



Senate

General Assembly

File No. 666

January Session, 2021

Senate Bill No. 1080

Senate, May 10, 2021

The Committee on Appropriations reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

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

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10-183b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2021*):

3 As used in this chapter, unless the context otherwise requires:

4 (1) "Actuarial reserve basis" means a basis under which the liabilities
5 of the retirement system are determined under acceptable actuarial
6 methods and under which assets are accumulated under a program
7 designed to achieve a proper balance between the accumulated assets
8 and the liabilities of the system.

9 (2) "Amortization of unfunded liabilities" means: (A) For fiscal years
10 ending on or before June 30, 2019, a systematic program of annual
11 payments determined as a level per cent of expected member annual
12 salaries in lieu of a lump sum payment; and (B) for fiscal years ending

13 on or after June 30, 2020, a systematic program of annual payments,
14 transitioning equally over five consecutive fiscal years from a level per
15 cent of expected annual member salaries to a level payment, in lieu of a
16 lump sum payment.

17 (3) "Annual salary" means the annual salary rate for service as a
18 Connecticut teacher during a school year but not including unused sick
19 leave, unused vacation, terminal pay, coaching or extra duty
20 assignments, unless compensation for coaching or extra duty
21 assignment was included in salary for which contributions were made
22 prior to July 1, 1971. In no event shall annual salary include amounts
23 determined by the board to be included for the purpose of inflating the
24 member's average annual salary. The inclusion in annual salary of
25 amounts paid to the member, in lieu of payment by the employer for the
26 cost of benefits, insurance, or individual retirement arrangements which
27 in prior years had been paid by the employer and not included in the
28 member's annual salary, shall be prima facie evidence that such
29 amounts are included for the purpose of inflating the member's average
30 annual salary. Annual salary shall not (A) include payments the timing
31 of which may be directed by the member, (B) include payments to a
32 superintendent pursuant to an individual contract between such
33 superintendent and a board of education, of amounts which are not
34 included in base salary, or (C) exceed the maximum amount allowed
35 under Section 401(a)(17) of the Internal Revenue Code for the applicable
36 limitation year, provided in no event shall the limitation under Section
37 401(a)(17) of the Internal Revenue Code apply to the annual salary of a
38 member whose membership began prior to January 1, 1996, if such
39 limitation would reduce the amount of the member's annual salary
40 below the amount permitted for calculation of the member's retirement
41 benefit under chapter 167a, without regard to the limitation under
42 Section 401(a)(17) of the Internal Revenue Code. Annual salary shall
43 include amounts paid to the member during a sabbatical leave during
44 which mandatory contributions were remitted, provided such member
45 returned to full-time teaching for at least five full years following the
46 completion of such leave.

47 (4) "Average annual salary" means the average annual salary received
48 during the three years of highest salary.

49 (5) "Board" means the Teachers' Retirement Board.

50 (6) "Child" means a natural child, an adopted child, or a stepchild of
51 a deceased member who has been a stepchild for at least one year
52 immediately prior to the date on which the member died. A child is a
53 "dependent child" of a deceased member if at the time of the member's
54 death (A) the member was living with the child or providing or
55 obligated to provide, by agreement or court order, a reasonable portion
56 of the support of the child, and (B) the child (i) is unmarried and has not
57 attained age eighteen, or (ii) is disabled and such disability began prior
58 to the child's attaining age eighteen.

59 (7) "Contributions" means amounts withheld pursuant to this chapter
60 and paid to the board by an employer from compensation payable to a
61 member. Prior to July 1, 1989, "mandatory contributions" are
62 contributions required to be withheld under this chapter and consist of
63 five per cent regular contributions and "one per cent contributions".
64 From July 1, 1989, to June 30, 1992, "mandatory contributions" are
65 contributions required to be withheld under this chapter and consist of
66 five per cent regular contributions and one per cent health
67 contributions. From July 1, 1992, to June 30, 2004, "mandatory
68 contributions" are contributions required to be withheld under this
69 chapter and consist of six per cent "regular contributions" and one per
70 cent health contributions. From July 1, 2004, to December 31, 2017,
71 "mandatory contributions" are contributions required to be withheld
72 under this chapter and consist of six per cent regular contributions and
73 one and one-fourth per cent health contributions. From January 1, 2018,
74 to December 31, 2019, inclusive, "mandatory contributions" are
75 contributions required to be withheld under this chapter and consist of
76 seven per cent "regular contributions" and one and one-fourth per cent
77 health contributions. On and after January 1, 2020, "mandatory
78 contributions" are contributions required to be withheld under this
79 chapter and consist of seven per cent "regular contributions" and one

80 and one-fourth per cent health contributions, except that no health
81 contributions shall be required for an employee of the state that (A) has
82 completed the vesting service necessary to receive health benefits
83 provided to retired state employees, and (B) does not participate in any
84 group health insurance plans maintained for retired teachers. Nothing
85 in this subdivision shall affect any other obligation of such a state
86 employee to contribute to the state's retiree health care trust fund.
87 "Voluntary contributions" are contributions by a member authorized to
88 be withheld under section 10-183i, as amended by this act.

