SPECIAL RETIREMENT ISSUE

CEA Advisor

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Understanding and Planning Your Retirement

WHAT'S INSIDE:

- Retirement eligibility
- Calculating your benefits
- Social Security laws
- Retiree healthcare
- Legislative changes
- Investment information
- CEA retirement workshops

Legislative Wrap-Up 2023

Several proposals related to the State Teachers' Retirement System (STRS) passed in the 2023 legislative session. They are summarized below.

State Budget Includes Full Appropriation for Pension and Retiree Health Funds

Both Governor Lamont's proposed budget and the General Assembly's final budget included the full actuarially recommended appropriations to the Teachers' Retirement Fund (TRF) and the Retired Teachers' Health Insurance Fund. The fiscal solvency of both funds is dependent on the continued appropriation of the full required amount, so CEA will continue to advocate for it, as we have done for decades.

More Surplus Funds Boost Teachers' Retirement Fund

Once again, due to the increased revenue from the State's Budget Reserve Fund, the TRF will receive an additional contribution of approximately $856.6 million, a deposit that will further bolster the long-term financial strength of the TRF.

Two Retired Seats Added to Teachers' Retirement Board

Public Act 23-63 adds two retired members of the STRS to serve as members of the State Teachers' Retirement Board (STRB) for a four-year term. Both individuals must be retired teachers who are receiving pensions from the STRS. They must also be nominated and elected only by members of the STRS who are retired. The election for these two new seats must occur before October 1, 2023. The importance of the work of the State Teachers' Retirement Board cannot be overstated, as it is the agency charged with administering teachers' pension and retiree healthcare benefits. For decades, active and retired CEA members have served on the STRB in an effort to ensure the protection and smooth administration of these benefits. Watch for additional information this summer on the candidates, election process, and important dates.

State Income Tax Exemption Extended for Pension Income

Current law exempts income-eligible taxpayers' pension and annuity income from personal income tax by allowing taxpayers to deduct 100% of their qualifying pension and annuity income from their Connecticut taxable income if their federal adjusted gross income (AGI) is less than (1) $75,000 for single filers, married people filing separately, and heads of household or (2) $100,000 for married people filing jointly. It also exempts income from individual retirement account (IRA) distributions (other than Roth IRAs) for taxpayers meeting these income criteria. See below.

Beginning with the 2024 tax year, the bill extends eligibility for these exemptions to taxpayers with federal AGIs of (1) at least $75,000 but less than $100,000 for single filers, married people filing separately, and heads of household and (2) at least $100,000 but less than $150,000 for joint filers. However, it gradually reduces the deductions for these taxpayers until they fully phase out at $100,000 or $150,000 as applicable.

If you have questions about how this change will impact you, consult with a tax professional.

Teachers' Retirement System Task Force

Public Act 23-159 establishes an STRS task force to analyze the per pupil equity of STRS funding. The task force is required to submit its recommendations to the Education and Appropriations committees by January 1, 2025.

Next Steps for CEA's COVID Enhancement Proposal

Although CEA's proposal to enhance the retirement benefits for STRB members who worked during the pandemic did not pass, CEA intends to pursue this effort again in the next legislative session, which begins in February 2024.

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SPOTLIGHT ON NEW RETIREE THERESA MCKEOWN

Theresa McKeown shares her experience as a newly retired teacher, with reflections on her career and a look at what the next chapter has in store.

Tell us about your teaching career.

I was a second-career teacher. Actually, I had a few other careers. Right out of college, I worked in residential treatment for adolescents and at psychiatric halfway houses. I was also a reading tutor and special education paraeducator. I went through the Alternate Route to Certification to get my certification to teach.

I retired with 25 years of teaching service, 24 of them with West Hartford's QUEST Program for gifted and talented students. Part of my job was providing in-class enrichment for grades three through five. I also taught Math QUEST for students in grades four and five who were working two or more grade levels above their current grade in mathematics.

I was president of the West Hartford Education Association for six years but actively engaged in the work of my union for almost 20 years! I was a building rep, social chair, and more, and what precipitated my involvement was being on a contract negotiation team. That process was eye-opening for me. I was also a member and chair of CEA's Legislative Commission.

What do you remember most fondly from your years of teaching?

Just how much fun teaching can be when a lesson goes as planned. When students are engaged and excited about learning, when the light bulb goes off—even if just for one student who has "got it" and makes the connection to the learning target—that always puts a smile on my face! The flip side is when things don't go as planned, and you try something new—perhaps change the learning style, content, or product.

Prior to retiring, how many CEA retirement workshops did you attend?

At least 10! Could that be a record? I learned something new at each workshop, and it reinforced what I had learned at previous workshops. Things can change over 25 years.

I recommend that all CEA members attend.

First, it doesn't cost anything. This is a benefit of being a CEA member. Second, you can't start too early. Early career educators should attend just to get an overview and see where those deductions in their paycheck are going—planting seeds for the future, because the future can come quickly. Third, the questions asked by other attendees are invaluable. Often, a question was something I hadn't thought about but realized is really important. Planning for retirement is a process, and the more you know, the smoother the transition will be.

What are you most looking forward to doing now that you're retired?

First of all, NOTHING! I need a little time to adjust, but then I would like to spend more time with my grandchildren. When I'm not with them, I'll probably be playing golf. In fact, I think this summer was my tenth year participating in the Connecticut Education Foundation's Hands Across the Green golf tournament, raising money for students and teachers in need.

HOW YOUR PENSION FUNDS ARE INVESTED

The $22.5 billion Teachers' Retirement Fund (TRF) is invested by State Treasurer Erick Russell, who is the principal fiduciary of this and the 14 other state and municipal pension and trust funds comprising the $48 billion State of Connecticut Retirement Plans & Trust Funds (CRPTF). The TRF represents approximately 47% of the CRPTF. As principal fiduciary, the state treasurer is legally responsible for prudently investing these assets and maximizing investment returns. The 12-member Investment Advisory Council—which includes two CEA members—advises the treasurer in such areas as investment policy and asset allocation.

