RETIREMENT BENEFITS
FREQUENTLY ASKED QUESTIONS

Retirement Credit

How can I find out how much credited time I have towards retirement?

Email either Lisa Stratton or Linda Rodriguez and they will review your work history and give you an approximate calculation.

What is the difference between vesting service and credited service?

Vesting service is used to determine your eligibility to retire. Vesting services includes your actual state service. You also earn vesting service for breaks in service of less than 12 months.

Credited service is used for the retirement benefit calculation. Credited service includes all of your vesting service except for the following:

- Period of time between the time you leave state service and return including period of severance of less than 12 months; and
- Approved educational leave of absence to follow job-related course of study.

Part-time service is calculated as full-time for eligibility purposes only; part-time service is calculated as the full-time equivalent when determining the retirement benefit payment (credited service).

How do I know if I must request credit for previous state service (such as seasonal employment with DEP)?

Email either Lisa Stratton or Linda Rodriguez and they will review your retirement credit. Tier I and Tier IIA will be required to purchase the credit. Tier II will receive credit as long as there was no permanent break in service. No action needs to be taken for Tier II credit.

How do I know if I must request credit for military/war service?

Send a copy of your DD-214 to Lisa Stratton or Linda Rodriguez for review. You will be sent an application for purchase (if Tier I or Tier IIA) or credit (Tier II).

Can I purchase the time I worked with the Federal government?

Tier I employees are eligible to purchase credit for Federal service. Tier II and Tier IIA employees are not eligible to apply for credit for Federal service.

If I used State and/or Federal medical leave do I need to do something to get credit for that time?

Check the Tier retirement plan brochure for eligible periods of leave that may be considered for retirement credit.

The purchase of *eligible* unpaid leaves is required for participants in the Tier I and Tier IIA plans in order for those periods of time to be applied towards retirement. To apply to purchase this credit, contact Lisa Stratton or Linda Rodriguez in the Human Resources Division. An application will be sent to you for signature and return to the Human Resources Division, who will then forward it to the OTC-Retirement Division. The OTC-Retirement Division will forward an invoice to your home address for consideration. You may be provided with payment options, depending on the amount due.

Tier II members also obtain credit for *eligible* unpaid leave periods. The leave is notated as part of your application for retirement (dates, reason for leave, etc.). Tier II members are not required to apply for credit for eligible unpaid leaves, but may be required to apply for other types of credit. Check the Tier II retirement plan brochure for more information.

What do I need to do to get credit for periods of voluntary schedule reduction (VSR)?

For time taken on or after June 9, 1994 pursuant to CGS Section 5-248c there is no maximum and the leave counts as actual, vesting and credited service. For any leave taken under any other officially approved voluntary leave or schedule reduction program, the credit allowed is limited to vesting and credited service in monthly increments to a maximum of fifteen months of credit in any five-year period.

For Tier II members, the VSR will be notated as part of your application for retirement (dates, reason for leave, etc.). Tier II employees are not required to apply for credit. Tier I and Tier IIA are required to purchase VSR in monthly increments.

Does your service start as of the first day of your employment or after your six-month working test period?

Your credited state service begins on the first day of your employment. Your Tier placement is subject to the break-in-service rule if you are being reemployed. Prior to the establishment of Tier I, employees had the option to start contributions within the first month or after six months of employment. The current Tier 1 and Tier IIA systems do not allow for this option. Employees who were subsequently placed in Tier I and had previously waived their first six months of contributions must apply to purchase this time to count as credited service.

Can I get credit for my period of layoff?

SEBAC2 and SEBAC5 allowed for the credit/purchase of specific layoff periods for retirement purposes. This includes the 1991-1992 layoffs and 2002-2003 layoffs. No other layoff periods are allowed, i.e. if you were laid off due to the expiration of a temporary/durational position or expiration of funding. The agency must provide documentation to the OTC- Database Unit that the layoff was related to the above periods in order to obtain the credit.

Benefit Payment Option

I am selecting Option D (lifetime) and my wife is my beneficiary. If we both die, are minor children considered optionees to continue to receive medical benefits and monthly payments?