89 (8) "Credited interest" means interest at the rate from time to time
90 fixed by the board consistent with industry standards and practices.
91 Such interest shall be applied to a member's account based on the
92 balance as of the previous June thirtieth. Credited interest shall be
93 assessed on any mandatory contributions which were due but not
94 remitted prior to the close of the school year for which salary was paid.

95 (9) "Current service" means service rendered in the current fiscal year.

96 (10) "Dependent former spouse" means a former spouse of a deceased
97 member who (A) has in his or her care a dependent child of the deceased
98 member; and (B) was receiving, or was entitled to receive, from the
99 deceased member at the time of the death of the deceased member, at
100 least one-half of his or her support; and (C) has not remarried; and (D)
101 is the parent of the child or adopted the child while married to the
102 member and before the child attained age eighteen or, while married to
103 the member, both of them adopted the child before the child attained
104 age eighteen.

105 (11) "Dependent parent" means a parent of a deceased member who
106 (A) has reached the age of sixty-five; and (B) has not married after the
107 death of the member; and (C) was receiving at least one-half of his or
108 her support from the member at the time of the member's death and files
109 proof of such support within two years of the date of the member's
110 death; and (D) is not receiving, or entitled to a federal or state old age
111 benefit based on the parent's own earnings, equal to or greater than the
112 amount the parent would be entitled to as a dependent parent under

113 this chapter. A "parent of a deceased member" is (i) the mother or father
114 of a deceased member; or (ii) a stepparent of a deceased member by a
115 marriage entered into before the member attained age sixteen; or (iii) an
116 adopting parent of a deceased member who adopted the deceased
117 member before the member attained age sixteen.

118 (12) "Designated beneficiary" means a person designated on a form
119 prescribed by the board by a member to receive amounts which become
120 payable under this chapter as the result of the member's death whether
121 before or after retirement. If a designated beneficiary is not living at the
122 time of the death of a member, the amounts that would have been
123 payable to the designated beneficiary shall be paid to the member's
124 estate.

125 (13) "Disabled" means the inability to perform any teaching service,
126 whether or not such service is performed full-time or part-time, in a
127 public or nonpublic school or a nonschool setting, on a volunteer basis
128 or for compensation, within or without the state, or engage in any
129 substantial gainful activity by reason of any medically determinable
130 physical or mental impairment [which] that (A) is permanent or can be
131 expected to last continually for not less than twelve months from the
132 onset of such impairment, or (B) can be expected to result in death or to
133 be of long-continued and indefinite duration, except that during the first
134 twenty-four months that a member is receiving a disability allowance,
135 "disabled" means the inability to perform the usual duties of his
136 occupation by reason of any such impairment.

137 (14) "Employer" means an elected school committee, a board of
138 education, the State Board of Education, the Office of Early Childhood,
139 the Board of Regents for Higher Education or any of the constituent
140 units, the governing body of the Children's Center and its successors,
141 the E. O. Smith School and any other activity, institution or school
142 employing members.

143 (15) "Formal leave of absence" means any absence from active service
144 in the public schools of Connecticut formally granted by a member's
145 employer as evidenced by contemporary records of the employer,

146 provided in the case of an absence due to illness, medical or other
147 evidence of such illness may, at the discretion of the Teachers'
148 Retirement Board, be accepted in lieu of evidence of the formal granting
149 of a leave.

150 (16) "Formal application of retirement" means (A) the member's
151 application, birth certificate or notarized statement supported by other
152 evidence satisfactory to the board, in lieu thereof, (B) records of service,
153 [when] if such records are required by the board to determine a salary
154 rate or years of creditable service, (C) a statement of payment plan,
155 [and,] including, if applicable, the fixed period of time selected by a
156 member under Plan C or the coparticipant's share designated under
157 Plan D, (D) in the case of an application for a disability benefit, a
158 physician's or an advanced practice registered nurse's statement of
159 health, and (E) any other documentation required by the board.

160 (17) "Funding" means the accumulation of assets in advance of the
161 payment of retirement allowances in accordance with a definite
162 actuarial program.

163 (18) "Member" means any Connecticut teacher employed for an
164 average of at least one-half of each school day, except that no teacher
165 who under any provision of the general statutes elects not to participate
166 in the system shall be a member unless and until the teacher elects to
167 participate in the system. Members teaching in a nonpublic school
168 classified as a public school by the board under the provisions of this
169 section may continue as members as long as they continue as teachers
170 in such school even if the school ceases to be so classified. A former
171 teacher who has not withdrawn his or her accumulated contributions
172 shall be an "inactive member". A member who, during the period of a
173 formal leave of absence granted by his or her employer, but not
174 exceeding an aggregate of ten school months, continues to make
175 mandatory contributions to the board, retains his or her status as an
176 active member.