Pension funds in the TRF were invested across multiple asset classes. The actual asset allocation was as follows, as of May 31, 2023: global equities (46.6%); global fixed income (22.9%); alternative investments/risk mitigating strategy (4.5%); private equity and private credit investments (15.2%); real estate and infrastructure & natural resources investments (10.4%), and liquidity fund (0.3%).

The asset allocation policy targets were approved during the fiscal year based on updated pension liability data, and rebalancing to these new targets is in process. For the one, three, five, and ten years ending May 31, 2023, the TRF achieved a total return of 0.37%, 7.44%, 5.35%, and 6.39%, respectively.

For more information on the Office of the State Treasurer, including detailed investment information about the CRPTF visit **portal.ct.gov/ott**.

Understanding and Planning Your Retirement

General information

The state of Connecticut provides you with a retirement benefit plan administered by the State Teachers' Retirement Board (TRB). The STRB is located in Hartford and is comprised of 16 members: four elected active teachers, four elected retired teachers, the commissioner of the State Department of Education, the state treasurer, the secretary of the Office of Policy and Management (OPM), and five public members appointed by the governor. All board members serve without pay.

Most provisions regarding your retirement benefits are governed by state law. If there is any disagreement between the wording of law and this publication, the official wording of the law will always rule.

If you have questions about your retirement benefits, write to the State Teachers' Retirement Board, 165 Capitol Avenue, Hartford, CT 06106, call 1-800-504-1102 or 959-867-6333, or visit ct.gov/trb.

Your membership

Participation in the State Teachers' Retirement System is compulsory for all eligible teachers working at least half-time in the public schools of Connecticut.

If you are new to the public schools of Connecticut, your membership in the State Teachers' Retirement System begins when you first start working. At that time, your local board of education will provide you with membership application forms. When you fill out the forms, you will answer questions about your present job in Connecticut and any other public school or other work experience.

The form also provides a space for you to name a beneficiary to receive benefits in the event of your death. When you return the completed form to your board of education, it will forward your designation to the TRB.

Contributions to the system

As a part of your membership in the system, you contribute 8.25% of your annual salary through payroll deductions. This is done on a pre-tax basis. Your annual salary means the pay you receive for teaching, longevity, and administrative or supervisory services as outlined in your contract. Annual salary does not include pay you receive for most extra-duty assignments, coaching, unused sick leave, or termination pay.

Contributions by the state

Since you are asked to contribute only a part of the cost of your retirement benefits, the state of Connecticut pays the remaining cost of these benefits.

Vesting

Once you have 10 years of Connecticut service, you are considered to be vested, which means you will be entitled to a guaranteed lifetime benefit at some point in the future.

Withdrawal privilege

If you leave public school teaching before you are vested, you may withdraw your contributions to the system plus accrued interest. (This amount is reflected in the Regular Account balance on your annual TRB statement.) However, once you are vested, by withdrawing your funds, you forfeit any right that you may have to a future retirement benefit and retiree health insurance. Please contact the TRB for more information about withdrawing contributions.

Your retirement

Your eligibility for retirement and the amount of your expected benefit depend on several factors: your age, your credited service, your average salary, and a retirement benefit formula. Your credited service means the number of years and months you've served Connecticut public schools. You earn one month of credited service for each month you work. You may earn credit for a maximum of 10 months in any one school year. This is equal to one year of Connecticut public school service.

In some cases, you may receive credit for other types of service (as listed below) if you purchase this additional service credit. To purchase service means to make a required payment in exchange for service credit.

Additional service that can be purchased

1. Service as a teacher in a school for military dependents established by the U.S. Department of Defense
2. Service as a public school or public university teacher in another state of the United States, its territories, or possessions
3. Service in the armed forces of the United States in time of war, as defined in CGS Section 27-103, or service in said armed forces during the period beginning October 27, 1953, and ending January 31, 1955
4. Service in a permanent full-time position for the state of Connecticut
5. Any authorized leave of absence from a Connecticut public school as provided in regulations adopted by the TRB, if the member subsequently returns to service for at least one school year (unless contributions are made while on leave)*
6. Service as a teacher at the American School for the Deaf, Connecticut Institute for the Blind, or Newington Children's Hospital
7. Forty or more days of service as a substitute teacher or a teacher employed less than half-time in a single public school system within the state of Connecticut within any school year, provided 18 days of such service shall equal one month of credited service*
8. Service in the armed forces of the United States, other than service described in subdivision (3) of this subsection, not to exceed 30 months
9. Service as a full-time, salaried, elected official of the state or any political subdivision of the state during the 1978 calendar year or thereafter, if such member subsequently returns to service for at least one school year
10. Service in the public schools of Connecticut as a member of the Federal Teacher Corps, not to exceed two years
11. Service in the United States Peace Corps
12. Service in the United States VISTA (Volunteers in Service to America) Program
13. Service in Connecticut public schools as a social work assistant between January 1, 1969, and December 31, 1986, if you became a certified school social worker and remained in public school service as a social worker after certification
14. Service prior to July 1, 2007, as a member of the State Education Resource Center employed in a professional capacity while possessing a teaching certificate (Note: cost is subject to full actuarial value.)

Count as Connecticut public school service when calculating number of years completed

Additional credited service can be purchased at any time in your teaching career or upon application for retirement. However, documentation of such service can and should be completed as early as possible.

The cost of the purchase is based on an actuarial formula utilized by the TRB. To obtain an estimate of your cost, use the "Additional Service Credit Cost Estimator" found on the TRB website (**ct.gov/trb**). Additional service credit can be paid for with pre-tax dollars via a direct rollover from a qualified plan, such as a 403(b), in addition to other forms of payment.

One Percent Supplemental and Voluntary Accounts

If you were hired before July 1, 1989, you contributed 1% of your annual salary into your own individual One Percent Supplemental Account. Since that date, your 1% supplemental contributions (now 1.25%) have been deposited into the retired teachers' health insurance fund. However, your pre-1989 contributions continue to accrue interest. Upon your retirement, you must elect how you would like your One Percent Supplemental Account distributed. You have three options: a lump-sum payment with the non-taxed portion rolled into a tax-deferred plan, the purchase of an annuity through the TRB, or the purchase of additional credited service. Funds from the One Percent Supplemental Account can be used for the purchase of additional service credit **at any time** prior to or at your retirement.

