

Teachers' Retirement Board TRB77500

Permanent Full-Time Positions

Fund	Actual FY 21	Actual FY 22	Appropriation FY 23	Governor Recommended		Legislative	
				FY 24	FY 25	FY 24	FY 25
General Fund	27	27	27	27	27	27	27

Budget Summary

Account	Actual FY 21	Actual FY 22	Appropriation FY 23	Governor Recommended		Legislative	
				FY 24	FY 25	FY 24	FY 25
Personal Services	1,583,053	1,721,419	1,802,924	2,166,318	2,198,913	2,166,318	2,198,913
Other Expenses	386,443	396,871	497,003	465,503	497,003	465,503	497,003
Other Than Payments to Local Governments							
Retirement Contributions	1,249,835,000	1,443,656,000	1,578,038,000	1,554,542,000	1,558,960,000	1,554,542,000	1,558,960,000
Retirees Health Service Cost	24,405,387	17,798,866	12,901,000	13,041,691	16,030,802	13,041,691	16,030,802
Municipal Retiree Health Insurance Costs	5,006,041	5,044,148	9,840,000	9,840,000	9,840,000	9,840,000	9,840,000
Agency Total - General Fund	1,281,215,924	1,468,617,304	1,603,078,927	1,580,055,512	1,587,526,718	1,580,055,512	1,587,526,718
Additional Funds Available							
Carry Forward Funding	-	-	-	-	-	60,000	-
Agency Grand Total	1,281,215,924	1,468,617,304	1,603,078,927	1,580,055,512	1,587,526,718	1,580,115,512	1,587,526,718

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25

Policy Revisions

Provide Funding for Additional Positions

Personal Services	217,900	226,700	217,900	226,700	-	-
Total - General Fund	217,900	226,700	217,900	226,700	-	-

Background

The Teachers' Retirement Board has 27 authorized positions of which 24 filled are filled and 3 are vacant, unfunded positions.

Governor

Provide funding of \$217,900 in FY 24 and \$226,700 in FY 25 to support three positions for the administration of pension and health benefits for the members of the Teachers' Retirement System.

Legislative

Same as Governor

Current Services

Fund the Actuarially Determined Employer Contribution for the Teachers' Retirement System

Retirement Contributions	(23,496,000)	53,762,000	(23,496,000)	53,762,000	-	-
Total - General Fund	(23,496,000)	53,762,000	(23,496,000)	53,762,000	-	-

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25

Background

The Connecticut Teachers' Retirement System (TRS) is the state's defined benefit plan for approximately 52,200 active and 39,300 retired Connecticut public school teachers and beneficiaries. The benefits of the program are funded by employee contributions, state appropriations and investment income.

The June 30, 2022, Teachers' Retirement System (TRS) actuarial valuation set an Actuarially Determined Employer Contribution (ADEC) for the TRS of \$1,554.5 million in FY 24 and \$1,558.9 million in FY 24. The FY 23 ADEC is \$1,578.0 million which is \$23.5 million higher than the FY 24 ADEC. Payment of the full contribution is required by both statute (CGS Sec. 10-183z) and the bond covenant for Pension Obligation Bonds (POBs), issued pursuant to PA 07-186. The state's debt service payment on the POBs is appropriated in Debt Service - State Treasurer.

Governor

Reduce funding by \$23,496,000 in FY 24 and provide funding of \$53,762,000 in FY 25 to fully fund the state's ADEC for the TRS.

Legislative

Same as Governor

Adjust Actuarially Determined Employer Contributions for the Anticipated FY 2023 Budget Reserve Fund Deposit

Retirement Contributions	-	(72,840,000)	-	(72,840,000)	-	-
Total - General Fund	-	(72,840,000)	-	(72,840,000)	-	-

Background

Under current law (CGS 4-30a) if the Budget Reserve Fund (BRF) exceeds the 15% cap in FY 23, the State Treasurer must deposit the amount over the cap to either State Employees Retirement System (SERS) and/or the Teachers' Retirement System (TRS) to reduce the unfunded liability of the selected system by up to 5%. Additional deposits from the FY 23 BRF excess will reduce the FY 25 ADEC.

Governor

Reduce funding by \$72,840,000 in FY 25 to reflect the anticipated impact of Budget Reserve Fund deposits on the FY 25 TRS ADEC.

Legislative

Same as Governor

Fund the Teachers' Retirement Board Retiree Health Plan at the Statutory Level

Retirees Health Service Cost	140,691	3,129,802	140,691	3,129,802	-	-
Total - General Fund	140,691	3,129,802	140,691	3,129,802	-	-

Background

The TRB is required to offer one or more health plans to retired TRS members who are participating in Medicare. CGS Sec. 10-183t requires a cost sharing arrangement in which retirees, the state, and the TRB health fund each pay one-third of the total cost for the basic plan. The TRB health fund is supported by active teachers who contribute 1.25% of their annual salary. The TRB basic plan changed from a Medicare Supplement Plan to a Medicare Advantage Plan, effective July 1, 2018.

Governor

Provide funding of \$140,691 in FY 24 and \$3,129,802 in FY 25 in the retiree health service cost account to reflect full funding for the state's share of TRB health plan cost.

Legislative

Same as Governor

Provide Funding for Existing Wage Agreements

Personal Services	212,907	236,702	212,907	236,702	-	-
Total - General Fund	212,907	236,702	212,907	236,702	-	-

Background

The Governor's Recommended Budget provides net funding of \$237.2 million in FY 24 and \$394 million in FY 25, across six appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25

Governor

Provide funding of \$212,907 in FY 24 and \$236,702 in FY 25 to reflect this agency's increased wage costs.

Legislative

Same as Governor

Remove Funding for 27th Payroll

Personal Services	(67,413)	(67,413)	(67,413)	(67,413)	-	-
Total - General Fund	(67,413)	(67,413)	(67,413)	(67,413)	-	-

Background

The FY 23 Revised Budget included a total of \$128,456,014 for an extra 27th pay period for six appropriated funds. There are usually 26 pay periods in a fiscal year, but every 11 years there is an additional 27th pay period.

Governor

Remove funding of \$67,413 in both FY 24 and FY 25 to reflect 26 pay periods in each fiscal year.

Legislative

Same as Governor

Realign Funding for Other Expenses Based on Required Actuarial Services

Other Expenses	(31,500)	-	(31,500)	-	-	-
Total - General Fund	(31,500)	-	(31,500)	-	-	-

Governor

Reduce funding by \$31,500 in FY 24 to reflect the funding level necessary in the Other Expenses account to support required actuarial services.

Legislative

Same as Governor

Carryforward

Provide Funding for TRB Election

Other Expenses	-	-	60,000	-	60,000	-
Total - Carry Forward Funding	-	-	60,000	-	60,000	-

Background

Section 41(b) of PA 23-204 and sections 154, 160, and 163 of PA 23-205 carryforward a total of \$339.6 million in unexpended balances from various FY 23 General Fund accounts for initiatives in FY 24 and FY 25.

Legislative

Provide funding of \$60,000 in FY 24 to support the cost of the additional TRB election resulting from PA 23-63 " An Act Concerning Retiree Members of the Teachers' Retirement Board" which requires two additional retiree members.

Totals

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25
FY 23 Appropriation - GF	1,603,078,927	1,603,078,927	1,603,078,927	1,603,078,927	-	-
Policy Revisions	217,900	226,700	217,900	226,700	-	-
Current Services	(23,241,315)	(15,778,909)	(23,241,315)	(15,778,909)	-	-
Total Recommended - GF	1,580,055,512	1,587,526,718	1,580,055,512	1,587,526,718	-	-