or disabled dependent shall pay one-third of the basic plan's premium equivalent plus the difference in cost between any such basic plans and any such optional plans. The board shall designate those plans which are basic and those plans which are optional for the purpose of determining such cost and the amount to be charged or withheld from benefit payments for such plans. The surviving spouse of a member, or a disabled dependent of a member if there is no surviving spouse, shall not be ineligible for participation in any such plan solely because such surviving spouse or disabled dependent is not receiving benefits from the system. With respect to any person participating in any such plan, the state shall appropriate to the board one-third of the cost of such basic plan or plans, or one-third of the cost of the rate in effect during the fiscal year ending June 30, 1998, whichever is greater.

(b) Any member who is receiving retirement benefits or a disability

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allowance from the system, the spouse or surviving spouse of such member, or a disabled dependent of such member if there is no spouse or surviving spouse, and who is not participating in Medicare Part A hospital insurance and Medicare Part B medical insurance, may fully participate in any or all group health insurance plans maintained for active teachers by such member's last employing board of education, or by the state in the case of a member who was employed by the state, upon payment to such board of education or to the state, as applicable, by such member, spouse, [or] surviving spouse [] or disabled dependent, of the premium charged for his form of coverage. Such premium shall be no greater than that charged for the same form of coverage for active teachers. The spouse, surviving spouse or disabled dependent shall not be ineligible for participation in any such plan solely because such spouse, surviving spouse or disabled dependent is not receiving benefits from the system. No person shall be ineligible for participation in such plans for failure to enroll in such plans at the time the member's retirement benefit or disability allowance became effective. Nothing in this subsection shall be construed to impair or alter the provisions of any collective bargaining agreement relating to the payment by a board of education of group health insurance premiums on behalf of any member receiving benefits from the system. Prior to the cancellation of coverage for any member, spouse, [or] surviving spouse or disabled dependent for failure to pay the required premiums or cost due, the board of education or the state, if applicable, shall notify the Teachers' Retirement Board of its intention to cancel such coverage at least thirty days prior to the date of cancellation. Absent any contractual provisions to the contrary, the payments made pursuant to subsection (c) of this section shall be first applied to any cost borne by the member, spouse, [or] surviving spouse or disabled dependent participating in any such plan. As used in this subsection, "last employing board of education" means the board of education [with] by which such member was employed when such member filed his initial application for retirement, and "health

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insurance plans" means hospital, medical, major medical, dental, prescription drug or auditory benefit plans that are available to active teachers.

(c) On and after July 1, 2000, the board shall pay a subsidy equal to the subsidy paid in the fiscal year ending June 30, 2000, to the board of education or to the state, if applicable, on behalf of any member who is receiving retirement benefits or a disability allowance from the system, the spouse [, or] of such member, the surviving spouse of such member, or a disabled dependent of such member if there is no spouse or surviving spouse, who is participating in a health insurance plan maintained by a board of education or by the state, if applicable. Such payment shall not exceed the actual cost of such insurance. With respect to any person participating in any such plan pursuant to subsection (b) of this section, the state shall appropriate to the board one-third of the cost of the subsidy. No payment to a board of education pursuant to this subsection may be used to reduce the amount of any premium payment on behalf of any such member, spouse, [or] surviving spouse, or disabled dependent, made by such board pursuant to any agreement in effect on July 1, 1990. On and after July 1, 2008, the board shall pay a subsidy of two hundred twenty dollars per month on behalf of the member, spouse or the surviving spouse of such member who: (1) Has attained the normal retirement age to participate in Medicare, (2) is not eligible for [Part A of] Medicare Part A without cost, and (3) contributes at least two hundred twenty dollars per month towards his or her medical and prescription drug plan provided by the board of education.

(d) The Treasurer shall establish a separate retired teachers' health insurance premium account within the Teachers' Retirement Fund. Commencing July 1, 1989, and annually thereafter all health benefit plan contributions withheld under this chapter in excess of five hundred thousand dollars shall, upon deposit in the Teachers'

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Retirement Fund, be credited to such account. Interest derived from the investment of funds in the account shall be credited to the account. Funds in the account shall be used for (1) payments to boards of education pursuant to subsection (c) of this section and for payment of premiums on behalf of members, [or] spouses of members, surviving spouses of members or disabled dependents of members participating in one or more health insurance plans pursuant to subsection (a) of this section in an amount equal to the difference between the amount paid pursuant to [said] subsection (a) of this section and the amount paid pursuant to subsection (c) of this section, and (2) payments for professional fees associated with the administration of the health benefit plans offered pursuant to this section of not more than one hundred fifty thousand dollars annually. If, during any fiscal year, there are insufficient funds in the account for the purposes of all such payments, the General Assembly shall appropriate sufficient funds to the account for such purpose.

Sec. 3. Section 10-183ff of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

(a) Should any change or error in records result in any member or beneficiary receiving from the teachers' retirement system more or less than he would have been entitled to receive had the records been correct, then upon discovery of any such error the Teachers' Retirement Board shall notify the member or beneficiary affected and correct the same, and as far as practicable shall adjust the payments in such manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid, provided if such change or error results in any member or beneficiary receiving less than he would have been eligible to receive, such member or beneficiary may elect to have such benefit paid in a single payment.

(b) If a member or beneficiary has been overpaid through no fault of his own, and he could not reasonably have been expected to detect the

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error, the board may waive any repayment which it believes would cause hardship.

(c) Upon determination by the Teachers' Retirement Board that any person has erroneously been included in membership in the teachers' retirement system, contributions and interest credited under the provisions of this chapter shall be refunded and records of related service voided.

(d) Upon determination that the Teachers' Retirement Board has invoiced a member for the purchase of additional credited service in an amount in excess of that permitted by law, and such member has paid the invoiced amount, the amount of the overpayment shall be refunded to such member with interest at a rate equal to the average of interest rates for the most recent ten-year period from the date of the member's retirement to the date such amount is refunded.

(e) Upon determination that a member has not purchased additional credited service which was invoiced to him in an amount in excess of that permitted by law, such member shall be given the opportunity at any time to make such purchase by the payment of the proper amount with interest to the date of payment. The additional benefit resulting from the credited service so purchased shall be made retroactive to the date of the member's retirement, and the aggregate amount of such additional benefit shall be paid to the member in a single payment together with interest calculated at a rate equal to the average of interest rates for the most recent ten-year period from the date each payment was due to the date such payment is made.

(f) Upon determination by the Teachers' Retirement Board that a member received, on or after November 1, 2008, an estimate of benefits statement from the board that contained a material error, the board shall pay the member the benefits set forth in such estimate if the board determines that (1) the member could not reasonably have been

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expected to detect such error, and (2) the member, in reliance upon such estimate, irrevocably submitted (A) his or her resignation to the employing board of education, and (B) a formal application of retirement to the Teachers' Retirement Board. For purposes of this subsection, material error means an error that amounts to a difference of ten per cent or greater between the estimated retirement benefits and the actual retirement benefits to which such member would otherwise be entitled.

Approved May 18, 2010