You may also make Voluntary Contributions into your retirement account. These can be made on an after-tax basis through payroll deduction. While you are actively teaching, you are limited to making one withdrawal from the Voluntary Account, and your Voluntary Account must be liquidated upon retirement. Deductions may be reinitiated but may not be subsequently withdrawn while actively teaching. At retirement, your options for distribution of your Voluntary Account are the same as listed above for the One Percent Supplemental Account.

TRB Rollover Account

As of September 1, 2021, for teachers who are retiring, the TRB is accepting funds via a direct rollover from certain tax-deferred accounts such as a 403(b) or a traditional (non-Roth) IRA. These funds can be used to purchase the STRB's fixed monthly annuity, which is paid with the monthly pension, although the annuity does not receive an annual cost of living adjustment.

Rollover checks must be postmarked no sooner than two months prior to and no later than the day prior to the member's effective retirement date. Funds will be placed in a non-interest-bearing account. For more information, go to the TRB's website and download the *Retirement Rollover/Trustee to Trustee Transfer Request Form for an Additional Pretax Annuity at Retirement* form.

Retirement Benefit Formulas

Your annual salary

Your average annual salary means the average salary of your three highest-paid years in the public schools of Connecticut. This average salary is used, along with your credited service, as part of a retirement benefit formula established by statute. The retirement formula used for calculating the amount of your benefit depends on the type of retirement for which you qualify. The various kinds of retirement—normal, proratable, early, and vested deferred—are explained on this page.

Normal retirement

You will have what is called a normal retirement if you retire

- At age 60 or later if you have completed 20 or more years of public school service in Connecticut
- At any age if you have completed 35 or more years of public school service, at least 25 of which were in Connecticut public schools

Your normal retirement benefit

You can calculate your normal retirement benefit by using the following formula:

2% times your average salary times your credited service (in years) equals your yearly benefit.

For example, suppose you retire at age 64 with 22.5 years of credited service. Let us also assume your average salary was $90,000. Here is how the formula works:

First, 2% times $90,000 equals $1,800. Then, $1,800 times 22.5 years equals $40,500. Your normal retirement benefit would be $40,500 a year, or $3,375 a month.

Benefit limits

Under the retirement system, you can receive a maximum benefit of 75% of your salary, regardless of the number of years of service over 37.5 years.

Assume you retire at 63 with 39 years of credited service and your average salary was $90,000. Under the formula you would receive: 2% times $90,000 equals $1,800. $1,800 times 37.5 years equals $67,500. Your normal retirement benefit in this instance would be $67,500 a year, or $5,625 a month. Please note that in this example, while you have 39 years of credited service, you will receive 75%, the maximum allowed by law.

Proratable retirement

If you are not eligible for a normal retirement benefit, you might be eligible for proratable retirement if you retire

- At age 60 or later and you have completed between 10 and 20 years of service in Connecticut public schools

Your proratable retirement benefit

You can calculate your proratable retirement benefit in much the same way as normal retirement, but the formula is different, because you have fewer years of service. The formula used to calculate a proratable retirement benefit is

A fraction (your service divided by 10) times your average salary times your credited service (in years)

For example, suppose you retire at age 62 with 15.2 years of Connecticut service. Let us also assume that your average salary is $90,000. You can use the formula as follows:

First, 15.2 years of service divided by 10 equals 1.52. (We use this fraction as a percent—in this case 1.52%.) Then, 1.52% times $90,000 equals $1,368. $1,368 times 15.2 years of service equals $20,793.60. Your proratable retirement benefit is $20,793.60 a year, or $1,732.80 a month.

In some cases, you might have less than 20 years of Connecticut service but may be eligible to purchase other service credit. If this is the case, your benefit will be higher. For information on how purchased service affects the amount of your proratable retirement benefit, please contact the State Teachers' Retirement Board. Note that for a proratable retirement, non-Connecticut years are calculated at 1%. This is not the case for a normal or early retirement.

Early retirement

You may be eligible for an early retirement benefit if you retire

- At any age before you reach age 60 if you have completed between 25 and 35 years of public school service, 20 of which were in Connecticut

or

- You have attained the age of 55 and you have completed at least 20 years of service, 15 of which were in the public schools of Connecticut

Table 1A

For teachers retiring with less than 30 years of service

Years away from normal retirement	Early retirement factor
0	100%
1	94
2	88
3	82
4	76
5	70
6	66
7	62
8	58
9	54
10	50

Table 1B

For teachers retiring with 30 or more years of service

Years away from normal retirement	Early retirement factor
0	100%
1	97
2	94
3	91
4	88
5	85

Your early retirement benefit

You can calculate your early retirement benefit using the same benefit formula as for normal retirement. However, your benefit is reduced, because you will probably receive benefits over a longer period of time.

The amount of your benefit reduction depends on how far away you are from normal retirement. In this case, your normal retirement date is when you reach 60, or the date on which you would have completed 35 years of service, whichever comes first.

For each year and month you are away from normal retirement, there is a different early retirement factor. Your benefit is multiplied by this factor to find the reduced amount of your early retirement benefit. Tables 1A and 1B show the factors.

For example, suppose you retire at age 55 with 28 years of service. Since you are five years away from your 60th birthday and seven years away from completing 35 years of service, you will use an early retirement factor for five years (Table 1A), which is 70%. We will assume that your normal retirement benefit is $50,400 (2% times $90,000 times 28). To find your early retirement benefit

Multiply 70% (factor for 5 years) times $50,400, which equals $35,280.

Your early retirement benefit is $35,280 a year, or $2,940 a month.

If you retire at age 55 with 31 years of service, you are considered four years early (four years away from 35 years of service). Your early retirement factor (Table 1B) is 88%. If your normal retirement benefit would be $55,800 (2% times $90,000 times 31), your early retirement benefit is 88% times $55,800, or $49,104 per year, or $4,092 a month.

Table 2

This table shows what percentage of your final average salary you would receive based on your age and years of service at retirement.

