



**STATE OF CONNECTICUT
TEACHERS' RETIREMENT BOARD
21 GRAND STREET
HARTFORD, CT 06106-1500**

www.state.ct.us/trb

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Office Hours
Monday - Friday: 8:30 am - 4:30 pm

BOARD MEMBERS

Clare H. Barnett, Chairperson
Hon. Theodore Sergi
Hon. Patricia Wilson-Coker
Marion S. Jewell
Mary Nicholas
Robert E. Scalzo
Rosalyn B. Schoonmaker
Eugene Cimiano
Deborah Freedman
Martin M. Lienthal
Elaine T. Lowengard
Augustine M. Masiello

William J. Sudol, Administrator

Nominees Sought for Board Election

The Teachers' Retirement Board, charged under Connecticut law with the management of the retirement system for public school teachers, is comprised of two state commissioners, five public members and five teachers. The teachers, three active and two retired, are elected by their peers for overlapping four year terms.



The terms of incumbents Rosalyn B. Schoonmaker and Marion S. Jewell (retired teachers) and incumbent Clare H. Barnett (active teacher) will expire on June 30, 2003. Each incumbent is eligible to seek re-election for an additional four year term.

Active and retired teachers who are interested in serving on the Board, which meets in Hartford approximately once a month during the school year, are invited to contact the Administrator of the Board, in writing, for details on the election procedure. Interested members will be furnished with instructions and forms for obtaining signatures on petitions that will establish a candidate's support among his/her peers. In order to be considered for election, active teachers must obtain four hundred (400) petition signatures of active teachers and retired teachers must obtain one hundred (100) petition signatures of retired teachers. Completed petition packets must be returned no later than November 29, 2002.

A report of the petitions will be presented to the Retirement Board at its January meeting. The Board will certify the candidates who have qualified by meeting petition requirements.

Ballots will be mailed to all active and retired members on or about February 14, 2003.

Election ballots must be returned to the Teachers' Retirement Board no later than March 31, 2003. The results of the election will be announced at the Board's June 2003 meeting. ♦

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Retiring This Year?

If you are planning to retire this year, you should file your complete **Application for Retirement Benefits** several months prior to your effective date of retirement. All additional service credit must be documented on the required forms prior to your effective date of retirement in order to be purchasable. To estimate your monthly benefit and the cost of any potential additional service credit, you should obtain the **Pension & Additional Credit Worksheet**. For your convenience, this worksheet, as well as all of our retirement forms and publications, may be downloaded/printed directly from our website. ♦

Voluntary Account Information



As a member of the Connecticut Teachers' Retirement System, you may elect to contribute to a Voluntary Account. Deposits into this account may be achieved in the following ways:

- A. Payroll Deductions
- B. Lump Sum Payment
- C. Direct Rollover of pre-tax contributions from Another Qualified Employer Plan I.R.C. 401(a), Profit Sharing Plan I.R.C. 401(k), Tax Sheltered Annuity (TSA) I.R.C. 403(b), Individual Retirement Account (IRA) I.R.C. 408, Deferred Compensation I.R.C. 457.

Voluntary contributions that are submitted via Payroll Deductions (Option A) or through a Lump Sum Payment (Option B) are made on an "after-tax basis" only.

In accordance with the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001, effective January 1, 2002, CTRB may now accept a Direct Rollover of pre-tax contributions from approved sources (Option C).

Interest accrues on the Voluntary Account in the same manner as your Regular Account. All voluntary contributions received on or before the thirtieth of June will be first credited with interest on the thirtieth of June of the following year. Interest rates vary from year to year.

VOLUNTARY ACCOUNT DISTRIBUTION

The balances in your Voluntary Account will be paid in full with regular interest to the date of withdrawal under the following conditions:

- While you are actively teaching (limited to one withdrawal as an active member).
- Upon your termination from public school teaching in Connecticut.
- On death before retirement to your designated beneficiary.
- At retirement in your choice of a lump sum payment, as an additional monthly annuity payment or applied towards the purchase of additional credited service (i.e. military, substitute, etc.)

At the time of withdrawal, any after-tax contributions will not be considered taxable income. The interest accrued on these contributions and any pre-tax contributions made through direct rollover, however, will be considered as taxable income if a lump sum withdrawal is made. Before a lump sum payment is issued, you will be given the opportunity to authorize CTRB to rollover these funds

directly into an IRA or other Qualified Plan. At the time of retirement, if you elect to have your voluntary account balances paid to you as an additional monthly annuity payment or applied toward the purchase of additional credited service, the after-tax portion of this account will be added into the "investment in contract" for purposes of determining the portion of your monthly retirement benefit that is non-taxable.

