

Special Retirement Issue

CEA *Advisor*

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Understanding and Planning Your Retirement

This publication is designed to help you better understand and plan your retirement. In addition to the upcoming CEA Regional Retirement Workshop schedule, it includes a summary of the benefits provided to you by the Connecticut State Teachers' Retirement System, a review of recent legislative changes, and important investment information. It is updated annually by CEA's Department of Policy and Professional Practice.

News Briefs

LEGISLATIVE WRAP-UP 2011

Governor and Legislature Make Full Pension and Retiree Health Contributions

Despite one of the toughest economic climates in state history, the State Teachers' Retirement Fund and the Retired Teachers' Health Insurance Fund both fared extremely well. Governor Dannel Malloy and the General Assembly appropriated the fully required actuarial amount for both funds for both fiscal years of the budget. For the Retirement Fund, that resulted in an appropriation of \$757,246,000 for fiscal year 2012 and \$787,536,000 for fiscal year 2013. This fiscally prudent action will help these funds to continue to grow and reap the investment returns necessary for long-term viability.

The Composition of the State Teachers' Retirement Board (STRB)

Pursuant to Public Act 11-48, the composition of the State Teachers' Retirement Board was amended to add the state treasurer and the secretary of the Office of Policy and Management (OPM) as ex-officio, voting members. In addition, the STRB now includes a fourth active teacher seat. As a result, the STRB is now comprised of 14 members.

FROM THE INVESTMENT SIDE

The \$14.3 billion Teachers' Retirement Fund (TRF) is invested by the state treasurer who is the sole fiduciary of this and the 13 other state and municipal pension and trust funds which comprise the \$25.5 billion State of Connecticut Retirement Plans & Trust Funds (CRPTF). The TRF represents 56% of the CRPTF. As sole fiduciary, the treasurer is legally responsible for prudently investing these assets and maximizing investment returns. The Investment Advisory Council (IAC), which consists of 12 members including three teacher union representatives, advises the treasurer in such areas as investment policy and asset allocation.

During the fiscal year to date ending May 31, 2011, the TRF achieved a total return of 21.59%, outperforming its benchmark return of 21.36% by 23 basis points. For the three years ending May 31, 2011, TRF returned 2.74%, outperforming the benchmark return of 2.30% by 44 basis points. For the five years ending May 31, 2011, TRF returned 4.88%, outperforming the benchmark return of 4.72% by 16 basis points.

Based on the calculation rate utilized by the State Teachers' Retirement Board's actuary, on June 30, 2011, active teachers' 6% Accounts and 1% Supplemental Accounts were credited with an interest rate of 5.2%. This return is achieved based on an actuarial method called "smooth market value procedure" whereby any gains and losses of the fund are phased in over a 10-year period. This minimizes volatility in the final rate and includes in the current year some previously unrecognized gains and losses. Members' Voluntary Accounts were posted with a credited interest rate of 23.41%. This represents the estimated actual rate of return since

the smoothing method can no longer be applied to the Voluntary Accounts.

Pension funds in TRF were invested across 11 diverse asset classes: Liquidity Fund, domestic equities, international equities (developed and emerging markets), fixed income (core, high yield, inflation linked, and emerging market debt), real estate, and private investments. Domestic equities comprised the largest allocation (26.6%). The remaining asset allocation was as follows as of May 31, 2011: Liquidity Fund (4.3%); international equities developed markets (22.0%); international equities emerging markets (10.7%); real estate (4.3%); core U.S. fixed income (10.1%); emerging market debt (4.4%); high yield (2.9%); inflation linked bonds (4.0%); Alternative Investment Fund (2.0%); and private investments (8.7%).

For more information on the Office on the State Treasurer, including detailed investment information about the CRPTF (including specific holdings), visit its Web site at www.state.ct.us/ott/

STRB DISABILITY COVERAGE: AN IMPORTANT BENEFIT YOU HOPE YOU NEVER NEED

While most teachers are at least somewhat familiar with the retirement benefits provided through the State Teachers' Retirement Board (STRB), many are unaware that the STRB also provides disability protection. If at any time you are unable to teach due to a permanent, long-term disability, you should consider applying for the STRB disability allowance.

Any teacher who has accrued five or more years of teaching service in the public schools of Connecticut is eligible to apply for the disability allowance; a teacher with less than five years of service would qualify for these benefits only if the disability was service related. Moreover, the teacher must have an active employment status with his/her local board of education, and must prove, through personal and medical documentation, that he or she can no longer work due to a permanent,

long-term physical or psychological disability.

The application process is quite simple, requiring the following information: a personal statement that outlines the effect the illness has had on the teacher's ability to perform the job and the effect on the day-to-day personal activities; all relevant medical reports, tests, evaluations, diagnoses and medical treatments; and a statement from the district's human resources director that provides background on the teacher's employment status, including days missed from school, difficulties at work, and additional assistance required at work. Once the application is completed, the physicians comprising the Medical Review Committee of the STRB review it. It is important to note that all physical examinations are performed by the teacher's own doctors. The Medical Review Committee then makes a recommendation to the 14 members of the STRB to either approve or reject the application.