The retirement percentages shown in this table are based on all full-time Connecticut credited service.

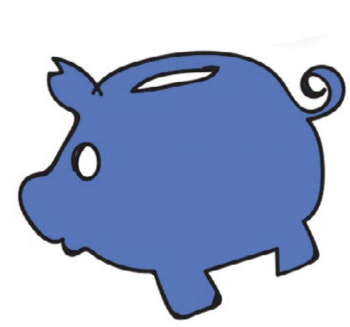
AGE	20 YRS	21 YRS	22 YRS	23 YRS	24 YRS
55	28.00%	29.40%	30.80%	32.20%	33.60%
56	30.40%	31.92%	33.44%	34.96%	36.48%
57	32.80%	34.44%	36.08%	37.72%	39.36%
58	35.20%	36.96%	38.72%	40.48%	42.24%
59	37.60%	39.48%	41.36%	43.24%	45.12%
60	40.00%	42.00%	44.00%	46.00%	48.00%

AGE	25 YRS	26 YRS	27 YRS	28 YRS	29 YRS	30 YRS	31 YRS
50	25.00%	28.08%	31.32%	34.72%	38.28%	51.00%	54.56%
51	27.00%	28.08%	31.32%	34.72%	38.28%	51.00%	54.56%
52	29.00%	30.16%	31.32%	34.72%	38.28%	51.00%	54.56%
53	31.00%	32.24%	33.48%	34.72%	38.28%	51.00%	54.56%
54	33.00%	34.32%	35.64%	36.96%	38.28%	51.00%	54.56%
55	35.00%	36.40%	37.80%	39.20%	40.60%	51.00%	54.56%
56	38.00%	39.52%	41.04%	42.56%	44.08%	52.80%	54.56%
57	41.00%	42.64%	44.28%	45.92%	47.56%	54.60%	56.42%
58	44.00%	45.76%	47.52%	49.28%	51.04%	56.40%	58.28%
59	47.00%	48.88%	50.76%	52.64%	54.52%	58.20%	60.14%
60	50.00%	52.00%	54.00%	56.00%	58.00%	60.00%	62.00%

AGE	32 YRS	33 YRS	34 YRS	35 YRS	36 YRS	37 YRS	37.5 YRS
50	58.24%	62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
51	58.24%	62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
52	58.24%	62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
53	58.24%	62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
54	58.24%	62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
55	58.24%	62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
56	58.24%	62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
57	58.24%	62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
58	60.16%	62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
59	62.08%	64.02%	65.96%	70.00%	72.00%	74.00%	75.00%
60	64.00%	66.00%	68.00%	70.00%	72.00%	74.00%	75.00%

RESIGN AT AGE	10 YRS	11 YRS	12 YRS	13 YRS	14 YRS
60 or older	10.00%	12.10%	14.40%	16.90%	19.60%

RESIGN AT AGE	15 YRS	16 YRS	17 YRS	18 YRS	19 YRS	20 YRS
60 or older	22.50%	25.60%	28.90%	32.40%	36.10%	40.00%



Your vested deferred benefits

If you leave teaching before age 60 with at least 10 years of Connecticut service but less than 20 years, you are entitled to a vested deferred retirement benefit. You must leave your contributions in the system until you begin collecting your benefit at age 60. You can calculate your vested deferred benefit by first determining whether you would have completed 20 years of Connecticut service by the time you were age 60.

If by age 60 you would have been credited with 20 years of Connecticut service, you would determine your benefit as follows:

2% times years of Connecticut service times your average salary

All non-Connecticut service is determined as follows:

1% times years of non-Connecticut service times your average salary

For example, you left teaching at age 47 with 18 years of Connecticut service and 1.8 years of non-Connecticut service and an average salary of $90,000.

Your benefit beginning at age 60 would be:

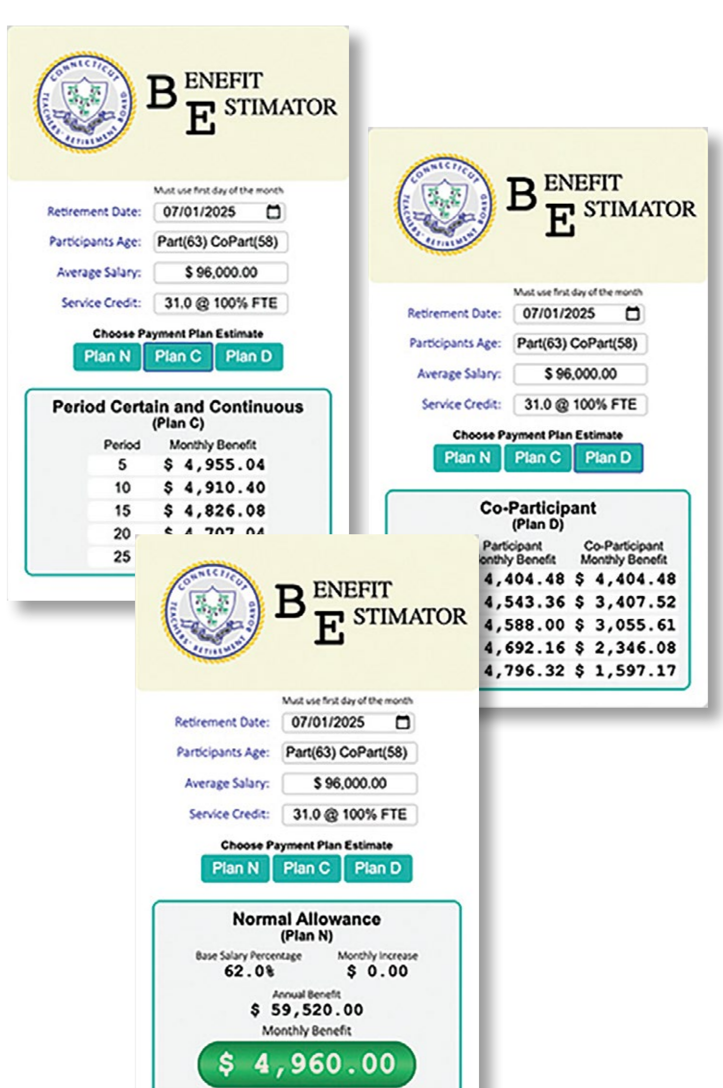
2% times 18.0 years = 36%
+
1% times 1.8 years = 1.8%
36% + 1.8% = 37.8% x $90,000 =
$34,020 per year, or $2,835 per month