177 (19) "Normal cost" means the amount of contribution which the state
178 is required to make into the retirement fund in order to meet the

179 actuarial cost of current service.

180 (20) "Public school" means any day school conducted within or
181 without this state under the orders and superintendence of a duly
182 elected school committee, a board of education, the State Board of
183 Education, the Office of Early Childhood, the board of governors or any
184 of its constituent units, the E. O. Smith School, the Children's Center and
185 its successors, the State Education Resource Center established pursuant
186 to section 10-4q of the 2014 supplement to the general statutes, revision
187 of 1958, revised to January 1, 2013, the State Education Resource Center
188 established pursuant to section 10-357a, joint activities of boards of
189 education authorized by subsection (b) of section 10-158a and any
190 institution supported by the state at which teachers are employed or any
191 incorporated secondary school not under the orders and
192 superintendence of a duly elected school committee or board of
193 education but located in a town not maintaining a high school and
194 providing free tuition to pupils of the town in which it is located, and
195 which has been approved by the State Board of Education under the
196 provisions of part II of chapter 164, provided that such institution or
197 such secondary school is classified as a public school by the retirement
198 board.

199 (21) "Retirement allowance" means payments for life derived from
200 member contributions, including credited interest, and contributions
201 from the state.

202 (22) "School year" means the twelve months ending on June thirtieth
203 of each year.

204 (23) "Surviving spouse" means a widow or widower of a deceased
205 member who (A) was living with the member at the time of the
206 member's death, or receiving, or entitled by court order or agreement to
207 receive, regular support payments from the member, and (B) has not
208 remarried.

209 (24) "Survivors" means a surviving spouse, a dependent former
210 spouse, a dependent child and a dependent parent.

211 (25) "System" means the Connecticut teachers' retirement system.

212 (26) "Teacher" means (A) any teacher, permanent substitute teacher,
213 principal, assistant principal, supervisor, assistant superintendent or
214 superintendent employed by the public schools in a professional
215 capacity while possessing a certificate or permit issued by the State
216 Board of Education, provided on and after July 1, 1975, such certificate
217 shall be for the position in which the person is then employed, except as
218 provided for in section 10-183qq, (B) certified personnel who provide
219 health and welfare services for children in nonprofit schools, as
220 provided in section 10-217a, under an oral or written agreement, (C) any
221 person who is engaged in teaching or supervising schools for adults if
222 the annual salary paid for such service is equal to or greater than the
223 minimum salary paid for a regular, full-time teaching position in the
224 day schools in the town where such service is rendered, (D) a member
225 of the professional staff of the State Board of Education, the Office of
226 Early Childhood, or of the Board of Regents for Higher Education or any
227 of the constituent units, and (E) a member of the staff of the State
228 Education Resource Center established pursuant to section 10-4q of the
229 2014 supplement to the general statutes, revision of 1958, revised to
230 January 1, 2013, or the State Education Resource Center established
231 pursuant to section 10-357a, employed in a professional capacity while
232 possessing a certificate or permit issued by the State Board of Education.
233 A "permanent substitute teacher" is one who serves as such for at least
234 ten months during any school year.

235 (27) "Unfunded liability" means the actuarially determined value of
236 the liability for service before the date of the actuarial valuation less the
237 accumulated assets in the retirement fund.

238 (28) "Internal Revenue Code" means the Internal Revenue Code of
239 1986, or any subsequent corresponding internal revenue code of the
240 United States, as from time to time amended, and any regulations
241 promulgated under or interpretations of said code that may affect this
242 chapter.

243 (29) "Limitation year" means the twelve-month period beginning

244 each July first and ending each June thirtieth.

245 Sec. 2. Section 10-183f of the general statutes is repealed and the
246 following is substituted in lieu thereof (*Effective July 1, 2021*):

247 (a) A member is eligible to receive a normal retirement benefit [who]
248 if such member (1) has attained age sixty and has accumulated twenty
249 years of credited service in the public schools of Connecticut, or (2) has
250 attained any age and has accumulated thirty-five years of credited
251 service, at least twenty-five years of which are service in the public
252 schools of Connecticut.

253 (b) A member is eligible to receive a proratable retirement benefit
254 [who] if such member has attained age sixty prior to termination of
255 service and has accumulated at least ten years of credited service in the
256 public schools of Connecticut.

257 (c) A member is eligible to receive an early retirement benefit [who]
258 if such member has accumulated twenty-five years of credited service
259 at least twenty years of which are service in the public schools of
260 Connecticut, or [who] if such member has attained the age of fifty-five
261 and has accumulated at least twenty years of credited service, at least
262 fifteen of which are service in the public schools of Connecticut.