If approved, the teacher will be entitled to a monthly benefit equal to 2% for every year of service completed, up to a maximum of 50% of the average of the highest three years of salary (the minimum benefit is 15% of salary). For example, a teacher with 22 years of full-time teaching service as of the date of the application would receive a benefit equal to 44% of the average of his or her highest three years of salary. However, while on disability, the teacher continues to accrue teaching service credit, to a maximum of 30 years. When the teacher turns age 60, with at least 20 years of service credit (this may occur before reaching the maximum limit of 30 years), the disability allowance will be converted to a normal retirement benefit automatically.

Some teachers also have a private disability plan obtained either on their own or through their local board of education. While the STRB disability allowance is not affected by such a private plan, the reverse may not be true. Therefore, teachers should be sure to check their private policies to better understand how the STRB disability may affect those benefits.

To download a copy of the disability application, go to the STRB Web site at www.ct.gov/trb.

STATE TEACHERS' RETIREMENT BOARD (STRB) RESOURCES

The State Teachers' Retirement Board (STRB) is the state agency charged with administering the teachers' retirement system, which covers over 53,000 active and 30,000 retired Connecticut teachers. Unfortunately, over the years, as the number of active and retired teachers has grown, the staff of the STRB has actually decreased. As a result, the STRB has been unable to provide certain services that are beneficial to members of the system such as educational workshops and individual counseling sessions. Also, the STRB is still experiencing a backlog of anywhere from three to seven months (depending on the time of year) in responding to forms and other written communication (other than retirement applications) that have been filed by teachers.

Moreover, due to the recent state budget crisis, the agency's overall administrative budget covering postage and printing costs has been significantly reduced. As a result, over the past several years, the STRB has found that its Web site is the most timely and cost-efficient means of communicating with members. Thus, teachers would be well-advised to frequently check the "Latest News" section of the STRB homepage (www.ct.gov/trb) for all important updates and should not expect to receive communication from them via regular mail except for the annual Member Statement that is sent out in December.

CEA Advisor

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Understanding & Planning YOUR RETIREMENT

General Information

The state of Connecticut provides you with a retirement benefits plan administered by the State Teachers' Retirement Board (STRB). The STRB is located in Hartford and is comprised of 14 members: four elected active teachers, two elected retired teachers, the Commissioner of the State Board 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.

Your Membership

Membership and participation in the State Teachers' Retirement System are 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, they will forward your designation to the STRB.

A Special Note

If you are employed as a teacher or professional staff member by the Commission for Higher Education in a state, community, or state technical college or university, you have a choice of retirement plans. You may belong to either the State Teachers' Retirement System, the State Employees' Retirement System, or an alternate retirement program. You may belong to only one retirement program at any one time. You should also know that service as a teacher or professional staff member in the systems described above, counts as public school teaching service.

Contributions to the System

As a part of your membership in the system, you contribute 7.25% 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.

Withdrawal Privilege

If you leave public school teaching before retirement, you may withdraw your contributions to the system plus accrued interest. However, in so doing, you forfeit any right that you may have to a future retirement benefit and retiree health insurance. Please contact the STRB 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 in the 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 C.G.S. 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. Service as a teacher at the University of Connecticut prior to July 1, 1965.
6. Service as a teacher at the Wheeler School and Library, North Stonington, prior to September 1, 1949.
7. Service as a teacher at the Gilbert Home, Winsted, prior to September 1, 1948.
8. Any authorized leave of absence as provided in regulations adopted by the STRB, if the member subsequently returns to service for at least one school year (unless contributions are made while on leave).*
9. Service as a teacher at the American School for the Deaf, the Connecticut Institute for the Blind or the Newington Children's Hospital.
10. 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.*
11. Service in the armed forces of the United States, other than service described in subdivision (3) of this subsection, not to exceed 30 months.
12. 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.
13. Service in the public schools of Connecticut as a member of the Federal Teacher Corps, not to exceed two years.

14. Service in the United States Peace Corps.
15. Service in the United States VISTA (Volunteers in Service to America) Program.
16. Service in the public schools of CT as a social work assistant, from January 1, 1969, to December 31, 1986, if you became a certified school social worker and remained in public school service as a social worker after certification.
17. 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 STRB. To obtain an estimate of your cost, use the "Additional Service Credit Cost Estimator" found on the STRB Web site (www.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).

One Percent and Voluntary Accounts

If you were hired before July 1, 1989, you contributed one percent of your annual salary into your own individual One Percent Supplemental Account. Since that date, your one percent 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

If you have questions about your retirement benefits, write to the State Teachers' Retirement Board, 765 Asylum Avenue, 2nd Floor, Hartford, CT 06105-2822, or call 1-800-504-1102. Or visit the STRB Web site at www.ct.gov/trb.

an annuity through the STRB, or the purchase of additional credited service. Effective January 1, 2010, 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 as a lump sum contribution or 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.