If you would not have been credited with 20 years of Connecticut service by age 60, you must use the early retirement percentage to determine your benefit amount. Suppose you left teaching at age 55 with 10 years of Connecticut service with an average salary of $90,000, and you wish to begin receiving your benefit at age 60. To determine your benefit, you would use the following:

Age for completion of 20 years of Connecticut service: 65
Age benefits are to begin: 60
Difference: 5 years
Early Retirement Factor (Table 1A): 70%
70% x 2% x 10 years = 14% x $90,000 = $12,600 per year, or $1,050 per month

TRB's Benefit Estimator Is a Useful Tool

Go to ct.gov/trb to try it!



Retirement Payment Plans

How your benefit is paid

The amount of your benefit depends on the payment plan you choose. There are three different ways you can elect to receive your benefits, and all three options may provide benefits to your chosen beneficiary upon your death after retirement. The options, explained below, are known as partial refund option, lifetime and period certain option, and co-participant option.

Partial refund option (Payment Plan N)

For teachers who have accrued 10 or more years of Connecticut service as of July 1, 2019: Under this payment plan, if 25% of the benefits you receive between retirement and death is less than your contributions, your beneficiary may receive a lump-sum benefit at your death. The amount of the lump-sum benefit is the difference between 25% of the benefits you have already received and your total contributions including accumulated interest.

For teachers who have not accrued 10 or more years of Connecticut service as of July 1, 2019: Under this payment plan, if 50% of the benefits you receive between retirement and death is less than your contributions, your beneficiary may receive a lump-sum benefit at your death. The amount of the lump-sum benefit is the difference between 50% of the benefits you have already received and your total contributions including accumulated interest.

In either case, this means you will receive your full benefit for as long as you live, and your beneficiary will receive a refund of some of your contributions, if any remain, when you die.

Lifetime and period certain option (Payment Plan C)

Under this option, you agree to take a reduced benefit during your lifetime, with a certain number of payments to be paid to a named beneficiary upon your death.

You may choose a guaranteed period of:

- 5 years (60 payments)
- 10 years (120 payments)
- 15 years (180 payments)
- 20 years (240 payments)
- 25 years (300 payments)

This period begins on your retirement date.

Co-participant option (Payment Plan D)

If you elect this payment plan, you can choose to continue payment of a portion of your benefit to a beneficiary after your death. You may continue one-third, one-half, two-thirds, three-fourths, or all of your benefit to your designated co-participant/beneficiary. After you die, your beneficiary will receive a monthly payment for life.

If you elect Plan D, your payment will be reduced, because benefits will be paid over two lifetimes—yours and your beneficiary's. In other words, Plan D is a form of protection for your beneficiary's entire life after you die.

Plan D is terminated once the designated co-participant dies or is divorced from you after your retirement, but before your death. You will then be paid the unreduced normal, early, or proratable benefit for which you are eligible.

APPLYING FOR YOUR BENEFITS

To receive your retirement benefits, you must file an application with the TRB. It is recommended that you file your application four to six months in advance of your retirement date, if possible.

Your benefits will be effective on the first of the month following your last month of teaching. For example, if you retire from teaching on June 15, 2024, your benefits will be effective July 1, 2024, assuming you choose to collect your benefits immediately.

When applying for benefits, you must provide the following information and forms:

- Application for retirement
- A photocopy of your birth certificate (or other acceptable proof of birth date)
- Records of other service, if required

A retirement application is available from the TRB on its website, **ct.gov/trb**.

COST-OF-LIVING ADJUSTMENTS

To help keep up with rising costs, the TRB may provide a cost-of-living adjustment each year based on a statutory formula. Under the current law, this allowance begins on either July 1 or January 1, after you complete nine months of retirement. For example, if you retire on July 1, 2024, you will have completed nine months of retirement by April 1, 2025. Your first cost-of-living increase would be added to your checks starting July 1, 2025. Cost-of-living adjustments do not apply to survivors' benefits before retirement.

MEDICAL BENEFITS UPON RETIREMENT

Medicare-eligible retirees

Those retired teachers and spouses who are age 65 or older may participate in Medicare Parts A and B and can purchase a Medicare add-on plan through the TRB at a subsidized cost. As of January 1, 2022, retirees can choose either a Medicare Supplement or Medicare Advantage plan through United Healthcare. Both plans include a prescription drug plan and dental, vision, and hearing coverage. See the TRB website for detailed plan descriptions.

Non-Medicare-eligible retirees

Those retired teachers and/or spouses (or disabled adult dependent child if there is no spouse) who are NOT participating in Medicare Parts A and B may obtain their health insurance through their last employing board of education. Such retired teachers must be offered the same choice of insurance plans as active teachers receive. Absent contractual language to the contrary, teachers are responsible for the full cost of the insurance plan. However, teachers and their spouses receiving insurance through their last employing board of education will receive a monthly subsidy from the TRB to help defray part of the cost. The current subsidy is $220 per month per person (i.e., $440 for covered teacher and spouse). If you are age 65 or older and do not qualify for Medicare, the subsidy is $440 per person (as long as your cost is at least $440 per month). See the TRB website for more information about applying for this higher subsidy amount.

Other information

Burial expense payment

If you die while in active service, your spouse will receive a lump-sum burial payment (unless Plan D for your spouse and the protection it provides are in effect).

The amount of the lump-sum burial benefit is $1,000 for the first five years of Connecticut public school service. If you had more than five years of Connecticut service, the benefit is increased by $200 for each full year of service up to 10, for a maximum benefit of $2,000.

If you have no surviving spouse at the time of your death, payment will be issued to the person who paid the funeral expenses.