INITIATING A VOLUNTARY ACCOUNT

Forms may be downloaded directly from the State of Connecticut Teachers' Retirement Board website @ www.state.ct.us/trb.

Payroll Deductions:

Obtain an *Authorization for Voluntary Deductions Form*. Complete the form and submit to your employer. Your employer will begin withholding voluntary deductions from your check. To increase, decrease or cancel payroll deductions, submit a new form with your employer.

Lump Sum Payment:

Obtain a *Lump Sum Voluntary Payment Form*. Complete the form and submit with your personal check (made payable to CTRB) directly to the PO Box listed on the form.

Direct Rollover:

Obtain a *Direct Rollover to CTRB Transfer Request Form*. Complete Section A of the form and have the Custodian/Trustee complete Section B. Return the completed form to CTRB.

ADDITIONAL INFORMATION

All voluntary contributions received on or before the thirtieth of June will be first credited with interest on the thirtieth of June of the following year. Interest rates vary from year to year. A breakdown of your Voluntary Account balances (contributions and interest) will be included as part of your Member Annual Statement of Benefits that is sent to you in the fall of each year. You are permitted to make a one-time withdrawal of your Voluntary Contributions while actively teaching. Voluntary Contributions may be re-initiated but may not be subsequently withdrawn until your termination of service or at the time of retirement.

Please feel free to contact CTRB if you have any questions or need assistance. ♦

Social Security and Your CTRB Benefit

As a member of the Connecticut Teachers' Retirement System, you do not pay 6.2% Social Security taxes on your earnings as a teacher or administrator. There are two Social Security provisions that may result in a reduction of the Social Security benefit for which you are qualified. The Government Pension Offset affects the Social Security benefit you receive as a spouse or widow(er). The Windfall Elimination Provision affects the way your earned Social Security benefit is calculated. Your CTRB pension benefit will NOT be reduced.

These provisions do not affect eligibility for Medicare at age 65.

In order for the Social Security Administration to accurately determine your potential Social Security benefit amount they will need to know the date that you were **first eligible to receive** an immediate retirement benefit from this system. At your request, CTRB will furnish you with a letter stating your date of earliest eligibility and current benefit amount (if required).

A member meets eligibility for an immediate retirement benefit upon **completion of**:

- 25 years of service at any age (20 in CT)
- 20 years of service at age 55 (15 in CT)
- 10 years of service at age 60 (10 in CT)

The following information is meant as a general overview of the offset and windfall provisions. For further information you should contact the Social Security Administration at 1-800-772-1213 or visit their website at www.ssa.gov.

GOVERNMENT PENSION OFFSET

A retired teacher who is claiming benefits based on a **spouse's work history** under Social Security may be affected by the government pension offset.

This offset will not apply if the member qualified for his/her CTRB benefit **before December 1, 1982**.

If the member qualified for an immediate CTRB benefit after December 1, 1982, an offset equal to **two-thirds** of the CTRB pension benefit would be applied to the Social Security benefit. In many cases, the offset will entirely eliminate the Social Security spouse's benefit.

Example:

Member A qualified for her CTRB pension on July 1, 1986. She retired July 1, 1995 and is applying for Social Security benefits based on her husband's earnings. Her CTRB pension is \$2,400. She expects to receive a Social

Security spouse's benefit of \$500.00 monthly. However, since she qualified for her CTRB pension after December 1, 1982, two-thirds of her CTRB pension benefit would be applied against her expected Social Security benefit.

Unreduced Social Security Spouse's Benefit	\$ 500.00
- 2/3 X \$2,400.00 CTRB Pension Benefit	\$1,600.00
Social Security Spouse's Benefit after Offset	\$ 0.00

WINDFALL ELIMINATION PROVISION

A retired teacher who is claiming benefits based on his/her **own work history** under Social Security may be affected by the windfall elimination provision.

This provision will not apply if the member qualified for his/her CTRB benefit **prior to January 1, 1986**.

The windfall elimination provision is rather complex. Basically, the Social Security Administration uses your Social Security "average indexed monthly earnings" (AIME) to calculate your earned Social Security benefit. When figuring your benefit, they separate your average earnings into three amounts and multiply the amounts using three different factors. The first factor is the 90 percent factor. This is the factor that is reduced in the modified formula. For workers who reached age 62 or became disabled between 1986 and 1989 the amount of the reduction in this factor is phased in. For those workers who reached 62 or became disabled in 1990 or later, the **90 percent factor is reduced to 40 percent**.

