



STATE OF CONNECTICUT  
TEACHERS' RETIREMENT BOARD  
765 ASYLUM AVENUE HARTFORD, CT 06105-2822  
*"An Affirmative Action/Equal Opportunity Employer"*  
Toll-Free 1-800-504-1102 (860) 241-8429 Fax (860) 241-9295 www.ct.gov/trb

## **VOLUNTARY ACCOUNT INFORMATION**

### **Voluntary Account Deposits**

As a member of the Connecticut Teachers' Retirement Board (CTRB) you may make deposits to a Voluntary Account via:

- A. Payroll Deduction on an "after-tax" basis (active members)
- B. Lump Sum Payment on an "after-tax" basis (active or vested inactive members)
- C. Direct Rollover/Trustee-to-Trustee transfer

The Connecticut Teachers' Retirement Board (CTRB) is considered to be a qualified plan under Section 401(a) of the Internal Revenue Code. CTRB will accept a direct rollover/trustee to trustee transfer of funds from an eligible plan under the following conditions: 1) The member has separated from prior service or terminated employment with the former employer (this does not refer to Connecticut teaching service but rather to other prior employment); 2) The funds are being used for the purchase of documented Prior Connecticut Teaching Service or Additional Credited Service provided that CTRB has issued an invoice for such service to the member and the completed and signed invoice accompanies this form; 3) The member has submitted a retirement application to CTRB with a retirement date in the current school year. Active members must meet one of the three criteria. Inactive Vested members must meet either #2 or #3. Inactive Members must meet #2.

The Voluntary Account may be utilized as a temporary holding account for partial payments for the purchase of service made via a Direct Rollover/Trustee-to-Trustee transfer of pre-tax contributions from another Qualified Employer Plan I.R.C. 401(a), Profit Sharing Plan I.R.C. 401(k), 403(b) Annuity or 403(b) Custodial Account, non-Roth Individual Retirement Account (IRA) I.R.C. 408, Deferred Compensation I.R.C. 457).

The CTRB changed the interest rate credited to the Voluntary Account from a smoothed rate of return (an average, of sorts) to an investment rate of return (actual investment results for the current year) effective July 1, 2007. Voluntary contributions received on or before 12:00 noon on the last business day in June will be first credited with the investment rate of return on June 30 of the following year. Investment rates of return vary from year to year and may be either positive or negative.

### **Voluntary Account Distribution**

The balances in your Voluntary Account may be withdrawn under the following conditions:

- During your career (limited to one withdrawal; only withdrawals of the total account balance are permitted).
- 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 investment returns accrued on these contributions and any pre-tax contributions made through direct rollover/trustee-to-trustee transfer, 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 roll over these funds directly into another Qualified Retirement 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.

A total withdrawal will include investment return at the current rate to the date of withdrawal. Only withdrawals of the total account balance are permitted.

### **Initiating a Voluntary Account**

Forms may be downloaded directly from the CTRB website @ <http://www.ct.gov/trb>.

#### A. Payroll Deduction

1. Obtain an [Authorization for Voluntary Deductions Form](#).
2. Complete the form and submit to your employer.
3. Your employer will begin withholding voluntary deductions from your check.
4. To increase, decrease or cancel payroll deductions, submit a new form with your employer.

#### B. Lump Sum Payment

1. Obtain a [Lump Sum Voluntary Payment Form](#).
2. Complete the form and submit with your payment directly to the PO Box listed on the form. Refer to the Acceptable Payment Policy which is part of the Lump Sum Voluntary Payment Form for the forms of payment that CTRB will accept.

#### C. Direct Rollover

1. Obtain a [Direct Rollover/Trustee to Trustee Transfer Request Form](#).
2. Complete Section A of the form and have the Custodian/Trustee complete Section B.
3. Return the completed form and the funds to CTRB.

### **Additional Information**

All voluntary contributions received on or before 12:00 noon on the last business day in June will be first credited or charged with investment return on the thirtieth of June of the following year. Investment returns vary from year to year. A breakdown of your Voluntary Account balances (contributions and investment return) will be included as part of your Member Annual Statement. You are permitted to make a one-time withdrawal of your Voluntary Contributions during your career. 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.