263 (d) A member is eligible to receive a deferred vested retirement
264 benefit beginning at age sixty [who] if such member: (1) Has
265 accumulated ten years of credited service in the public schools of
266 Connecticut; and (2) terminates service before becoming eligible for any
267 other retirement benefit; and (3) leaves his or her accumulated
268 contributions with the system.

269 (e) Repealed by P.A. 79-541, S. 5, 6.

270 (f) The survivors of a member who dies (1) while in service in the
271 public schools of Connecticut, (2) within two months after withdrawal
272 from such service and prior to the effective date of such member's
273 retirement or (3) while receiving a disability benefit under section 10-
274 183aa, as amended by this act, shall receive survivors' benefits. [, except

275 that, if a member who has elected a coparticipant option, under section
276 10-183j, dies after such option becomes effective, such coparticipant
277 option shall be given effect and no survivors' benefits shall be payable.]
278 Before any survivors' benefits are paid, the board shall receive such
279 applications and other documents and information as it deems
280 necessary.

281 (g) Notwithstanding any provision of this chapter, pursuant to
282 Section 401(a)(9) of the Internal Revenue Code, a member shall begin
283 receiving benefits under this chapter no later than April first of the
284 calendar year following the calendar year in which (1) the member
285 attains age seventy and one-half, or seventy-two for members who
286 attain such age on or after January 1, 2020, or (2) if the member retires
287 after age seventy and one-half, [the] or seventy-two for members who
288 attain such age on or after January 1, 2020, in the calendar year in which
289 such member retires.

290 Sec. 3. Subsection (a) of section 10-183i of the general statutes is
291 repealed and the following is substituted in lieu thereof (*Effective July 1,*
292 *2021*):

293 (a) A member may make voluntary contributions to the system and
294 may, no more than once, withdraw such voluntary contributions from
295 the system under rules of the board. Any voluntary contribution shall
296 be made solely by payroll deduction of an amount subject to state,
297 federal or local tax in the tax or income year in which such voluntary
298 contribution is made. Voluntary contributions shall be subject to the
299 limitations imposed under Section 415(c) of the Internal Revenue Code
300 for the applicable limitation year. Such contributions shall earn credited
301 interest. Upon retirement such member shall elect to receive the
302 accumulated contributions plus credited interest either in a lump sum
303 or in the form of an actuarially equivalent annuity for life. Such lump
304 sum, [or] if elected, shall be paid not later than three months after the
305 effective date of retirement, except the board may delay payment of
306 such lump sum in the case of extenuating circumstances. If such delay
307 occurs, the board shall submit a written notice to the member explaining

308 the nature of the extenuating circumstances and an estimate as to when
309 such lump sum shall be paid. Payment of such annuity, if elected, shall
310 [be paid or commenced to be paid] commence when the first payment
311 of such member's other retirement benefit is made. If such member dies
312 before the effective date of his or her retirement, the accumulated
313 contributions plus credited interest shall be paid to such member's
314 designated beneficiary.

315 Sec. 4. Section 10-183l of the general statutes is repealed and the
316 following is substituted in lieu thereof (*Effective July 1, 2021*):

317 (a) (1) On and after July 1, 1991, the management of the system shall
318 continue to be vested in the Teachers' Retirement Board, whose
319 members shall include the Treasurer, the Secretary of the Office of Policy
320 and Management and the Commissioner of Education, or their
321 designees, who shall be voting members of the board, ex officio. (2) On
322 or before June 15, 1985, and quadrennially thereafter, the members of
323 the system shall elect from their number, in a manner prescribed by said
324 board, two persons to serve as members of said board for terms of four
325 years beginning July first following such election. Both of such persons
326 shall be active teachers who shall be nominated by the members of the
327 system who are not retired and elected by all the members of the system.
328 On or before July 1, 1991, and quadrennially thereafter, the members of
329 the system shall elect from their number, in a manner prescribed by said
330 board, three persons to serve as members of said board for terms of four
331 years beginning July first following such election. Two of such persons
332 shall be retired teachers who shall be nominated by the retired members
333 of the system and elected by all the members of the system and one shall
334 be an active teacher who shall be nominated by the members of the
335 system who are not retired and elected by all the members of the system.
336 (3) On or before July 1, 2011, and quadrennially thereafter, the members
337 of the system shall elect from their number, in a manner prescribed by
338 said board, one person to serve as a member of said board for a term of
339 four years beginning July first following such election. Such person shall
340 be an active teacher who shall be nominated by the members of the
341 system who are not retired, elected by all the members of the system

