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Legislative Office Building  
300 Capitol Ave.  
Hartford, CT 06106

Topic Area: Retirement Security – Age Discrimination

Dear Sirs:

Because the Comptroller and Retirement Commission of the State of Connecticut use actuarial “option factor” tables, a married State employee, retiring at age 81, will receive only two-thirds the pension paid to a 61 year old with the same length of service, and spouse of the same age. If he retires at 91, he will receive only 44% of the pension.

This age discrimination is illustrated in the table below. For the same basic pension right of \$50,000, the married State employee receives only \$30,465 if he retires at 81, or \$19,915 at age 91, whereas he receives \$44,990 if retiring at 61.

Connecticut State Employees Retirement System Option Factors

<u>Member Age</u>	<u>Spouse Age</u>	<u>Basic Pension Right</u>	<u>50% Spouse Factor -</u>	<u>Real Pension Paid</u>	<u>100% Spouse Factor -</u>	<u>Real Pension Paid</u>
61	52	\$50,000	0.8998	\$44,990	0.8179	\$40,895
71	52	\$50,000	0.7896	\$39,480	0.6524	\$32,620
81	52	\$50,000	0.6093	<b><u>\$30,465</u></b>	0.4381	\$21,905
91	52	\$50,000	0.3983	<b><u>\$19,915</u></b>	0.2486	\$12,430

(The Retirement Division requires married employees to choose either 50% or 100% spouse, unless the spouse gives up health insurance and waives rights in writing)

It is proposed that the actuarial “option factor” tables cease progressing after age 70, as they penalize people for working to an older age. These older people not only receive smaller annual pensions, but they receive them for fewer years because of their age.

Sincerely,

Ronald E. Johnson, MD