Teachers’ Retirement Board Testimony
Appropriations Committee
March 6, 2019

Good Morning Chairperson Osten and Chairperson Walker. I am Helen Sullivan, the new Administrator for the Teachers’ Retirement Board.

I want to begin by thanking the Governor and OPM for proposing a budget with full funding for the pension and health benefits for the teachers of the State of Connecticut for the upcoming fiscal year.

The Teachers’ Retirement System was established in 1917. Today Participation is mandatory for public school teachers employed in the public schools of Connecticut teaching at least half-time or greater. The staff of twenty-two supports a system of over 100,000 teachers, spouses, and beneficiaries with account maintenance and benefits as provided by the statutes governing this system. Total annual expenditures for 2018 were nearly two billion in pension benefits ($1,994,092,084) and in excess of one hundred forty seven million for the health plan ($147,205,049).

The Teachers’ Retirement Board (TRB) is a governmental plan with approximately 53,000 active members, 12,000 inactive members, 37,000 retired members and beneficiaries, and 500 persons receiving monthly survivor benefits. The pension plan assets are approximately $17 billion dollars, all of which are invested by the Treasurer of the State of Connecticut. The retirement plan is a defined benefit plan funded by mandatory teacher contributions, investment earnings and annual appropriations by the State of Connecticut.

The teachers in the State of CT who are members of this pension system do not contribute into Social Security “old age” benefit, so the benefits administered by this system are in lieu of Social Security benefits.

The active members of the system contribute seven percent of their annual reportable salary into the pension fund and an additional 1.25% into the Teachers’ Health Fund (THF), which is used to offset the cost of health insurance for eligible retired members and dependents.
The TRB sponsors a health insurance program for retirees, spouses, surviving spouses, or disabled dependents. If there is no spouse who is participating in Medicare Parts A and B. The TRB is required to offer a base plan. The base plan is a Medicare Advantage PPO Plan. The cost share equivalent is shared equally three ways. One-third is paid for by the health plan member, one-third is paid for by the State of CT appropriations and one-third is paid for by the active teachers’ contribution into the health fund.

The base plan is used in determining the cost shares split for members selecting the “buy up plan”. The added cost of the “buy up plan” is paid for by the members who choose to have the Medicare Supplement health plan sponsored by Stirling Benefits.

The previous base plan was established (by Board approval) as a supplement to Medicare Parts A and B including a Major Medical benefit, which is offered to members as the “Buy Up Plan”.

The TRB base health plan has approximately 23,000 participants and the buy up plan has approximately 6,800. Approximately 26,000 of those also have dental; or dental, vision and hearing coverage at their own expense without any cost sharing involved.

TRB has been approved for twenty-seven positions and currently maintains a staffing level of twenty-two. There are four unfunded vacant positions and one funded vacancy we are in the process of filling.

TRB is currently maintaining the software system purchased in 1999 to administer the benefits for its 100,000-member population. We have recently begun discussions regarding a system upgrade with both the existing software vendor and the OPM Capital IT investment unit.

It is my hope that the administration will provide the necessary staff and technology for the Teachers’ Retirement Board to provide timely, accurate and an exceptional level of customer service to all stakeholders of the system.

It is a privilege to serve the teachers of Connecticut.

Thank you very much for your time and consideration.