



General Assembly

Amendment

January Session, 2013

LCO No. 5759

SB0103305759SD0

Offered by:

SEN. OSTEN, 19th Dist.

REP. TERCYAK, 26th Dist.

To: Senate Bill No. 1033

File No. 250

Cal. No. 209

"AN ACT CONCERNING STATE EMPLOYEE BENEFITS."

1 After the enacting clause, insert the following and renumber the
2 remaining sections and internal references accordingly:

3 "Section 1. Section 5-165 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective October 1, 2013*):

5 (a) A member may elect one of the following optional forms for
6 retirement income by filing with the Retirement Commission a written
7 election on a form provided by the commission. A member who has
8 been married at least one year shall be presumed to have elected the
9 option provided in subdivision (1) of this subsection unless a contrary
10 election is made by the member. All other members will be presumed
11 to elect the option provided in subdivision (4) of this subsection unless
12 a contrary election is made by the member. Any election or change of
13 election must be filed before retirement income payments begin. No
14 option shall be effective until a member has retired, and in the event a
15 member dies prior to the effective date of commencement of benefits,

16 any election of an option shall be deemed cancelled except as provided
17 in subsection (c) of section 5-165a, as amended by this act. The amount
18 of income that will be paid under the options will be determined by
19 multiplying the retirement income otherwise applicable by the
20 actuarially equivalent option factors last adopted by the Retirement
21 Commission. Beginning with October 1, 1982, but only with regard to
22 benefits payable on behalf of members whose benefits have not yet
23 commenced, such factors shall not differentiate by sex of the member,
24 or the member's spouse or contingent annuitant. The initial factors
25 shall employ the interest rate and mortality table assumptions utilized
26 for the December 31, 1980, valuation, with the factors assuming sixty
27 per cent male and forty per cent female for members, and sixty per
28 cent female and forty per cent male for spouses and contingent
29 annuitants. The cost-of-living adjustment under section 5-162d shall be
30 assumed to be three per cent. The factors shall not take into account
31 the cost of providing the surviving spouse benefit under section 5-
32 165a, as amended by this act. The factors may be periodically adjusted
33 upward or downward by the Retirement Commission to reflect
34 changing interest, mortality or election of option patterns provided
35 that they shall be reviewed and adjusted by January 1, 1985. Any such
36 changes shall apply only to members whose benefits commence after
37 the effective date of adoption of such factors. The retirement income
38 options are as follows:

39 (1) A reduced amount payable to the member for his lifetime, with
40 the provision that after his death his spouse, if surviving, shall be
41 entitled to receive a lifetime income equal to fifty per cent of the
42 reduced monthly amount payable to the member;

43 (2) A reduced amount payable to the member for his lifetime, with
44 the provision that after his death, his contingent annuitant shall be
45 entitled to receive a lifetime income equal to either fifty or one
46 hundred per cent of the reduced amount payable to the member;

47 (3) A reduced amount payable to the member for his lifetime, with
48 the provision that if he shall die within either a ten or twenty-year

49 period following the date his retirement income commences,
50 whichever is selected by the member, the reduced amount continues to
51 his contingent annuitant for the balance of the ten or twenty-year
52 period, respectively; or

53 (4) An amount payable to the member for his lifetime, with no
54 payments continuing after the member's death, except for a lump sum
55 death benefit as provided in subsection (b) of section 5-168.

56 (b) Notwithstanding the provisions of subsection (a) of this section,
57 a temporary minimum shall apply whenever the Retirement
58 Commission adopts revised factors which could result in a smaller
59 benefit to a member than would have been payable under the
60 previously existing factors. Such minimum shall be determined as
61 follows: (1) The benefit the member had earned as of the date of the
62 change in factors shall be calculated, based on his final earnings and
63 service as of that date; (2) any early retirement reduction in such
64 benefit shall be based upon his age, as determined on the date benefits
65 will commence, and his type of retirement; and (3) the option factor
66 shall be determined utilizing the factors in effect prior to such change,
67 but based on appropriate ages as of the date benefits will commence. If
68 such minimum results in a larger benefit, the larger benefit shall be
69 payable.