No. Under Option D the benefit ends when the retiree dies. If you both had the extreme bad luck of dying at the same time, the estate would be entitled to any remaining contributions (Tier I and Tier IIA). There would be no continuation of medical/dental insurance, but they would be offered COBRA.

Can your ex-spouse claim a spouse option on your retirement?

If you have been married for at least one year prior to the commencement of your retirement benefits, written spousal consent will be required if you do not provide a lifetime guarantee (50% or 100% option) for that spouse. If, as of the effective date of your retirement, you are legally divorced your spouse would have no right to your retirement benefits (unless it was made part of the legal divorce agreement).

Power of Attorney

The Retirement Services Division has created a Limited Durable Power of Attorney (LDPOA) form specifically for use with applications relating to retirement benefits when the member cannot execute the documents for him or herself for a variety of reasons. Generally, the Retirement Services Division looks with disfavor on the use of POAs with regard to retirement applications. Members are expected to personally execute any of the required forms or documentation. However, it is acknowledged that in rare or exceptional cases a POA may be necessary. In order to safeguard the interests of the employee and of the Retirement Fund, the Retirement Division created a LDPOA. This will be the **only** POA form accepted by the Retirement Division for retirement related activities. The form is located on the Office of the State Comptroller website (http://www.osc.state.ct.us/agencies/forms/pdf/CO-1049.pdf). Please note that a Power of Attorney form is not to be confused with a conservator appointment made by a Probate Court.

Domestic Relations (Divorce) Order Guidelines

Procedures and Guidelines for Determining Qualified Status of a Plan Approved Domestic Relations Order (PADRO)

This is important information if you are a State of CT employee undergoing a divorce, the spouse of a State of CT employee contemplating a divorce or you are an attorney representing a State of CT employee or employee's spouse in a divorce.

If you are an employee or the spouse of an employee, the following is not intended as legal advice and should not replace individual consultation with an attorney. If you have specific questions regarding the division of a State Employees Retirement System (SERS) pension pursuant or with regard to a divorce, you should contact an attorney.

Here are some points to consider with regard to the division of a SERS pension due to divorce:

1. The State Employees Retirement System (SERS) is a governmental retirement plan and, as such, is exempt under United States Code, Title 29, Section 1003 from the federal requirements of the Employee Retirement Income Security Act (ERISA) and the Retirement Equity Act. Unlike ERISA plans, this means that in the absence of an appropriate court order, a Member may be able to take certain action with regard to the Member's retirement benefits *without* any notice or consent required from anyone, including the Member's spouse.
2. As noted, SERS, as a governmental plan is not governed by ERISA. However, the State Employees Retirement Act does provide for the division of pension benefits when is so ordered by a court of competent jurisdiction in recognition of marital asserts or child support obligations, providing such order is not contrary to SERS plan provisions.
3. Attachment of SERS retirement benefits for purposes of equitable distribution must be accomplished through the terms of a Plan Approved Domestic Relations Order ("PADRO"). There are several unique prerequisites that must be met before SERS can approve any PADRO or amendment to an approved PADRO. In no case can the PADRO alter SERS' benefit structure.
   The State Employees' Retirement Act (Chapter 66) provides a myriad of benefit options to SERS members. All

PADROs must utilize the benefit structure established by the General Assembly through this legislation. Because these benefits have been statutorily established, any substantive changes to the benefit structure are outside the jurisdiction of the Courts. For example, a court cannot order a lump sum payment from SERS because there is no statutory provision for such a payment.

4. The division of benefits must be clear and unambiguous within the four corners of the PADRO. SERS will not approve any PADRO that requires reference to property settlement agreements, trust documents, etc. to calculate benefit formulas or determine payout information. SERS has no power to compel a party's compliance with the terms of a PADRO. Therefore, SERS cannot accept a PADRO containing terms contingent on an event other than the Member's death or retirement, such as the sale of the marital home or the purchase of life insurance.
5. Unlike ERISA plans, the rights of the Member's spouse are entirely derived from the Member's rights. To that end, the Member's spouse may not elect beneficiaries, choose benefits, and so forth.
6. A SERS PADRO is a deemed qualified domestic relations order for purposes of Sec. 52-321a and for federal tax purposes.

