



## CT TEACHERS' RETIREMENT BOARD

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### 2016 LEGISLATIVE AGENDA

Good morning Chairpersons Walker, Bye and members of the committee. My name is Darlene Perez, and I am the Administrator of the Connecticut Teachers' Retirement System. I am here today to request your support for Raised Bill No. 267 and your opposition to Raised Bill No. 5418.

#### **Please support Raised Bill 267:**

AN ACT MAKING CHANGES TO THE TEACHERS' RETIREMENT SYSTEM TO ALLOW RETENTION OF THE PLAN D COPARTICIPANT OPTION AFTER DIVORCE AND TO CEASE CREDITING INTEREST ON CERTAIN INACTIVE, NONVESTED MEMBERS, AND ELIMINATING CERTAIN OBSOLETE LANGUAGE.

**RETENTION OF PAYMENT PLAN D:** The portion of a pension earned while married is considered marital property, and upon divorce is subject to division just like any other marital property. The pension system offers a retirement payment option called Plan D Coparticipant Option that continues a monthly pension benefit to the Coparticipant for life upon the death of the retired member. This plan is ideally suited for a member who has a spouse who is financially dependent on the pension income of the member. Under current law, the Plan D option is void upon divorce. A divorce does not end financial dependency nor does it remove the fact that the pension is part of the marital property. This bill would allow retention of the Plan D (upon divorce) should the parties so agree. Our members are often faced with seeking replacement income for the former spouse based on our current law. Purchasing life insurance after retirement can be unattainable and/or cost prohibitive.

**CEASE GRANTING INTEREST ON CERTAIN ACCOUNTS:** Consistent with industry standards and practice, the Board is seeking to cease crediting interest on unclaimed contributions for inactive non vested members ten years after the teacher left public school teaching in CT as opposed to 25 years. This bill will improve our success rate of refunding the funds to the rightful owner in a timely manner, and would allow us to redirect our limited resources to the agencies CORE services.

**REMOVE OBSOLETE LANGUAGE:** This will remove the reference of “pension reserve account” from the statutes which is obsolete language.

**Please oppose Raised Bill 548**

**AN ACT CONCERNING ESTABLISHING THE ANTICIPATED RATE OF RETURN FOR INVESTMENTS IN STATE RETIREMENT PLANS.**

**Sec. 10-183/. Teachers’ Retirement Board. Valuation of fund.** (a)(1) On and after July 1, 1991, the **management of the system** shall continue to be **vested in the Teachers’ Retirement Board**, whose members **shall include the Treasurer**, the Secretary of the Office of Policy and Management and the Commissioner of Education, or their designees, who shall be voting members of the board, ex officio . . .

Inasmuch as the Treasurer is and has been a voting member of the Teachers’ Retirement Board since 2011, there doesn’t appear to be a need to transfer this (or any other Board responsibility) to the Treasurer’s Office.