70 Sec. 2. Section 5-165a of the general statutes is repealed and the
71 following is substituted in lieu thereof (*Effective October 1, 2013*):

72 (a) If a member who is continuing to accrue state service or who is
73 on a leave authorized by the state, or otherwise granted pursuant to
74 the terms of the appropriate collective bargaining agreement, dies after
75 July 1, 1982, and (1) after completion of the age and service
76 requirements for retirement under section 5-162, 5-163a, 5-173 or 5-188,
77 or (2) completing twenty-five years of service, his spouse, provided
78 they have been lawfully married for at least the twelve months
79 preceding his death, shall receive a lifetime income in an amount equal
80 to [fifty] one hundred per cent of the average of the retirement income

81 that the member would have been entitled to if he had retired the day
82 he died had his benefits been paid under the option specified in
83 subdivision [(4)] (2) of subsection (a) of section 5-165, as amended by
84 this act, and the retirement income that the member would have been
85 entitled to if he had retired the day he died and had his benefit been
86 paid under the option specified in subdivision (1) of said subsection.
87 The first payment shall be made as of the first day of the month
88 coincident with or, otherwise, next following his date of death. If such
89 member was not eligible to retire at the time of his death, such benefit
90 shall be calculated as if he had reached age fifty-five, but based on his
91 service and final average earnings at his date of death.

92 (b) If a member who has terminated with at least twenty-five years
93 of service or retired pursuant to section 5-162, 5-163a, 5-173 or 5-188,
94 but whose benefits in either event are not yet being paid, dies prior to
95 the commencing date of his benefits, his spouse, provided they have
96 been lawfully married for at least the twelve months preceding his
97 death, shall receive a lifetime income equal to [fifty] one hundred per
98 cent of the average of the retirement income that the member would
99 have been entitled to if his benefits had commenced the date he died
100 had his benefit been paid under the option specified in said
101 subdivision [(4)] (2) and the retirement income that the member would
102 have been entitled to with such benefits being paid under the option
103 specified in said subdivision (1). If such member was not eligible to
104 retire at the time of his death, such benefit shall be calculated as if he
105 had reached age fifty-five. The first payment shall be made as of the
106 first day of the month coincident with or, otherwise, next following his
107 date of death.

108 (c) If a member who has completed the age and service
109 requirements for retirement under section 5-162, 5-163a, 5-173 or 5-188,
110 and who has elected to receive his retirement benefits under
111 subdivision (2) or (3) of subsection (a) of section 5-165, as amended by
112 this act, dies prior to the effective date of commencement of benefits
113 but within ninety days after he first elects to receive his retirement

114 benefits under [subdivision (2) or (3) of said subsection (a)] either of
115 said subdivisions, then his beneficiary or contingent annuitant shall
116 receive an income in an amount equal to the benefit that would have
117 been payable to the survivor had the member retired the day he died
118 and had his benefit been paid under the option he had elected at the
119 time of his death. This subsection shall not apply after ninety days
120 after the date the member first elects to receive his benefit under
121 [subdivision (2) or (3) of subsection (a) of section 5-165] either of said
122 subdivisions. In the event that income payments to a surviving
123 beneficiary or contingent annuitant are payable under this subsection,
124 such payments shall be in lieu of payments under subsections (a) and
125 (b) of this section."

126 In line 3, after "tier II" insert "z"

127 In line 3, strike "or tier IIA" and insert in lieu thereof "tier IIA or tier
128 III"

129 In line 21, after "5-165" insert ", as amended by this act,"

130 In line 59, after "tier II" insert "z"

131 In line 59, strike "or tier IIA" and insert in lieu thereof "tier IIA or tier
132 III"