Continued on page 4

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. This formula is 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, proratible, early, and vested deferred — are explained below.

Normal Retirement

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

- At age 60 or later and you have completed 20 years of public school service in Connecticut.
- At any age if you have completed 35 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:

$$2\% \text{ times your average salary times your credited service (in years) equals your yearly benefit}$$

For example, suppose you retire at age 64 with 22.5 years of credited service. Let us also assume your average salary was \$70,000. Here is how the formula works:

First, 2% times \$70,000 equals \$1,400. Then, \$1,400 times 22.5 years equals \$31,500. Your normal retirement benefit would be \$31,500 a year, or \$2,625 a month.

Benefit Limits

Under the retirement system, you can receive a maximum benefit of 75 percent 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 \$70,000. Under the formula you would receive: 2% times \$70,000 equals \$1,400. \$1,400 times 37.5 years equals \$52,500. Your normal retirement benefit in this instance would be \$52,500 a year, or \$4,375 a month. Please note that in this example, while you have 39 years of credited service, you will only receive credit for 37.5 years, the maximum allowed by law.

Proratible Retirement

If you are not eligible for a normal retirement benefit, you might be eligible for proratible 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 Proratible Retirement Benefit

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

$$\text{A fraction (your service divided by 10) times your average salary times your credited service (in years)}$$

For example, suppose you retire at age 62 with 15.2 years of Connecticut service. Let us also assume that your average salary is \$70,000. 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 \$70,000 equals \$1,064. \$1,064 times 15.2 years of service equals \$16,172.80. Your proratible retirement benefit is \$16,172.80 a year, or \$1,347.70 a month.

In some cases, you might have fewer 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 proratible retirement benefit, please contact the State Teachers' Retirement Board. Please note that for a proratible 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 and 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.

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 percent. We will assume that your normal retirement benefit is \$39,200 (2% times \$70,000 times 28). To find your early retirement benefit:

$$\text{Multiply 70\% (factor for 5 years) times } \$39,200, \text{ or } \$27,440.$$

Your early retirement benefit is \$27,440 a year, or \$2,286.60 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 \$43,400 (2% times \$70,000 times 31), your early retirement benefit is 88% times \$43,400, or \$38,192 per year, or \$3,182.60 per month.

Retirement Percentage Chart

Table 2 shows what percentage of your final average salary you would receive based on your age and years of service at retirement.

Vested Deferred Retirement

You may be eligible for a vested deferred benefit if you leave Connecticut public school service after completing 10 years of teaching service. You'll receive this benefit if

- You have completed at least 10 years of Connecticut service before you reach age 60.
- You leave contributions in the system until you actually retire.

Your Vested Deferred Benefits

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:

$$2\% \text{ times years of CT service times your average salary}$$

All non-Connecticut service is determined as follows:

$$1\% \text{ times years of non-CT service times your average salary}$$

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 \$70,000. Your benefit beginning at age 60 would be:

$$\begin{aligned} &2\% \text{ times } 18.0 \text{ years} = 36\% \\ &+ \\ &1\% \text{ times } 1.8 \text{ years} = 1.8\% \\ &36\% + 1.8\% = 37.8\% \times \$70,000 = \\ &\$26,460 \text{ per year, or } \$2,205 \text{ per month} \end{aligned}$$

AGE
55
56
57
58
59
60

AGE	25 YRS
50	25.00%
51	27.00%
52	29.00%
53	31.00%
54	33.00%
55	35.00%
56	38.00%
57	41.00%
58	44.00%
59	47.00%
60	50.00%

AGE	32 YRS
50	58.24%
51	58.24%
52	58.24%
53	58.24%
54	58.24%
55	58.24%
56	58.24%
57	58.24%
58	60.16%
59	62.08%
60	64.00%

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60 o

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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

Table 2

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

26 YRS	27 YRS	28 YRS	29 YRS	30 YRS	31 YRS
28.08%	31.32%	34.72%	38.28%	51.00%	54.56%
28.08%	31.32%	34.72%	38.28%	51.00%	54.56%
30.16%	31.32%	34.72%	38.28%	51.00%	54.56%
32.24%	33.48%	34.72%	38.28%	51.00%	54.56%
34.32%	35.64%	36.96%	38.28%	51.00%	54.56%
36.40%	37.80%	39.20%	40.60%	51.00%	54.56%
39.52%	41.04%	42.56%	44.08%	52.80%	54.56%
42.64%	44.28%	45.92%	47.56%	54.60%	56.42%
45.76%	47.52%	49.28%	51.04%	56.40%	58.28%
48.88%	50.76%	52.64%	54.52%	58.20%	60.14%
52.00%	54.00%	56.00%	58.00%	60.00%	62.00%

33 YRS	34 YRS	35 YRS	36 YRS	37 YRS	37.5 YRS
62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
62.04%	65.96%	70.00%	72.00%	74.00%	75.00%
64.02%	65.96%	70.00%	72.00%	74.00%	75.00%
66.00%	68.00%	70.00%	72.00%	74.00%	75.00%

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

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

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 \$50,000 and 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%
 $70\% \times 2.0\% \times 10.0 \text{ years} = 14.0\% \times \$50,000 =$
 $\$7,000 \text{ per year, or } \583.33 per month

For more information about CEA-Retired, the CEA and NEA affiliate for retired Connecticut teachers, see www.cea.org or call Cheryl Hampson at 1-800-842-4316.