342 and a member of an exclusive representative of a teachers' bargaining
343 unit that is not represented by the members of the board elected under
344 subdivision (2) of this subsection. (4) If a vacancy occurs in the positions
345 filled by the members of the system who are not retired, said board shall
346 elect a member of the system who is not retired to fill the unexpired
347 portion of the term. If a vacancy occurs in the positions filled by the
348 retired members of the system, said board shall elect a retired member
349 of the system to fill the unexpired portion of the term. The Governor
350 shall appoint five public members to said board in accordance with the
351 provisions of section 4-9a, one of whom shall be the mayor, first
352 selectman or chief elected official of a municipality. On and after the
353 effective date of this section, the Governor shall fill the next vacant
354 position on the board that is appointed by the Governor with a person
355 who is the mayor, first selectman or chief elected official of a
356 municipality. The members of the board shall serve without
357 compensation, but shall be reimbursed for any expenditures or loss of
358 salary or wages which they incur through service on the board. [All
359 decisions of the board shall require the approval of six members of the
360 board or a majority of the members who are present, whichever is
361 greater] A majority of the membership of the board shall constitute a
362 quorum for the transaction of any business.

363 (b) In carrying out its duties, the board may employ [a secretary] a
364 chief administrator with a title established by the board, who shall also
365 serve as secretary of the board, an administrative officer and such
366 [clerical and other assistance] staff as may be necessary. Their salaries
367 shall be paid by said board with the approval of the Secretary of the
368 Office of Policy and Management. Said board shall employ the services
369 of one or more actuaries, each of which shall be an individual or firm
370 having on its staff a fellow of the Society of Actuaries, to carry out the
371 actuarial duties of this section and sections 10-183b, as amended by this
372 act, 10-183r, and 10-183z and for such related purposes as the board
373 deems advisable. The cost of such services shall be charged to the funds
374 provided for in section 10-183r. Said board shall arrange for such
375 actuary to prepare an actuarial valuation of the assets and liabilities of
376 the system as of June 30, 1980, and at least once every two years

377 thereafter. On the basis of reasonable actuarial assumptions approved
378 by the board, such actuary shall determine the [normal cost] actuarially
379 determined employer contribution required to meet the actuarial cost of
380 current service and the unfunded accrued liability. Commencing
381 December 1, 2002, such valuation shall be completed prior to December
382 first biennially. Said board shall adopt all needed actuarial tables and
383 may adopt regulations and rules not inconsistent with this chapter,
384 including regulations and rules for payment of purchased service
385 credits and repayment of previously withdrawn accumulated
386 contributions. Said board shall establish [such funds as are] an
387 operational budget necessary for the management of the system. The
388 board may enter into such contractual agreements, in accordance with
389 established procedures, as may be necessary for the discharge of its
390 duties.

391 Sec. 5. Section 10-183p of the general statutes is repealed and the
392 following is substituted in lieu thereof (*Effective July 1, 2021*):

393 [(a) Any member of either the state employees retirement system or
394 the teachers' retirement system, if eligible to belong to the other or in
395 accordance with the provisions of subsection (h) of section 5-160 or
396 section 5-192e, may transfer from the one to which such member
397 belongs to the other or prior to the first of the month following three
398 months after June 28, 1985, to an alternate retirement program, as
399 defined in subsection (u) of section 5-154, when authorized to do so, in
400 the case of a transfer between said systems or a transfer from the
401 teachers' retirement system to an alternate retirement program, by the
402 concurrent action of the State Employees Retirement Commission and
403 the Teachers' Retirement Board. No person shall be eligible to
404 membership in more than one such system or program at the same time,
405 provided nothing contained herein shall affect the rights of any person
406 who, on June 18, 1953, was a member of both systems. Any member of
407 the teachers' retirement system who elects or has elected to participate
408 in an alternate retirement program shall receive a refund of all
409 contributions made by him into said system in lieu of any benefits under
410 said system. Any former state employee who was, during such

411 employee's period of employment, eligible to belong to either the state
412 employees retirement system or the teachers' retirement system and
413 who withdrew from the state employees retirement system after July 1,
414 1940, to become a member of the teachers' retirement system may be
415 credited in the teachers' retirement system with such member's period
416 of state service upon making application in writing to the secretary of
417 the Teachers' Retirement Board and paying contributions for such
418 period of service with credited interest from the date such service was
419 rendered.

420 (b) No person who has creditable service as a member of the state
421 employees retirement system and who transfers, on or after May 6, 1975,
422 to the teachers' retirement system shall be entitled to benefits from the
423 teachers' retirement system until such person has been a member of and
424 contributed to said system for a period of one year. If such transferee
425 dies or becomes disabled before completion of that one year, such
426 transfer shall be deemed to be cancelled and such person shall be
427 deemed to be a member of the state employees retirement system.]

428 Any member who is also a participant in an alternate retirement
429 program, as defined in subsection (u) of section 5-154, the state
430 employees retirement system or any other retirement system may
431 purchase service credit in the Connecticut teachers' retirement system
432 in accordance with section 10-183e, provided such member withdraws
433 any and all employee funds and forfeits all employer contributions and
434 earnings thereon in the respective system, other than the Social Security
435 System or the nonregular military retirement system under 10 USC
436 Chapter 1223, as amended from time to time. No person shall be eligible
437 for membership in more than one such system or program at the same
438 time for the same service.