Survivors' benefits before retirement

If you are not yet eligible to retire:

If you die while still actively working, or within two months of the time you stopped working but before your actual retirement, or while on a formal leave of absence and you are making contributions, the system is designed to provide the following benefits to your surviving spouse and children:

- $300 a month for each child under 18, or over 18 if disabled
- $300 a month to a surviving spouse plus $25 per month for each year of service you had in excess of 12 years
- $300 a month to your dependent parent over age 65 if there is no surviving spouse or dependent former spouse

The maximum family survivorship benefit is $1,500 a month.

If you die without a spouse or minor children, the contributions made by you, plus interest, will be paid to your designated beneficiary in a lump sum.

If you are eligible to retire:

If you are married, your spouse would be entitled to a choice of basic survivorship benefits: a lump sum of the contributions you had made, plus interest, or your Plan D—100% benefit paid to the spouse for their lifetime. Survivor benefits will be paid to any minor children in addition to the benefits elected by the spouse.

If you die without a spouse or minor children, the contributions made by you, plus interest, will be paid to your designated beneficiary in a lump sum.

Other options are available in place of these survivors' benefits. Contact the TRB for more information.

Disability allowance

If you become disabled and are no longer able to teach, you may be eligible for a disability allowance, as long as you were an active TRB member (i.e., making your TRB contributions) at the time of your application, although there is a three-month grace period.

Eligibility

To qualify for a disability allowance, you must meet the following criteria:

- You must be certified as disabled by your physician and approved by the TRB
  and
- You must have five or more years of Connecticut public school service
  or
  Your disability must be the result of a sickness or injury brought about while performing your duties as a teacher if you have less than five years of Connecticut public school service

Disabled means you are unable to perform any substantial work because of a physical or mental disability that is expected to be of long duration or result in death. A group of physicians appointed by the TRB will review each application for disability.

Disability allowance benefits

The amount of your disability allowance benefit will depend on

- Your average salary
- Your credited service
- Whether you are receiving workers' compensation and/or Social Security disability income benefits
- Any other income you earn

If you qualify for disability allowance benefits, you can receive up to 50% of your average salary. Also, if you are receiving workers' compensation and/or disability income benefits from Social Security, the system is designed so that together with these payments, you can receive up to 75% of your average salary. In no event will you receive less than 15% of your average salary.

The basic formula for calculating your annual disability allowance is:

2% times your average salary times your actual credited service

If you are able to earn some minimal income during the time you are disabled, your disability allowance does not stop. During the first two years you are receiving benefits, your benefit from the system will be reduced by 20% of the other income you earn. Beginning with the 25th month, your benefit will be reduced only if the total of your benefits from the system and your other income exceeds 100% of your average salary.

Your disability allowance benefit will continue as long as you are disabled or until the attainment of your normal retirement age (but not less than age 60). If your disability ends, you will receive credited service for the period of time you were receiving benefits. If you do not return to service, your disability benefit will be converted to a service retirement benefit. If this happens, you will be credited with the greater of

- Your actual service up to the time you become disabled
  or
- Your actual service plus the number of years you were disabled, to a maximum of 30 years

Post-retirement employment

If you choose to work after retirement as a teacher or in any certified teaching position in Connecticut public schools, you should know that certain earnings limitations apply. First, you may earn up to 45% of the maximum-level salary for the position you are occupying. If you exceed this limitation, you will be required to reimburse the TRB for the amount earned in excess of the limitation. Second, there is no earnings limitation for reemployment as a teacher (1) in a position designated by the Commissioner of Education as a subject shortage area for the school year in which the teacher is being employed; (2) in an identified priority school district for the school year in which the teacher is being employed; (3) if the teacher graduated from a public high school in an educational reform district, as defined in section 10-262u; or (4) if the teacher graduated from a historically Black college or university or a Hispanic-serving institution, as those terms are defined in the Higher Education Act of 1965, P.L. 89-329 (as amended from time to time and reauthorized by the Higher Education Opportunity Act of 2008, P.L. 110-315, as amended from time to time). Finally, you can stop your pension and have no earnings limitations. Any private employment or any public teaching service in another state is not affected by any of these limitations.

Also, if you are not age 62 or not receiving normal retirement at the time of your reemployment, you must wait six months before returning to work.

See the TRB website for a detailed explanation of these rules, **ct.gov/trb**.

CEA OFFERS RETIREMENT WORKSHOPS AND ADVOCACY THROUGHOUT THE YEAR

Retirement workshops are conducted for CEA members throughout the school year. These in-depth seminars provide a thorough explanation of all aspects of the State Teachers' Retirement System. Learn more and register at **cea.org**.

In addition to these workshops, CEA proposes retirement legislation, testifies at hearings on retirement matters, provides background information on retirement issues to legislators, and follows the progress of legislation through the Connecticut General Assembly. All of these services are funded entirely by CEA members' annual dues.

During the last 25 years, CEA's lobbying efforts have resulted in a doubling of the retiree health insurance subsidy, lowering of the retirement age and years-of-service requirements, a reduction in early retirement penalties, more opportunities for purchasing additional service credits (e.g., less than half-time service), greater survivor and disability benefits, and many other improvements.

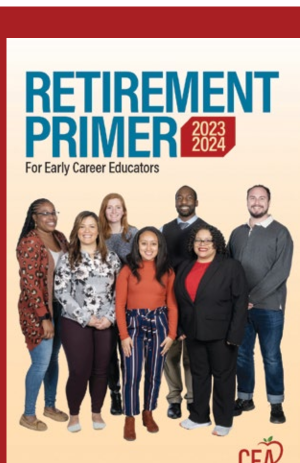
CEA staff and many CEA Retirement Commission members attend every State Teachers' Retirement Board (TRB) meeting to monitor its activities and decisions.

CEA members may direct questions about their retirement benefits to retirement specialist Robyn Kaplan-Cho at **robynk@cea.org** or 860-525-5641.

Retiring This Year?