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)

Under this payment plan, if 25 percent 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 percent of the benefits you have already received and your total contributions including accumulated interest.

This means you will receive your full benefit for as long as you live, and your beneficiary may receive a refund of some of your contributions 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 as of 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.

If you die after meeting the eligibility requirements, but before your payments begin, your beneficiary will still receive the benefit you elected.

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 prorable benefit for which you are eligible.

Applying for Your Benefits

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

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, 2012, your benefits will be effective July 1, 2012.

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 STRB, including its Web site, www.ct.gov/trb.

Medical Benefits Upon Retirement

Medicare-Eligible Retirees

Those retired teachers and spouses who are participating in Medicare Parts A and B can purchase a Medicare supplement plan through the STRB. It is a self-insured indemnity plan administered by Stirling Benefits of Milford, Connecticut. (Some locally negotiated agreements provide such coverage through local boards of education as well.) As of January 1, 2011, the Medicare supplement plan costs \$125.00 per month per person and includes an unlimited prescription drug plan. Dental, vision and hearing coverage is available to be purchased as well. See the STRB Web site for a detailed plan description.

Non-Medicare Eligible Retirees

Those retired teachers and/or spouses 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 STRB to help defray part of the cost. The current subsidy is \$110 per month per person (i.e., \$220 for covered teacher and spouse). If you are age 65 or older and do not qualify for Medicare, the subsidy is \$220 per person (as long as your cost is at least \$220 per month). See the STRB Web site for more information about this higher subsidy amount.

Cost-of-Living Adjustments

To help keep up with rising costs, the STRS provides a cost-of-living adjustment each year. 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, 2012, you will have completed nine months of retirement by April 1, 2013. Your first cost-of-living increase will be added to your checks starting July 1, 2013. Cost-of-living adjustments do not apply to survivors' benefits before retirement.

Other information

Lump-Sum Death Benefit

If you and your spouse are living together at the time of your death before retirement, he or she will receive a lump-sum death benefit (unless Plan D for your spouse had been elected and the protection it provides was in effect).

The amount of the lump-sum death 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, this benefit may be used for burial 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 your spouse was your primary beneficiary, he/she 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 his/her 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. Please contact the STRB for more information.

Disability Allowance

If you become disabled and no longer able to teach, you may be eligible for a disability allowance.

Eligibility

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

- You must be certified as disabled by your physicians and approved by the STRB
- and*
- If you have less than five years of Connecticut public school service, become disabled as a result of a sickness or injury brought about while performing your duties as a teacher

or

If you have five or more years of Connecticut public school service, become disabled regardless of the cause.

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 STRB, 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 worker's 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 percent of your average salary. Also, if you are receiving worker's 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 percent of your average salary. In no event will you receive less than 15 percent 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 during the time you are disabled you are able to earn some income, 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 percent 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 exceed 100 percent of your average salary.

Your disability allowance benefit will continue for 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. Specifically, 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 STRB for the amount earned in excess of the limitation. If the position is a shortage area position, as determined by the commissioner of education, or any certified position within a priority school district, there is no earnings limit for one school year, with the possibility of a one-year extension if approved by the STRB. Moreover, the local board of education must offer these retirees the same health insurance rate that is offered to active teachers. The \$110 monthly subsidy does not apply in this situation. Any private employment or any public teaching service in another state is not affected by any of these limitations.

CEA's Regional Retirement Workshops

SCHEDULE

FALL WORKSHOPS

September 22, 2011 -- South Windsor, South Windsor High School

September 26, 2011 -- New Canaan, Saxe Middle School

October 6, 2011 ----- Torrington, Torrington Middle School

October 13, 2011 ----- Shelton, Shelton High School

October 19, 2011 ----- Killingly, Killingly Intermediate School

October 27, 2011 ----- Danbury, Broadview Middle School

November 3, 2011 ---- Southington, Joseph A. DePaolo Middle School

November 10, 2011 --- Old Lyme, Lyme-Old Lyme Middle School (Region 18)

November 14, 2011 --- Darien, Middlesex Middle School

November 17, 2011 --- Stafford, Stafford High School

SPRING WORKSHOPS

March 7, 2012 ----- Newington, Newington High School

March 14, 2012 ----- Hamden, Hamden Middle School

REGISTRATION

ONLY ONLINE REGISTRATION IS ACCEPTED

Go to www.cea.org

Registration and refreshments:

4:00 to 4:15 p.m.

Program: 4:15 to 6:30 p.m.