439 Sec. 6. Section 10-183v of the general statutes is repealed and the
440 following is substituted in lieu thereof (*Effective July 1, 2021*):

441 (a) (1) Except as provided in subdivisions (2) and (3) of this subsection
442 and subsection (b) of this section, a teacher receiving retirement benefits
443 from the system may not be employed by an employer in a teaching

444 position receiving compensation paid out of public money appropriated
445 for school purposes except that such teacher may be employed in such
446 a position and receive no more than forty-five per cent of the maximum
447 salary level for the assigned position for each school year. Any teacher
448 who receives in excess of such amount shall reimburse the board for the
449 amount of such excess.

450 (2) Commencing July 1, 2016, to June 30, 2020, inclusive, the
451 provisions of subdivision (1) of this subsection establishing a limitation
452 on the compensation of a reemployed teacher and requiring the
453 reimbursement of any amount received in excess of that limitation shall
454 not apply to a teacher who (A) is receiving retirement benefits from the
455 system based on thirty-four or more years of credited service, (B) is
456 reemployed as a teacher in a district designated as an alliance district
457 pursuant to section 10-262u, and (C) was serving as a teacher in that
458 district on July 1, 2015.

459 (3) On and after July 1, 2016, a teacher receiving retirement benefits
460 from the system may be employed in a teaching position and receive (A)
461 compensation paid out of public money appropriated for school
462 purposes, (B) health insurance benefits, and (C) other employment
463 benefits provided to active teachers employed by such school system,
464 provided such teacher does not receive a retirement income during such
465 employment. Payment of such teacher's retirement income shall resume
466 on the first day of the month following the termination of such
467 employment. The compensation under subparagraph (A) of this
468 subdivision shall be provided in accordance with subsection (c) of this
469 section.

470 (4) Notice of employment under this subsection shall be sent to the
471 board by the employer at the beginning and end of the school year, or
472 assignment within the school year when reemployed for less than the
473 full school year.

474 (b) A teacher receiving retirement benefits from the system may be
475 reemployed for up to one full school year by a local board of education,
476 the State Board of Education or by any constituent unit of the state

477 system of higher education (1) in a position designated by the
478 Commissioner of Education as a subject shortage area for the school year
479 in which the teacher is being employed, (2) at a school located in a school
480 district identified as a priority school district, pursuant to section 10-
481 266p, for the school year in which the teacher is being employed, (3) if
482 the teacher graduated from a public high school in an educational
483 reform district, as defined in section 10-262u, or (4) if the teacher
484 graduated from an historically black college or university or a Hispanic-
485 serving institution, as those terms are defined in the Higher Education
486 Act of 1965, P.L. 89-329, as amended from time to time, and reauthorized
487 by the Higher Education Opportunity Act of 2008, P.L. 110-315, as
488 amended from time to time. Notice of such reemployment shall be sent
489 to the board by the employer and by the retired teacher at the time of
490 hire and at the end of the assignment. Such reemployment may be
491 extended for [an] one additional school year, not to exceed two school
492 years over the lifetime of the retiree, provided the local board of
493 education (A) submits a written request for approval to the Teachers'
494 Retirement Board, (B) certifies that no qualified candidates are available
495 prior to the reemployment of such teacher, and (C) indicates the type of
496 assignment to be performed, the anticipated date of rehire and the
497 expected duration of the assignment.

498 (c) The employment of a teacher under subsections (a) and (b) of this
499 section shall not be considered as service qualifying for continuing
500 contract status under section 10-151 and the salary of such teacher shall
501 be fixed at an amount at least equal to that paid other teachers in the
502 same school system with similar training and experience for the same
503 type of service.

504 (d) No person shall be entitled to survivor's benefits under subsection
505 (f) of section 10-183f, as amended by this act, as a result of reemployment
506 under this section.

507 (e) The same option plan of retirement benefits in effect prior to
508 reemployment shall continue for a reemployed teacher during
509 reemployment.

510 (f) Any member in violation of any provision of this section, as
511 determined by the board, shall be required to reimburse the board for
512 all amounts such member received in excess of the amount permitted
513 under this section. Such reimbursement shall be accomplished through
514 an offset of all or a portion of the excess amount which can be recaptured
515 commencing with the next immediate retirement benefit payment
516 issued to such member. Such member may request an alternative
517 payment method to reimburse the board for the excess amount through
518 an acceptable alternative method agreed to by the board.

519 (g) In no event shall a retired member be permitted to revert to active
520 status after the effective date of retirement, except a member may
521 suspend their retirement benefit for reemployment purposes.