It is important for the Court, attorneys, and the parties to become familiar with some important SERS plan provisions before executing a pension division order. Copies of the summary plan descriptions for each of the State of CT's three plans are available on the Connecticut State Comptroller website at www.osc.state.ct.us/empret. Select this link for a complete version of the guidelines and procedures. Modifiable versions of the model PADRO may be downloaded from the Connecticut State Comptroller link above.

Miscellaneous

If you retire on April 1 or October 1, do you get a final longevity payment?

Yes. Longevity is paid by the employing agency in the last paycheck. The longevity payment is prorated based on the number of months due. For example, if you retire on January 1 you would receive 1/2 of the eligible payment. If you retire on April 1 you would receive the full eligible payment.

Are the annual bonus payments (annual increase bonus payments, managerial bonus payments, etc.) and longevity included in the calculation for the three year salary average?

Yes.

Will my accrued compensatory time balance be paid at the time of retirement?

Non-expired compensatory time is not paid out at the time of retirement.

What is the reduction in the retirement benefit when I reach age 65 or begin receiving social security disability benefits?

Tier I
Refer to the retirement plan brochure under the 'Normal Retirement' section for a detailed explanation and example. The reduction calculation (after computing the normal retirement benefit) would be as follows:

One percent (.01) x years of service X $4800 PLUS two percent (.02) x years of service x average salary over $4800

Tier II and Tier IIA
There is no reduction in benefit when you reach age 65 or begin receiving social security disability benefits.

I've heard that it is better to retire on April 1 or October 1 versus the middle of the year. Why?

You are eligible for an annual Cost of Living Adjustment (COLA) after you start receiving retirement benefits and some employees will take this into account when planning their retirement effective date. The first increase will take place on the January 1 or July 1 (whichever come first) after at least nine (9) full months of retirement. Future increases will occur on either the January of July anniversary of your first increase. If you retire on April 1, 2008 your first COLA will be on January 1, 2009 and every January thereafter. If you retire on October 1, 2008 your first COLA will be on July 1, 2009 and every July thereafter.

Vesting

I plan to leave state service prior to meeting the age requirement. Can I leave at age 53 (with the required years of service) and then apply to collect retirement benefits at age 55?

Yes. You would be vesting your benefit. You would request that a vesting application be completed at the time of your separation of employment. You would be eligible for COBRA if you resigned from state service (not retired). At or around age 55 or older, you can request that your retirement benefit begin. You would be provided with an application for health insurance at that time. The insurance benefit would depend on the plan in place when your retirement payments begin.

Insurance

If I am age 65 or over and an active state employee (not retired), should I apply for Medicare?

The medical coverage and prescription drug coverage offered through the State of CT is more comprehensive than the standard Medicare coverage. If you are not a retiree (an active employee) and are going to turn age 65, you should sign up for Medicare Part A. Do not sign up for Medicare Part B, as your active employee medical coverage is primary and a greater benefit than Medicare. If you are an active employee and your spouse, who is a dependent on your insurance, turns age 65 before you (the retiree), the dependent should not apply for Medicare until you (the employee) retires. If a spouse receives his/her primary medical insurance through his/her own employer, it is strongly recommended the spouse consult with his/her employer as to when to apply for Medicare-B.

If I am age 65 or over and am planning on retiring, when should I apply for Medicare?

You should apply for Medicare to coincide with your retirement. The State reimburses the Medicare-B cost for retiree and covered dependents. Medicare-A is free. You will be requested to include a copy of your Medicare card with the retirement application packet. The medical and prescription coverage offered through the State of CT is more comprehensive than the standard Medicare coverage. Medicare is primary (submitted for billing first). The State plan is considered your supplemental coverage. All rates are subject to change.

If I am under the age of 65 and retired, when should I apply for Medicare?

Apply for Medicare-B at age 65. You must provide a copy of your Medicare card to the Office of the Comptroller Retirement and Benefit Services Division in order to be reimbursed. The medical and prescription coverage offered through the State of CT is more comprehensive than the standard Medicare coverage. Medicare is primary (submitted for billing first). The State plan is considered your supplemental coverage. All rates are subject to change.

Questions in regard to coordination of benefits with Medicare may be referred to the Office of the State Comptroller Counseling Unit (860) 702-3490.

Revised 05/15