- Open to CEA members only.
- Members may attend any of the scheduled workshops.
- Each workshop is limited to the first 150 registrants.
- PRE-REGISTRATION IS REQUIRED. No walk-in will be accepted.
- These workshops are the complete schedule for the 2011-2012 school year.
- Registration will not be accepted by telephone. Only online registrations are accepted. **Go to www.cea.org.**
- Registration is automatic and you will receive an email confirmation. You will be contacted directly if the workshop for which you registered is full.

ABOUT THE WORKSHOPS

Who should attend? Any CEA member who wishes to begin planning for retirement is encouraged to attend. 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 group question and answer period.

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

Questions? Call or email Heidi Krutzky at 1-800-842-4316 or heidik@cea.org.

Directions to Workshops

■ Thursday, September 22, 2011 – South Windsor High School, South Windsor

From I-91 South: (Coming from Springfield, MA) Take exit 44, US 5 South, East Windsor. Continue on US 5 for approximately 3 miles. At the stop light go left onto Sullivan Avenue (Route 194). Follow Route 194 for about 3 miles. At the third traffic light on Route 194, make a left turn onto Ayers Road. Cross Graham Road at the stop sign. The main entrance to SWHS is on the right just past Wapping School.

From I-84 East: Take Exit 62, Buckland Street. Turn left onto Buckland Road and go 2 miles to a four-way intersection. Go straight through which is Route 194 Sullivan Ave. At the second traffic light, turn right onto Sand Hill Road. Take first left (Nevers Road – Police Station will be on your right). Go past SWHS and take left onto Ayers Road. The entrance to SWHS is on the left.

From I-84 West: Take Exit 63, South Windsor/Manchester. At stop light at the end of the ramp, turn left and follow Route 30 for 2 miles. At four-way intersection, turn right onto Route 194 (Sullivan Ave) and follow Route 194 to second traffic light. Turn right onto Sand Hill Road. Take first left onto Nevers Road (Police station will be on your right). Go past SWHS and take left onto Ayers Road. The entrance to SWHS is on the left.

From Windsor/Bloomfield: Take the Bissell Bridge to US5. Turn left on US 5 and go approximately 4 miles and take right onto Route 194 (Sullivan Avenue). Follow Route 194 (Sullivan) Avenue for about 3 miles. At the third traffic light on Route 194, make a left turn onto Ayers Road. Cross Graham Road at the stop sign. The main entrance to SWHS is on the right just past Wapping School.

■ Monday, September 26, 2011 – Saxe Middle School, New Canaan

Merritt Parkway/Rte. 15 (Southbound and Northbound)

Exit 37; left onto South Avenue (Rte. 124 North) to New Canaan. Saxe Middle School is on the right just prior to the next major intersection. At this intersection, turn right onto Farm Road and enter rear parking area (first right).

I-95 (Southbound and Northbound)

Exit 15; follow signs for Rte. 7 (Connector) Danbury. At Exit 2, take a right. Go to next light and take a right onto New Canaan Avenue (Rte. 123 North); follow through Norwalk to New Canaan. Pass under Merritt Parkway bridge (Rte. 15). Travel 3/10 mile and take a left onto Old Norwalk Road. Follow to four-way stop sign and go straight onto Farm Road. Saxe Middle School is on the left. Enter rear parking area (on left just prior to traffic light).

■ Thursday, October 6, 2011 – Torrington Middle School, Torrington

From Waterbury: Follow Route 8 North to Exit 44 (E. Main Street). Take a right at end of exit. Proceed approximately 2 miles up the hill. Take a left at the intersection of Route 183. Take 2nd right onto E. Pearl Road. School is on the left just past the cemetery.

From Route 202 East – Litchfield: Follow Route 202 East. Take a left at the intersection of Route 202 and Route 183. Take 2nd right onto East Pearl Road. School is on the left just past the cemetery.

From Route 202 West – Canton: Follow Route 202 to Torrington. Take a right at the intersection of Route 202 and Route 183. Take 2nd right onto East Pearl Road. School is on the left just past the cemetery.

From Hartford: Follow Route 4 West into Torrington. Take a right at the intersection of Route 4 and Route 83. At the stop light, go straight across Route 202. Take 2nd right onto East Pearl Road. School is on the left just past the cemetery.

From Winsted: Follow Route 8 South to Exit 46 (Pinewoods Road). At the end of the exit,

take a left. Proceed to the stop sign and take a right onto Route 183. Proceed approximately 2 miles. Watch for school sign and take a left at the sign onto East Pearl Road.

■ Thursday, October 13, 2011 – Shelton High School, Shelton

From Bridgeport: Take Merritt Parkway to Exit 52 (Waterbury/Shelton) to Route 8 North. Follow to Exit 11 – Huntington Street. Take left at end of ramp and follow past Trap Falls Reservoir to fork Huntington Fire Co.). Bear right – stay in right lane. Go to end. Take right onto Route 108. Follow to 3rd traffic light. Take left onto Meadow Street. Shelton High School will be on the left. Use visitor or faculty parking.