522 [(f)] (h) The provisions of this section in effect on June 30, 2003,
523 revision of 1958, revised to January 1, 2003, shall be applicable to any
524 person making contributions to the Teachers' Retirement System on
525 June 30, 2003, in accordance with said provisions.

526 (i) For purposes of this section, "employed" and "reemployed" mean
527 to hire, retain or otherwise procure the services of a retired teacher or
528 member by an employer.

529 Sec. 7. Section 10-183y of the general statutes is repealed and the
530 following is substituted in lieu thereof (*Effective July 1, 2021*):

531 Any member may appeal to the Teachers' Retirement Board for
532 reconsideration of a decision of the board affecting such member. Such
533 member shall submit with such appeal a written statement identifying
534 the section of the general statutes that provides for the benefit to which
535 such member claims he or she was entitled and denied and received a
536 written denial for such request. Such appeal shall be made within ninety
537 days of the date of issuance of written notice of such decision. The board
538 shall meet to review such member's records and, if requested in writing,
539 allow such member to appear at such meeting. The board shall render a
540 written decision within sixty days of receipt of such request for
541 reconsideration.

542 Sec. 8. Section 10-183aa of the general statutes is repealed and the
543 following is substituted in lieu thereof (*Effective July 1, 2021*):

544 (a) (1) An active member is eligible for a disability allowance if he or
545 she has [(1)] (A) become disabled as a result of any sickness or injury
546 incurred in the performance of his or her duty as a teacher, without
547 regard to the member's accumulated years of service at the time the
548 disability is incurred; or [(2)] (B) accumulated at least five years of
549 service in the public schools and becomes disabled, without regard to
550 whether the disability was incurred in the performance of his or her
551 duty as a teacher.

552 (2) Any active member seeking a disability allowance shall submit to
553 the board a formal application for disability allowance, which shall
554 include the following: (A) The member's application; (B) the member's
555 birth certificate or, in lieu thereof, a notarized statement supported by
556 other evidence satisfactory to the board; (C) records of service, if such
557 records are required by the board to determine a salary rate or years of
558 creditable service; (D) a physician's statement of health for the member,
559 including, but not limited to, medical reports and office notes from such
560 physician; (E) in the case of a member who is married, a marriage
561 certificate; (F) an employer's statement regarding work performance,
562 attendance records and any other information regarding the member's
563 disability; (G) the member's statement outlining the effect his or her
564 impairment has on the ability to perform the duties of his or her
565 occupation; and (H) any other documentation required by the board.
566 For any formal application for disability allowance filed on or after July
567 1, 1986, upon a finding by the board that extenuating circumstances
568 relating to the health of an active member caused a delay in the filing of
569 such member's complete formal application for disability allowance, the
570 board may deem such application to have been filed up to three months
571 earlier than the actual date of such filing.

572 (b) The disability allowance is computed as follows: Two per cent
573 times credited service to the date of disability multiplied by average
574 annual salary, provided such allowance shall not be less than fifteen per

575 cent or more than fifty per cent of the member's average annual salary.
576 In no case shall such disability allowance, less cost of living adjustments,
577 plus any initial award of Social Security benefits and workers'
578 compensation, exceed seventy-five per cent of the member's average
579 annual salary.

580 (c) The board shall designate a medical committee to be composed of
581 no more than five physicians. If required, other physicians may be
582 employed to report on special cases. Such medical committee shall
583 review each application for a disability allowance and shall make
584 findings and recommendations in writing to the board. The medical
585 committee shall perform additional examinations or case reviews as
586 deemed necessary by the board. Members of such committee shall
587 receive compensation for their services at a rate to be determined by the
588 board.

589 (d) The disability allowance being paid to a member shall cease when
590 and if the disability ends. The board may determine that a member's
591 disability has ended if it finds, upon the recommendation of its medical
592 committee, that the member has failed to pursue an appropriate
593 program of treatment. In either event, such member shall receive
594 credited service for the years he received such disability allowance
595 subject to a maximum total credit of thirty years, or actual years of
596 credited service to the date the disability commenced, whichever is
597 greater. Such member, if eligible, may then (1) retire on a normal, early
598 or proratable retirement benefit, or (2) retain a vested right to a deferred
599 normal, early or proratable retirement benefit. Upon attainment of the
600 member's normal retirement date, as determined by his age and
601 credited service, including the credited service granted by this
602 subsection, the member's disability allowance shall convert to a normal
603 or other service retirement, which shall be payable either in the normal
604 form or under an optional payment form under section 10-183j. The
605 board may require periodic medical examinations.

606 (e) No credit for a period of service of any kind prior to the months
607 in which contribution therefor is made shall be given under this chapter

608 or any special act in determining service in connection with an
609 application for disability allowance other than for injury received in
610 performance of duty as a teacher if such disability occurred within five
611 years after contributions and required interest on account of such period
612 were paid in full. The foregoing limitation shall not apply to (1) any
613 reinstatement of prior Connecticut teaching service, or (2) credit
614 obtained immediately after transfer from the state employees retirement
615 system under this chapter for service previously credited in said system;
616 but in the case of such transfer, no allowance on account of disability
617 occurring within such five-year period, other than for injury received in
618 performance of duty as a teacher, shall exceed the benefit which would
619 have been payable by said system if transfer had not been made.