Here's Your To-Do List

- ☐ Contact your local Association to see if your district has a retirement notification deadline. In some cases, severance payouts are linked to informing your district by a certain date.
- ☐ Ideally, file your retirement application (also found on the TRB website) four to six months before your effective date of retirement. Although you legally have until the last day of the month prior to your effective retirement date to file the application, you are strongly encouraged to file as early as possible.
- ☐ If you are purchasing additional credited service, make sure that all the required documentation has been submitted to the State Teachers' Retirement Board (TRB). All forms required for the purchase of service are found on the TRB website (ct.gov/trb).
- ☐ Be sure you have your birth certificate and, if applicable, your marriage license. A photocopy of your birth certificate must be provided as part of your retirement application. If you are electing retirement Plan D, you will also need a photocopy of your co-participant's birth certificate. If you will be enrolling your spouse in the TRB's Medicare insurance plan, you will need to provide a photocopy of your marriage license.
- ☐ Consider what the appropriate tax withholding will be for your teacher's pension, which is subject to state and federal taxes. If you typically receive assistance from a tax advisor or accountant when you file your taxes, you may wish to consult with that person about what the appropriate withholding will be for you in retirement.
- ☐ Make a copy of the application before you send it. Mail the original via return receipt requested so that you have proof it was received by the TRB.
- ☐ If you and/or your spouse will be enrolling in Medicare upon retirement, you must submit TRB's health insurance application at least 30 days prior to the effective start date, which is usually July 1 or September 1, depending on your district's policy. You can obtain a copy of the TRB's insurance application from the TRB website.
- ☐ Touch base with your local Social Security office. Even if you are not yet eligible for Social Security benefits or Medicare, your local office can help you understand your specific time frame for filing for these benefits in the future.



Retirement Primer for Early Career Teachers

This annual publication shares important information about the benefits provided through the Connecticut Teachers' Retirement System. Educating yourself early in your career will ensure your road to retirement is smooth and productive!

2023-2024
CEA Retirement Workshops

WORKSHOPS RUN FROM 4:00 TO 6:15 P.M.

- Wednesday, September 13, 2023 - VIRTUAL
- Tuesday, October 10, 2023 - VIRTUAL
- Thursday, October 26, 2023 – Walter C. Polson Middle School, Madison, CT
- Thursday, November 2, 2023 - VIRTUAL
- Wednesday, November 15, 2023 – Saxe Middle School, New Canaan, CT
- Tuesday, December 5, 2023 – E.O. Smith High School, Storrs, CT
- Monday, December 18, 2023 – VIRTUAL
- Monday, January 29, 2024 - VIRTUAL
- Thursday, March 14, 2024 – Torrington Middle School, Torrington, CT
- Thursday, April 4, 2024 - VIRTUAL
- Tuesday, April 23, 2024 – King Philip Middle School, West Hartford, CT
- Thursday, May 9, 2024 – Robert E. Fitch Senior High School, Groton, CT
- Monday, June 3, 2024 - VIRTUAL

About the Workshops

Who should register? Any CEA member who wishes to begin planning for retirement is encouraged to participate. It is never too early to educate yourself!

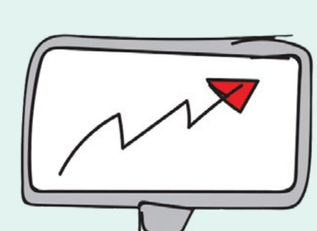
What issues will be covered? This comprehensive workshop will cover all issues related to the State Teachers' Retirement System, such as retirement eligibility, purchasing additional service, how Social Security may be affected, retiree health insurance, and choosing a retirement plan.

Will the workshop provide a question-and-answer session? Yes. Although many of your questions likely will be answered during the presentation, there will be time for a question-and-answer period.

Is there a fee to participate? No. These workshops are offered free of charge to all CEA members and are funded by CEA dues dollars.

Questions about registration? Contact Heidi Krutzky at 860-525-5641 or **heidik@cea.org**.

- You must register online. Visit **cea.org**.
- Members may register for any of the scheduled workshops. For virtual workshops, you will be sent a Zoom link.
- Each workshop is limited to the first 100 registrants.
- It might be helpful to review your most recent retirement statement prior to the workshop.



Register at cea.org/retirement-information.

You must be a CEA member to attend.

WHAT TO KNOW ABOUT SOCIAL SECURITY AND TEACHER RETIREMENT

Do Connecticut teachers participate in Social Security through their teaching positions?

Connecticut teachers do not participate in the Social Security (FICA) system.[1] As a result, they do not pay the required tax of 6.2% of salary and do not accrue Social Security credits. However, some school districts have an agreement with the Social Security Administration to include in Social Security certain part-time positions not covered by the State Teachers' Retirement System (STRS), such as coaching and extracurricular advisors. If you perform work in a district that covers such positions, you must pay the FICA tax even if you do not need or want the Social Security credit.

Why aren't we covered?

Years ago, the federal government allowed those employees who were not part of Social Security to elect whether or not to join. Connecticut teachers chose not to, because it was clear that the STRS is a significantly better retirement plan that takes into account the specific retirement and disability needs of teachers. An analysis performed by the State Teachers' Retirement Board confirmed this fact. Teachers in 14 other states (e.g., Ohio, California, Colorado, Massachusetts) similarly have chosen not to participate in Social Security. Moreover, because teachers are not covered, school districts are relieved of their obligation to pay the required employer contribution of 6.2% of salary for each teacher.

I held various private part-time jobs throughout my teaching career and have earned at least 40 credits of Social Security. Am I entitled to collect any Social Security benefits?

Yes. Public school teachers who have earned at least 40 credits of Social Security will be entitled to collect Social Security. A federal law, the Windfall Elimination Provision (WEP), may reduce the amount of your Social Security benefit.

How does the Windfall Elimination Provision work?

First, it is helpful to understand that Social Security benefits are intended to provide low-income workers with a higher replacement income in retirement than high-wage earners. Because teachers' salaries are not reflected in the Social Security system, and most teachers' earnings under Social Security are relatively low, they can be mistaken for low-wage earners. Under the WEP, a modified formula is used to rectify this. In general, the WEP results in teachers receiving approximately 50%-60% of the estimate provided in their annual Social Security statement. In no event should teachers lose their entire Social Security benefit. The WEP does not affect your Medicare eligibility or the amount of your STRS pension and does not kick in if you are still working. Finally, you should be aware that the Social Security Estimate of Benefits statement does not take into account the WEP and thus may overstate the future benefit to which you will be entitled. For a more accurate estimate of benefits, you should use the Online WEP Calculator at the Social Security Administration's website (**ssa.gov**).[2]

As a second-career teacher retired from private industry, will I lose 40%-50% of my Social Security benefits?