From New Haven: Take Route 34 to Derby. Follow signs to Route 8 South. Take Exit 14. At end of ramp, take right onto Howe Avenue. At 3rd light, take left onto White Street. Go to end. Take right onto Coram Avenue. Go to end. Take left onto Shelton Avenue (Route 108). Go to light. Take right onto Meadow Street. Shelton High School will be on the left. Use visitor or faculty parking.

From Hartford/Waterbury: Take I-84 West to Route 8 South. Take Shelton Exit 14. At end of ramp, turn right onto Howe Avenue. At 3rd light, take left onto White Street. Go to end. Take right onto Coram Avenue. Go to end. Take left onto Shelton Avenue (Route 108). Go to light. Take right onto Meadow Street. Shelton High School will be on the left. Use visitor or faculty parking.

■ Wednesday, October 19, 2011 – Killingly Intermediate School, Killingly

From Hartford: Take I-84 East to Route 44 to Route 101. Go to light (corner of Maple Street and Route 101). Take a left at the light. Killingly Intermediate School is on the left.

From Route 395: Take Exit 93. Follow Route 101 West to the corner of Maple Street and Route 101. Take a right at the light. Killingly Intermediate School is on the left.

■ Thursday, October 27, 2011 – Broadview Middle School, Danbury

From the West: Take I-84 East to Exit 5 straight ahead through 4 lights. Turn right at 5th light (entrance to North Street Shopping Center) onto Hayestown Avenue. Turn right at next light onto Tamarack Avenue. Turn left at next light onto Hospital Avenue. Broadview Middle School will be on the right.

From the East: Take I-84 West to Exit 6. Turn right at exit. Turn right at next light (entrance to North Street Shopping Center) onto Hayestown Avenue. Turn right at next light onto Tamarack Avenue. Turn left at next light onto Hospital Avenue. Broadview Middle School will be on the right.

■ Thursday, November 3, 2011 – Joseph A. DePaolo Middle School, Southington

From Waterbury: Follow Route 8 North to Exit 44 (E. Main Street). Take a right at end of exit. Proceed approximately 2 miles up the hill. Take a left at the intersection of Route 183. Take 2nd right onto E. Pearl Road. School is on the left just past the cemetery.

From Route 202 East – Litchfield: Follow Route 202 East. Take a left at the intersection of Route 202 and Route 183. Take 2nd right onto East Pearl Road. School is on the left just past the cemetery.

From Route 202 West – Canton: Follow Route 202 to Torrington. Take a right at the intersection of Route 202 and Route 183. Take 2nd right onto East Pearl Road. School is on the left just past the cemetery.

From Hartford: Follow Route 4 West into Torrington. Take a right at the intersection of Route 4 and Route 83. At the stop light, go straight across Route 202. Take 2nd right onto East Pearl Road. School is on the left just past the cemetery.

From Winsted: Follow Route 8 South to Exit 46 (Pinewoods Road). At the end of the exit, take a left. Proceed to the stop sign and take a right onto Route 183. Proceed approximately 2 miles. Watch for school sign and take a left at the sign onto East Pearl Road.

■ Thursday, November 10, 2011 – Lyme-Old Lyme Middle School (Region 18), Old Lyme

From Hartford Area: Route 9 to I-95 North. Exit 70 off I-95. At end of ramp take a left. Go to 2nd light and take a right onto Halls Road. Follow Halls Road to end and take a right onto Lyme Street. Follow for 1/8 of a mile and turn left into the Center School driveway and follow this driveway to the Middle School which is behind Center School.

From New Haven Area: I-95 North. Exit 70 off I-95. At end of ramp take a left. Go to 2nd light and take a right onto Halls Road. Follow Halls Road to end and take a right onto Lyme Street. Follow for 1/8 of a mile and turn left into the Center School driveway and follow this driveway to the Middle School which is behind Center School.

From New London Area: Exit 70 off I-95. At end of ramp take a left onto Lyme Street. Follow for 1/8 of a mile and turn left into the Center School driveway and follow this driveway to the Middle School which is behind Center School.

■ Monday, November 14, 2011 – Middlesex Middle School, Darien

From I-95 South: Take Exit 10. Got to stop sign and bear left. Go to traffic light (Noroton Avenue) and turn right. Go to second traffic light (West Avenue) and turn left. Go to first traffic light (Hollow Tree Ridge Road) and turn right. Go up a slight hill. School is on the right.

From I-95 North: Take Exit 10. At end of ramp, turn left onto Noroton Avenue. At third traffic light (West Avenue, turn left. At first traffic light (Hollow Tree Ridge Road), turn right. Go up a slight hill. School is on the right.

From Merritt Parkway North or South: Take Exit 37. At end of ramp, turn right onto Route 124/Mansfield Avenue. Continue on Mansfield Avenue (1.5 miles) and turn right onto Middlesex Road. At stop sign, turn left (Ox Ridge Hunt Club on left). Continue on Middlesex Road, through one stop sign and one traffic light (Noroton Avenue). At four way stop, turn left (Hollow Tree Ridge Road). School is on the left.

