



STATE OF CONNECTICUT
TEACHERS' RETIREMENT BOARD
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To: Superintendents

This is to summarize the Teachers' Retirement Board's position regarding various measures that Boards of Education and members' bargaining units may implement with respect to members' compensation. These measures effectively reduce payroll costs by reducing members' compensation in the current school year. The examples use a member's \$60,000 original contractual salary and a 5% renegotiated reduction.

1 – Furloughs – Members agree to take unpaid days off. If the school year is 180 days, members take 9 unpaid days off during the year, thereby reducing salary to \$57,000. Pensionable salary would be \$60,000; a furlough does not reduce pensionable salary.

2 – Deferrals – Members agree to defer a portion of their salaries to a future school year. The members would be paid \$57,000 during the current school year and \$3,000 in a future school year. Pensionable salary for the current school year would be \$60,000; pensionable salary is attributable to the year in which it is earned regardless of when the salary is actually paid.

3 – Concessions – Members agree to concede (this can be described in a number of different ways such as "give up", "give back", or "forego") a portion of their salaries. They would be paid \$57,000 for the current school year. Pensionable salary would be \$57,000; this would represent a revision to the member's original annual salary.

These examples assume that the measures result from written agreements between the Board of Education and the members' bargaining units.

Let me know if you have questions or need additional information.

Louis Laccavole
Fiscal Administrative Supervisor

C: Board of Education Business Managers