



CT TEACHERS' RETIREMENT BOARD

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2015 TRB LEGISLATIVE PACKAGE

Good morning Chairpersons Walker, Bye and members of the committee. I am Darlene Perez, Administrator of the Connecticut Teachers' Retirement System. I represent over 100,000 teachers and stakeholders of the system and am here before you today seeking your support for **HB 7047**.

The purpose of this bill is threefold:

- 1) The portion of a pension earned while married considered marital property and is therefore subject to division upon divorce. This bill would allow a divorcing retiree the option to retain the Plan D coparticipant option upon divorce, to comport with family laws of CT having to do with the division of marital property. The coparticipant option is the only retirement plan option that would continue a monthly retirement benefit to another person for their life upon the death of the retiree.
- 2) Eliminate the cap on professional fees paid out of the retired teachers' health fund, which were capped at \$150,000 per year a number of years ago. We are challenged with finding qualified candidates to serve as our health benefit consultant within this statutory cap, given the ever changing landscape in the health insurance market. There are other expenses, such as claims audits, that should be considered an expense to the health fund that the current cap prohibits. We recommend that no dollar limit be statutorily imposed since the agency is already subject to the procurements standards and approval process required by the Office of Policy and Management, the Attorney General's office and the Teachers' Retirement Board itself, which provides more than sufficient control over the procurement process.
- 3) Cease crediting interest on unclaimed contributions for inactive non vested members once the former teacher has been inactive for ten years. The practice of ceasing interest is consistent with the industry standard. Given that our primary responsibility is to provide pension and health insurance benefits to career teachers, and the fact that we are all operating with limited financial resources and staff, we do not feel we have an obligation to offer free account maintenance and investment services to former teachers.

