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## **OFA Bill Analysis**

### **SB 1080**

#### ***AN ACT CONCERNING VARIOUS REVISIONS TO THE TEACHERS' RETIREMENT SYSTEM.***

#### **SUMMARY:**

The bill makes various changes to the statutes governing the Teachers' Retirement System (TRS) that serve to clarify the administration of benefits or bring the statutes into conformity with current practice and federal law.

EFFECTIVE DATE: July 1, 2021

#### ***TRS Definitions (Section 1)***

The bill modifies the definition of: 1) "Disabled" to provide standard disability language and 2) "Formal application of retirement" to ensure that a proper payment plan is designated, and documentation is filed correctly.

#### ***Benefit Eligibility (Section 2)***

The bill clarifies that the credited service must be in a public school of Connecticut and updates the age at which minimum distribution requirements must be made from 70 ½ to 72 for members who attain age 72 on or after January 1, 2020 as required under federal law.

#### ***Member Voluntary Contributions (Section 3)***

The bill specifies that voluntary contributions reflect after-tax contributions withheld by the member's employer from their annual salary. It also provides alternative payment forms and the times for payments under each.

***Teachers' Retirement Board (Section 4)***

The bill specifies that the majority of the membership of the Teachers' Retirement Board is a quorum for the transaction of any business and updates the title of the administrative head of the agency.

Under current law, there are 14 members of the teachers' retirement board: three Ex-officio members or their designees (Secretary of the Office of Policy and Management, State Treasurer, and Commissioner of Education), 5 public members, two retired teachers, and four active teachers.

***Transfers between State Pension Systems (Section 5)***

The bill eliminates obsolete language regarding transfers to the Alternate Retirement Program (ARP) and clarifies the requirement for obtaining credit for time served in the State Employees Retirement System, ARP or other retirement systems (excluding Social Security and nonregular military retirement system). Clarifies that no person shall be eligible for membership in more than one retirement system at the same time for the same service.

***Reemployment of Retired Teachers (Section 6)***

The bill clarifies the rules for reemployment of a retired teacher by establishing guidelines for the repayment of funds if a member does not suspend their pension after exceeding the 45% rule.

Under current law, the 45% rule for post-retirement employment allows a member to retain their monthly pension benefit and permits them to earn up to 45% of the maximum salary for the teaching position.

***Appeal to the Teachers' Retirement Board (TRB) (Section 7)***

The bill specifies that a member must provide a statutory basis for any appeal to the TRB for reconsideration of a decision of the Board.

***Disability Allowance (Section 8)***

The bill specifies the information a member must submit to the board for a disability allowance. It also codifies the provision of a three-month grace period to a member who may become disabled and unable to meet the application deadlines.

***Rollover Account (Section 9)***

The bill provides language for the establishment of a rollover account upon retirement to ensure the correct benefit is administered and federal guidelines are met.

**COMMITTEE ACTION**

Appropriations Committee

Joint Favorable

Yea 50 Nay 0 (04/21/2021)