



General Assembly

January Session, 2015

Raised Bill No. 7047

LCO No. 4061



Referred to Committee on APPROPRIATIONS

Introduced by:
(APP)

AN ACT CONCERNING RETENTION OF THE COPARTICIPANT OPTION UNDER THE TEACHERS' RETIREMENT SYSTEM AFTER DIVORCE, ELIMINATING THE CAP ON PROFESSIONAL FEES PAID OUT OF THE RETIRED TEACHERS' HEALTH INSURANCE PREMIUM ACCOUNT, CEASING THE CREDITING OF INTEREST ON UNCLAIMED CONTRIBUTIONS FOR INACTIVE MEMBERS OF THE TEACHERS' RETIREMENT SYSTEM AND ELIMINATING CERTAIN OBSOLETE LANGUAGE.

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

1 Section 1. Subsection (d) of section 10-183j of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2015*):

4 (d) The benefits payable to such member and such coparticipant
5 shall be computed as follows:

6 (1) The benefit payable to such member at retirement and to such
7 coparticipant upon such member's death shall be the actuarial
8 equivalent of the normal, early, proratable or disability benefit for
9 which such member is eligible and based upon such member's age at
10 retirement and the age of such coparticipant on such retirement date.

11 (2) The benefit payable to such coparticipant of such member who
12 dies after such option first becomes effective but before retirement
13 shall be the actuarial equivalent of the normal, early or proratable
14 benefit for which such member was eligible based on such member's
15 age at death and the age of such coparticipant on such date of death.

16 (3) [The benefit payable to a] (A) A coparticipant option shall be
17 terminated for any member whose designated coparticipant dies or is
18 divorced from the member, as of the date of such death or divorce, (i)
19 after the effective date of the option but before the retirement or death
20 of such member, [shall be the normal, early, proratable or disability
21 benefit for which the member is eligible. A coparticipant option shall
22 be terminated, for any member whose designated coparticipant dies or
23 is divorced from the member] or (ii) except as provided in
24 subparagraph (B) of this subdivision, after the member's retirement. [,
25 on the date of such death or divorce.] Such member shall thereupon be
26 paid the normal, early [,] or proratable [or disability] retirement benefit
27 for which the member is eligible. (B) On and after July 1, 2015, upon
28 the divorce of a member and such member's designated coparticipant
29 subsequent to the member's retirement, the member may retain the
30 coparticipant designated and the coparticipant option elected at the
31 time of retirement by filing a qualified domestic relations order with
32 the board.

33 Sec. 2. Subsection (d) of section 10-183t of the general statutes is
34 repealed and the following is substituted in lieu thereof (*Effective July*
35 *1, 2015*):

36 (d) The Treasurer shall establish a separate retired teachers' health
37 insurance premium account within the Teachers' Retirement Fund.
38 Commencing July 1, 1989, and annually thereafter all health benefit
39 plan contributions withheld under this chapter in excess of five
40 hundred thousand dollars shall, upon deposit in the Teachers'
41 Retirement Fund, be credited to such account. Interest derived from
42 the investment of funds in the account shall be credited to the account.

43 Funds in the account shall be used for (1) payments to boards of
44 education pursuant to subsection (c) of this section and for payment of
45 premiums on behalf of members, spouses of members, surviving
46 spouses of members or disabled dependents of members participating
47 in one or more health insurance plans pursuant to subsection (a) of this
48 section in an amount equal to the difference between the amount paid
49 pursuant to subsection (a) of this section and the amount paid
50 pursuant to subsection (c) of this section, and (2) payments for
51 professional fees associated with the administration of the health
52 benefit plans offered pursuant to this section. [of not more than one
53 hundred fifty thousand dollars annually.] If, during any fiscal year,
54 there are insufficient funds in the account for the purposes of all such
55 payments, the General Assembly shall appropriate sufficient funds to
56 the account for such purpose.

57 Sec. 3. Section 10-183r of the general statutes is repealed and the
58 following is substituted in lieu thereof (*Effective July 1, 2015*):

59 The system shall be funded as follows:

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

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

72 (3) Professional fees associated with the administration of the health
73 benefit plans offered pursuant to section 10-183t, as amended by this

74 act, [of not more than one hundred fifty thousand dollars annually]
75 may be paid for out of the retired teachers' health insurance premium
76 account established pursuant to said section 10-183t.

77 Sec. 4. Section 10-183ee of the general statutes is repealed and the
78 following is substituted in lieu thereof (*Effective July 1, 2015*):

79 (a) After at least twenty-five years have elapsed since a [member]
80 vested member, or ten years have elapsed since a nonvested member,
81 of the teachers' retirement system ceased to be a teacher for any cause
82 other than death or retirement or two years have elapsed from the date
83 any other person became entitled to a benefit pursuant to this chapter,
84 the Teachers' Retirement Board shall send a statement to such member
85 or such person at the last known address of the person setting forth the
86 amount of the accumulated contributions or other benefits standing to
87 the credit of such person. The statement shall give notice to such
88 person that unless payment is demanded of said amount prior to a
89 date at least ninety days from the date the notice is given, the amount
90 will be deemed abandoned and [will be transferred by the retirement
91 board to the pension reserve account within the Teachers' Retirement
92 Fund] no further interest shall be credited to said amount.

93 (b) Any accumulated contributions or other benefits so deemed
94 abandoned [and transferred to the pension reserve account] may be
95 claimed by the person entitled to the accumulated contributions or
96 other benefits, or in the event of his death, by his estate or by such
97 person or persons as he shall have nominated to receive such
98 accumulated contributions, by filing a claim with the retirement board
99 in such form and in such manner as may be prescribed by the
100 retirement board, seeking the return of such abandoned accumulated
101 contributions or other benefits without interest. In the event such claim
102 is properly made the retirement board shall pay over to the person or
103 persons or estate making such claim the amount of such accumulated
104 contributions or other benefits without interest. [The payment shall be
105 made from the pension reserve account.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2015	10-183j(d)
Sec. 2	July 1, 2015	10-183t(d)
Sec. 3	July 1, 2015	10-183r
Sec. 4	July 1, 2015	10-183ee

Statement of Purpose:

To permit a member of the teacher's retirement system to retain the coparticipant designated and the coparticipant option elected at the time of retirement after a subsequent divorce, eliminate the annual cap on professional fees paid out of the retired teachers' health insurance premium account, cease crediting interest on unclaimed contributions for inactive members of the teachers' retirement system and eliminate obsolete language concerning the pension reserve account.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]