620 (f) During the first twenty-four months of payment of the disability
621 allowance to a member, twenty per cent of all of such member's outside
622 earned income or wages shall be offset against the disability allowance
623 payable, unless the board determines that such earned income or wages
624 are being paid as part of the rehabilitation of the member. At the
625 expiration of such twenty-four-month period, if the total of the disability
626 allowance and outside earned income exceeds one hundred per cent of
627 average annual salary, the disability allowance will be reduced by the
628 amount of such excess over one hundred per cent. The board shall adopt
629 regulations, in accordance with the provisions of chapter 54, concerning
630 procedures for verification of the income of members in receipt of a
631 disability allowance.

632 (g) All members of the teachers' retirement system who are receiving
633 disability payments under subsection (e) of section 10-183g of the
634 general statutes, revision of 1958, revised to 1979, may, using a form
635 provided by the board, elect to have their disability payments
636 recomputed with regard to the percentage basis and pursuant to the
637 provisions of this section and section 10-183bb. Such election shall not
638 be revocable.

639 Sec. 9. (NEW) (*Effective July 1, 2021*) (a) The Teachers' Retirement
640 Board shall establish a rollover account for each active, inactive and

641 disabled member who submits a formal application of retirement, as
642 defined in section 10-183b of the general statutes, as amended by this
643 act. Any such member may make rollover contributions of any pretax
644 assets maintained in an eligible retirement plan to such rollover account
645 at any time within two months prior to such member's retirement date,
646 as designated in such application. The board shall not accept any such
647 rollover contribution after a member's retirement date. For purposes of
648 this section, "eligible retirement plan" means an eligible retirement plan
649 as defined in Section 402(c)(8)(B) of the Internal Revenue Code of 1986,
650 or any subsequent corresponding internal revenue code of the United
651 States, as amended from time to time.

652 (b) Commencing with retirements effective September 1, 2021, or
653 later, any amount in a retired member's rollover account shall be
654 distributed to such member in the form of an actuarially equivalent
655 annuity for life, using the annuity rates adopted by the board for the
656 selected retirement date and under the terms and conditions of the
657 payment plan option the member selected on his or her formal
658 application of retirement, as defined in section 10-183b of the general
659 statutes, as amended by this act. If such member dies prior to the date
660 of his or her retirement, the accumulated rollover funds shall be
661 distributed under the terms and conditions of the payment plan option
662 the member elected on such application.

663 (c) The board shall adopt policies and procedures regarding the
664 prudent and efficient operation of rollover accounts established
665 pursuant to subsection (a) of this section, which shall include, but need
666 not be limited to, application and payment procedures for such
667 accounts.

668 (d) The funds in a member's rollover account shall be used only for
669 distributions in accordance with subsection (b) of this section. The funds
670 in such account may not be applied toward the purchase of additional
671 credited service pursuant to section 10-183e of the general statutes. No
672 interest shall be applied to any funds contained in a member's rollover
673 account.

674 (e) Rollover contributions made in accordance with this section shall
 675 not be treated as contributions, as defined in section 10-183b of the
 676 general statutes, as amended by this act, and the board shall not subject
 677 such contributions to the limitations imposed under Section 415(c) of the
 678 Internal Revenue Code of 1986, or any subsequent corresponding
 679 internal revenue code of the United States, as amended from time to
 680 time.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	10-183b
Sec. 2	<i>July 1, 2021</i>	10-183f
Sec. 3	<i>July 1, 2021</i>	10-183i(a)
Sec. 4	<i>July 1, 2021</i>	10-183l
Sec. 5	<i>July 1, 2021</i>	10-183p
Sec. 6	<i>July 1, 2021</i>	10-183v
Sec. 7	<i>July 1, 2021</i>	10-183y
Sec. 8	<i>July 1, 2021</i>	10-183aa
Sec. 9	<i>July 1, 2021</i>	New section

APP *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which does not result in a fiscal impact, makes various changes to the statutes governing the Teachers' Retirement System that serve to clarify the administration of benefits or bring the statutes into conformity with federal law.

These changes include: 1) updating the age at which minimum distribution requirements must be made to 72 for members who attain that age on or after January 1, 2020 as required under federal law; 2) clarifying that any voluntary contributions can only be made by payroll deduction on an after-tax basis; 3) clarifying that the majority of the membership of the Teachers' Retirement Board is a quorum for the transaction of any business; and 4) specifying that a member must provide a statutory basis for any appeal.

The Out Years

State Impact: None

Municipal Impact: None

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)