■ Thursday, November 17, 2011 – Stafford High School, Stafford

From the North (Mass.): Take RT. 91 South to Exit 47 East. Take RT. 190 East for approximately 15 miles until you enter the town of Stafford. You will pass Johnson Memorial Hospital on the left, the intersection of TR. 190 and 30 (at a white church) and the West Stafford School. Take the next left (RT. 319) at Smith Collectibles. This will be Orcuttville Road. Go straight, over some railroad tracks to a stop light. Go straight up a small hill. The High School is on the right.

From the West (Hartford Area): Take I-84 East to Exit 70. At the bottom of the ramp, take a left. Follow RT. 32 North into the center of Stafford. Go straight past the rotary (Stafford Savings Bank will be on the left) onto Furnace Ave. Follow this street to the end, and at the stop sign (approximately 3 miles), take a sharp left onto Orcuttville Road - RT. 319. Go straight for approximately one and a half miles. Stafford High School will be on the left on a curve.

From 190 East: Take 190 East to Orcuttville Road (RT. 319), just past West Stafford Elementary School. Take a left onto Orcuttville Road. Drive straight through intersection of Orcuttville Road and RT. 32 (traffic light). Stafford High School will be on the right at the curve.

From the East (Boston/Worcester/Sturbridge Area): Take RT. 84 East to Exit 73, at the end of the ramp, take a right onto RT 190 West to the center of Stafford. Take a right at the flagpole onto Furnace Ave. Follow this street to the end, and at the stop sign (approximately 3 miles), take a sharp left onto Orcuttville Road - RT. 319. Go straight for approximately one and a half miles. Stafford High School will be on the left on a curve.

From the South (Norwich Area): Follow RT. 32 North into the center of Stafford. Go straight past the rotary (Stafford Savings Bank will be on the left) onto Furnace Ave. Follow this street to the end, and at the stop sign (approximately 3 miles), take a sharp left onto

Orcuttville Road - RT. 319. Go straight for approximately one and a half miles. Stafford High School will be on the left on a curve.

■ Wednesday, March 7, 2012 – Newington High School, Newington

From Waterbury (Western part of state) I-84 East: Take I-84 East to Exit 35 (Route 72) in New Britain. Follow Route 9 to Newington. Take right onto Exit 29. At end of ramp, take a right onto Cedar Street. Proceed on Cedar Street until you come to Willard Ave. and Cedar Street Intersection. At 4th light, take a left onto Willard Ave. - Route 173. Proceed on Willard Ave. for approximately a 1/4 of a mile. Take a left at first light into the NHS driveway, bear left to the back of the school to access NHS gymnasium, tennis courts, field hockey and NHS VA fields. At second light (past NHS on Willard Ave.) take a left onto Veterans Drive to access NHSVA fields for soccer and lacrosse.

From Hartford (I-84 West): Take I-84 West to South Main Street. Take a right onto Exit 41. At end of ramp, take a left onto South Main Street. Proceed about 1 mile to West Hill Road. Take a left onto West Hill Road. At end of West Hill Road, turn right onto Willard Avenue. Proceed on Willard Ave. for about 1/4 of a mile. NHS is on your right. At first light, take a right onto Veterans Drive to access NHSVA fields for soccer and lacrosse. At second light, take a right into the NHS driveway and bear left to the back of the school to access NHS gymnasium, tennis courts, field hockey and softball fields.

From Hartford (Eastern & Northern part of state): Mass. Pike to I-91 South. Take I-91 South to Newington/Wethersfield Exit. Stay on this connector, which “feeds” into Route 5 & 15 (Berlin Tpke.). Take the first formal exit in Newington (Route 175 – Cedar Street) Proceed on Cedar Street for about of a 3/4 of a mile. Proceed on Cedar Street until you come to Willard Ave. and Cedar Street Intersection. Take a right into (Willard Ave. - Route 173). Proceed on Willard Ave. for a 1/4 of a mile. Take a left at the first light into the NHS driveway and bear left to the back of the school to access NHS gymnasium, tennis courts, field hockey and softball fields. At second light, take a left onto Veterans Drive to access NHSVA fields for soccer and lacrosse.

From New Haven (Southern part of state): Take I-91 North to Berlin Tpke. (Routes 5 & 15) northbound to intersection where Roy Rogers is on the right and Bob’s Furniture is on the left. Take a left onto Richard Street and at first light take a right onto Willard Ave. Proceed on Willard Ave. for approx. 2 miles until you come to intersection Cedar Street and Willard Ave. Continue on Willard Ave. and take a left at the first light, into the NHS driveway and bear left to the back of the school to access NHS gymnasium, tennis courts, field hockey and softball fields. At second light, take a left onto Veterans Drive to access NHSVA fields for soccer and lacrosse.

