



STATE OF CONNECTICUT
TEACHERS' RETIREMENT BOARD
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HEALTH INSURANCE FOR RETIREES - COST AND FUNDING

Do retired teachers and their spouses/Civil Union Partners have health insurance benefits through the Connecticut Teachers' Retirement System (CTRS)?

Retired teachers and their spouses/Civil Union Partners who are participating in Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) may enroll in a Medicare Supplement plan offered by CTRS. Retired teachers and their spouses/Civil Union Partners who are not participating in Medicare Part A and Part B are eligible to continue their health insurance benefits through their last employing board of education.

Is there any cost to the retired teachers and their spouses/Civil Union Partners?

The retiree and spouse/Civil Union Partner enrolled in the CTRS plan pays one-third of the monthly premium costs of the basic plan and the full cost for any additional benefits (Dental or Dental, Vision and Hearing riders).

What is the current monthly cost for an individual enrolled in the CTRS plan?

The basic plan includes hospital, medical, major medical and prescription drugs costs. Effective January 1, 2010, the basic plan is \$112.00 monthly, the basic plan with dental coverage is \$160.00 monthly and the basic plan with dental, vision and hearing coverage is \$165.00 monthly.

What coverage is offered to retired members and their spouses/Civil Union Partners, not enrolled in Medicare Part A and Part B, who are covered by their last employing board of education?

Retired teachers and their spouses/Civil Union Partners must be offered the same health insurance plans that are available to active teachers.

Is there a cost for this coverage?

Very few school boards pay any of the cost for health insurance coverage for retirees or their spouses/Civil Union Partners. In most cases, the retiree and spouse/Civil Union Partner must pay the full premium costs charged by the insurance company for the type of coverage held.

Does CTRS provide any form of subsidization to offset the premium costs for retirees and spouses/Civil Union Partners enrolled in local school district plans?

Yes. CTRS provides a monthly subsidy of up to \$110.00 for the retired member plus an additional \$110.00 monthly for a spouse/Civil Union Partner enrolled in the local school district plan.

How is this amount determined?

The amount is set by state statute (C.G.S. 10-183t).

When did it last change?

The monthly amount was increased from \$105.00 to \$110.00 in July 1996. It is frozen, by law, at its current level of \$110.00.

Do local school districts contribute toward the funding of health benefits for retirees?

No. Local school districts do not contribute toward the funding of health insurance benefits for retirees.

Where do the funds come from to provide these benefits?

Funding of health insurance benefits for retirees comes from four sources - (1) active teachers contribute 1.25% of their annual salary to the Health Insurance Premium Account, (2) retired teachers pay monthly premiums, (3) an annual appropriation from the State (the State has decided not to contribute during the years 2010 and 2011), and (4) investment income.

How many participants are covered by health insurance through CTRS and local school district plans?

As of June 30, 2009, there were 15,266 participants in the CTRS plan and 16,931 participants in local school district plans.

Is the Health Insurance Premium Account (HIPA) adequately funded to meet current and future obligations?

CTRS has taken the lead to insure the solvency of the Health Insurance Premium account by instituting plan design changes in the prescription drug program, increasing deductibles and co-payments and obtaining additional state funding. During the 2003 session of the General Assembly, legislation was enacted that will increase the active teacher contribution rate from 1% to 1.25% effective July 1, 2004. In addition, beginning July 1, 2005, retired teachers, the state and the Health Insurance Premium Account will equally pay one-third of the costs for the basic health insurance plan offered through CTRS. Currently, retired teachers, the state and the Health Insurance Premium Account each pay one-third of the cost. These steps are expected to insure the solvency of HIPA well into the next decade.