If you have "substantial" earnings in a job where you paid Social Security taxes, the factor used in the windfall elimination provision may be modified. You should contact the Social Security Administration to learn of the amount of earnings considered "substantial" for each year. Generally speaking, if you have 21 to 29 years of substantial earnings, the 90 percent factor is reduced to somewhere between 45 and 85 percent. If you have 30 or more years of substantial earnings under Social Security, the 90 percent factor will not be reduced. ♦

FOR MORE INFORMATION

Contact the SSA at 1-800-772-1213 or visit their website at www.ssa.gov.

Recommended Social Security Administration Publications:

- Government Pension Offset (Publication No. 05-10007)
- A Pension From Work Not Covered By Social Security (Publication No. 05-10045)

Frequently Asked Questions...

Q: When will CTRB mail my Annual Member Statement for the year 2002?

A: We anticipate mailing annual statements this year by the beginning of November.

Q: What was the annual interest rate posted on June 30, 2002?

A: At its meeting on June 12, 2002, the Teachers' Retirement Board adopted an interest rate of 12.0% to be applied to member accounts on June 30, 2002. This interest rate will also be prorated and applied to service purchases and installment purchase contracts initiated in the 2002-2003 school year.

Q: Did any new legislation pass this past legislative session that I should be aware of?

A: Only one bill affecting the Teachers' Retirement System was passed by the Legislature in the 2001-2002 Session - Senate Bill 635, enacted as Public Act 02-117, An Act Concerning Credit in the Teachers' Retirement System for Part-time Teaching Service. Members of the Teachers' Retirement System may purchase forty or more days of service as a substitute teacher or the equivalent service rendered at less than half-time, in a single school system within the state of Connecticut in any school year. Effective July 1, 2002, eighteen days of such service shall equal one month of credited service.

Q: How should I notify CTRB of my new home mailing address?

A: Simply notify your **employer**. It will be your employer's responsibility to notify this office of the change via their next monthly transmittal report to CTRB.

Q: How do I update my beneficiary with CTRB?

A: Obtain an **Active Teacher Beneficiary Form** from our office or website. This completed form should be returned directly to CTRB for processing.

Q: I am retiring this year and will be purchasing 20 months of peacetime military service. What is the best way for me to pay for this credit so I can receive the highest possible monthly benefit payment from CTRB?

A: You can only pay for your additional service credit at the time of retirement in your choice of:

- Personal payment to cover the full cost (or a direct rollover from a Qualified Plan, IRA or TSA etc.).
- Transfer your 1% and/or Voluntary account(s) towards the purchase of additional credit plus a personal payment for the balance due (if any).
- Transfer your 1% and/or Voluntary account(s) to buy as much credit as possible.

If you elect to have your 1% and/or Voluntary account(s) applied toward the purchase of additional service credit, any balance remaining in the account(s) including current year interest will automatically be paid to you in a lump sum.

You may wish to consider purchasing your additional service credit with a personal payment. This would then allow you the option of leaving your 1% and/or Voluntary account(s) on deposit with the system in order to have an additional fixed monthly annuity payment added to your benefit payment for your lifetime. If you have further questions on this topic, you should obtain the **1% and/or Voluntary Account Bulletin** from our office or website.

Visit us on the Web @ www.state.ct.us/trb



Do you have questions on your Connecticut Teachers' Retirement Membership? Are you contemplating retirement or just planning for your future? Do you need to know the types of purchasable credit available in this system? Do you require forms, applications or bulletins from this office? Does your schedule make it difficult for you to reach us during regular business hours? Visit our website @ www.state.ct.us/trb today!

Active Forms/Applications	Service Credit Forms	Publications, Bulletins and Retirement Planning Info	
Change of Beneficiary Form	Elected Official Service	1% Supplemental and Voluntary	Post Retirement Employment
Current Leave of Absence Form	Federal Teacher Corp Service	Cost of Living Adjustments	Prior CT Teaching Service
Direct Rollover to CTRB Form	Military Dependents School	Deferring Benefits	Qualifying Service
Lump Sum Voluntary Payment Form	Outside State Service	Divorce/Your CTRB Benefit	Social Security Information
Voluntary Deductions Authorization	Previous Leave of Absence	Frequently Asked Questions	Survivorship Death Benefits
Disability Application	Special Rules for Maternity	Health Insurance	Taxability of Retirement
Retirement Application	State of CT Employment	Leave of Absence Information	Voluntary Account Info
Withdrawal of Funds Application	Substitute/Less than 50% Time	Pension & Add. Credit Worksheet	Withdrawing Your Deposits