From Shoreline/Rte. 9 (Southern part of state): Take Route 9 North. When you get to Cromwell, stay to the left. Take the New Britain Exit, Route 9 North, staying on Route 9. Follow Route 9 to Newington. Take right onto Exit 29. At end of ramp take a right onto Cedar Street. Proceed on Cedar St. and at 4th light, take a left onto (Willard Ave. - Route 173). Proceed on Willard Ave for about a 1/4 of a mile. Take a left at the first light into the NHS driveway and bear left to back of school to access NHS gymnasium, tennis courts, field hockey and softball fields. At second light (past NHS on Willard Ave.), take a left onto Veterans Drive to access NHSVA fields for soccer and lacrosse.

■ Wednesday, March 14, 2012 – Hamden Middle School, Hamden

From Route 15 Parkway (North or South): Take exit 60 (CT 10). Turn left onto Dixwell Avenue. Proceed 1.2 miles. School is on the right.

From I-91 – (North or South): Take Exit 10 (CT 40 toward Hamden/Cheshire). Take first exit on right. Turn right onto Devine St. Turn right onto State St. Turn right onto Dixwell Avenue. Proceed 1.7 miles. School is on the left.

What you need to know about Social Security and teacher retirement

Are Connecticut teachers covered by Social Security?

No, 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 Connecticut Teachers' Retirement System (CTRS) like coaching and extra-curricular 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?

Simply stated, it's better for teachers to be excluded. 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 CTRS is a significantly better retirement plan that takes into account the specific retirement and disability needs of teachers. An analysis performed by the Connecticut Teachers' Retirement Board confirmed this fact. Teachers in fourteen 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.

Exactly 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 on 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 utilized 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 the teacher lose his or her entire Social Security benefit. Moreover, if you were eligible for an early, proratable or normal retirement benefit from the CTRS prior to January 1986, you are exempt from the WEP and will receive your full Social Security benefit without any reduction. In either case, the WEP does not affect your Medicare eligibility or the amount of your CTRS pension. Finally, you should be aware that the Estimate of Benefits statement that Social Security sends to you periodically 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 utilize the Online WEP Calculator contained in the Social Security Administration Web site (www.ssa.gov).²

I am a second career teacher who retired from private industry. Does that mean that I will lose 40-50% of my Social Security benefits?

It depends on how long 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 to the right), 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%.

Would it make sense for me to leave teaching, withdraw my retirement funds and forego 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 a teacher withdraws only his or her contributions plus interest and relinquishes 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 most 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 2011 for any individual retiring at age 66 is \$2,366 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 if he should die?

Probably not. The Government Pension Offset (GPO) applies if you receive a pension from a job like 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 \$4,000 per month from the TRS, two-thirds of that amount, or \$2,666, will be deducted from your anticipated Social Security spousal or widow's benefit. In all likelihood, the Social Security benefit will be less than \$2,666, so you will not receive anything from Social Security (but the GPO does not affect

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

Year	Substantial Earnings	Year	Substantial Earnings
1955-58	1,050	1989	8,925
1959-65	1,200	1990	9,525
1966-67	1,650	1991	9,900
1968-71	1,950	1992	10,350
1972	2,250	1993	10,725
1973	2,700	1994	11,250
1974	3,300	1995	11,325
1975	3,525	1996	11,625
1976	3,825	1997	12,150
1977	4,125	1998	12,675
1978	4,425	1999	13,425
1979	4,725	2000	14,175
1980	5,100	2001	14,925
1981	5,550	2002	15,750
1982	6,075	2003	16,125
1983	6,675	2004	16,275
1984	7,050	2005	16,725
1985	7,425	2006	17,476
1986	7,875	2007	18,150
1987	8,175	2008	18,975
1988	8,400	2009-11	19,800

your Medicare eligibility). You will, however, be exempt from the GPO if you were eligible to receive an early, proratable or normal retirement benefit from the CTRS before December 1982.

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, 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 their spouse's.

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

These provisions are based on federal (not state) law and can only be changed by Congress. For years, CEA and NEA have lobbied unsuccessfully for the repeal of the GPO and WEP. There has been more momentum in the last two sessions of Congress so you should contact your U.S. representative and senator 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 age 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 (even if not collecting) Social Security benefits (and is at

least age 62), you will be entitled to Medicare coverage at age 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 age 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 will remain in your local board of education's health care plan(s) for life. In no event will you be without any health care coverage in retirement.

What exactly are Social Security credits (sometimes called "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 2011, you earn one credit for each \$1,120 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?

You should contact your regional Social Security office or you can call the national Social Security information line at 1-800-772-1213.

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 will apply to them.

CEA and retirement

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.

During the last 20 years, CEA's lobbying efforts have resulted in a lowering of the retirement age and years-of-service requirements, a reduction in the early retirement penalties, liberalized opportunities for purchasing additional service credits (e.g., less than half-time service), improved survivor and disability benefits, as well as increased state contributions toward retired teachers' health insurance premiums, in addition to many other improvements.

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

CEA offers Regional Retirement Workshops during the year to acquaint members with the retirement system and ongoing changes.

CEA members may direct questions about the enclosed information to Robyn Kaplan-Cho, Retirement Specialist, Connecticut Education Association, 21 Oak Street, Suite 500, Hartford, CT 06106-8001, 1-800-842-4316, robynk@cea.org.