It depends on how long you worked under Social Security in your previous employment. The WEP is not intended to affect those teachers who have had a significant first career under Social Security. However, this is defined as 30 years of "substantial" Social Security earnings. That is, if you worked for 30 years or more and earned the "substantial earnings" amount each year (see chart on this page), you are totally exempt from the WEP and will receive all of your estimated benefits. If you had 21-29 years of substantial earnings under Social Security, your reduction will be scaled down from the normal reduction of approximately 40%.

Should I leave teaching, withdraw my retirement funds, and forgo collecting my teacher's pension in order to avoid losing some of my Social Security under the WEP?

The rules provide that a pension withdrawal is not a "pension" for GPO purposes if teachers withdraw only their contributions plus interest and relinquish all entitlements and benefits of the plan. For WEP purposes, such a withdrawal must occur before all factors of eligibility are met in order to avoid the modified formula. However, in many cases, from a financial standpoint, it is not worth forfeiting your right to a teacher's pension and to subsidized retiree health insurance for you and your spouse simply to collect your relatively low (albeit full) Social Security benefit. In fact, your accrued teacher's pension may amount to more than you think, perhaps even more than you were entitled to from Social Security in the first place. For example, the maximum Social Security benefit in 2023 for any individual retiring at full retirement age is $3,627 per month. Before making any critical decisions of this nature, please be sure to compare exactly what you would get from your teacher's pension versus what you would lose, if anything, under the WEP.

I have no Social Security credits of my own, but my spouse will be collecting Social Security benefits. Am I entitled to a spousal benefit or a widow's benefit?

Probably not. The Government Pension Offset (GPO) applies if you receive a pension from a job, such as teaching, where you did not pay Social Security taxes. Specifically, the GPO will reduce the amount of your Social Security spousal or widow's benefit by two-thirds of the amount of your teaching pension. For example, if you receive $5,000 per month from the STRS, two-thirds of that amount, or $3,333, will be deducted from your anticipated Social Security spousal or widow's benefit. In all likelihood, the Social Security benefit will be less than $3,333, so you will not receive anything from Social Security (but the GPO does not affect your Medicare eligibility). Also, while you are still working, the GPO does not apply, so in some limited cases, you may be entitled to spousal benefits until you retire and begin collecting your teacher's pension.

Substantial earning amounts for the purpose of the WEP exemption/reduction

Year	Substantial Earnings	Year	Substantial Earnings
1980	$5,100	2000	$14,175
1981	$5,550	2001	$14,925
1982	$6,075	2002	$15,750
1983	$6,675	2003	$16,125
1984	$7,050	2004	$16,275
1985	$7,425	2005	$16,725
1986	$7,875	2006	$17,476
1987	$8,175	2007	$18,150
1988	$8,400	2008	$18,975
1989	$8,925	2009-2011	$19,800
1990	$9,525	2012	$20,475
1991	$9,900	2013	$21,075
1992	$10,350	2014	$21,750
1993	$10,725	2015-2016	$22,050
1994	$11,250	2017	$23,625
1995	$11,325	2018	$23,850
1996	$11,625	2019	$24,675
1997	$12,150	2020	$25,575
1998	$12,675	2021	$26,550
1999	$13,425	2022	$27,300
		2023	$29,700

Why are teachers the target of the GPO?

Actually, all working spouses, not just teachers, are similarly affected. Spousal benefits from Social Security always have been intended for the dependent, or non-working spouse. In most cases, professionals in the private sector also do not collect a spousal benefit, because their own earned benefit is equal to or greater than their spouse's.

I think the GPO and WEP are unfair. What can I do?

These provisions are based on federal (not state) law and can only be changed by Congress. For years, CEA and NEA have lobbied for the repeal of the GPO and WEP. There has been more momentum in the last several sessions of Congress, so you should contact your U.S. representative and senators and ask that they support a repeal.

Some of my teaching colleagues are paying a 1.45% tax, and some are not. What is this for?

All teachers hired after March 31, 1986, or who transferred from one district to another after that date are required to pay 1.45% of their salary as a Medicare tax. Their local school district also pays this tax. These teachers will then be entitled to Medicare coverage when they turn 65.

I was hired before March 31, 1986. Am I entitled to Medicare coverage?

Pre-1986 hires qualify for Medicare in two ways. First, if you are married to someone who is eligible for Social Security benefits (even if not collecting) and is at least 62, you will be entitled to Medicare coverage at 65. If you are divorced, you must have been married to your ex-spouse for ten years in order to qualify for Medicare on his or her record. Second, if you have earned the 40 credits through other jobs that you have held outside of teaching, you also will be eligible for Medicare beginning at 65. If you retire with some Social Security credits but fall short of the required 40, you may earn more quarters through post-retirement employment. If you will never have the requisite 40 credits, you will never qualify for Medicare. In that case, when you turn age 65, you can remain in your local board of education's healthcare plan(s) for life. In no event will you be without any healthcare coverage in retirement.

What are Social Security credits, or "quarters," and how many do I need to qualify for a benefit?

As you work and pay Social Security taxes (FICA), you earn Social Security credits. In 2023, you earn one credit for each $1,640 in earnings that you have—up to a maximum of four credits per year. In general, you need 40 credits or quarters (10 years of work) to qualify for a Social Security benefit.

How do I find out how many credits I have earned or any other information about my Social Security coverage and benefits?

You can contact your regional Social Security office or visit **ssa.gov**.

[1] Except teachers at the Norwich Free Academy.

[2] Because teachers at the Norwich Free Academy do participate in Social Security, neither the WEP nor the GPO applies to them.

WEP and GPO Information in One Place

Find FAQs, talking points, action steps, benefit calculators, and more at **cea.org/wep-gpo/**. You can also share your story and help get WEP and GPO repealed.