



STATE OF CONNECTICUT  
TEACHERS' RETIREMENT BOARD  
765 ASYLUM AVENUE HARTFORD, CT 06105-2822  
Toll free 1-800-504-1102 x 8402 (860) 241-8402 Fax (860) 241-9295  
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TO: Personnel Officers of the State Department of Education, State Board of Higher Education and Constituent Units

FROM: Darlene Perez, Administrator, Teachers' Retirement Board 

DATE: May 19, 2009

RE: RETIREMENT INCENTIVE PROGRAM FOR STATE EMPLOYED TRB MEMBERS

As part of the 2008-2009 biennial budget, the General Assembly enacted, and the Governor subsequently approved, House Bill 6718, AN ACT CONCERNING THE RETIREMENT INCENTIVE PLAN for state employees with a minimum of ten years of state service who are participating members of the Teachers' Retirement System (TRS). The provisions of this bill follow the same conditions that apply to members of the State Employees' Retirement System (SERS). This program offers three (3) additional years of service credit to be added onto a member's actual and purchased years of service to active state employed members of the Teachers' Retirement System who retire either June 1, 2009 or July 1, 2009. This incentive plan is not available to public school teachers.

This memorandum addresses the eligibility requirements for participation in this program for TRS members.

A. Eligibility Rules

Full-time and \*part-time state employee members of the TRS shall be eligible to participate in the program who:

1. will be at least 55 years of age on or before June 30<sup>th</sup>, 2009 and declare in writing their intention to participate in the Incentive Program and retire on June 1, 2009 or July 1, 2009;

and

2. have sufficient actual credited service (**but no fewer than 10 years of actual state employment service**) in the Teachers' Retirement System so that with the addition of 3 years of credited service they qualify for an immediate normal, early or pro-ratable retirement benefit under the TRS eligibility rules.. Such credited service must consist of time worked and may not include purchased service credits;

and

3. are active contributing members of the Teachers' Retirement System immediately prior to the effective date of their retirement.

\*For purposes of eligibility, a part-time employee is a member who is employed by the State of Connecticut in a position at least equivalent to half-time and for which the member would be eligible for membership solely by virtue of this employment.

**Minimum eligibility requirements for TRS members:**

<b>Retirement Type</b>	<b>AGE</b>	<b>Minimum service as of June 30<sup>th</sup> Without the 3 years of RIP service</b>
Normal (without RIP)	60+ years old  Or any age	With 17 years of service  With 32 years
Early (without RIP)	55+ years old  Or any age	With 17 years of service  With 22 years
Pro-ratable	60 years old (prior to resigning)	10 years of service

B. Effective Date of Retirement

All retirements under the program shall be effective on either June 1, 2009 or July 1, 2009.

C. Incentive

An individual who is eligible for the Retirement Incentive Program shall be permitted to add up to three (3) years to their total service used to calculation their retirement benefit. Incentive years will be applied in units of whole months. The maximum benefit under the TRS is 75% of the final average salary. Based on full-time service this is the equivalent of 37.5 years of service.

D. Restrictions

Actual paid wages, not projected wages, shall be used in all benefit calculations.

Disability retirement and employees eligible for terminated vested retirement benefits are excluded from this program.

E. Other Purchasable Service

If a member elects to purchase any additional credited service (e.g. military, out-of-state etc.) in accordance with Connecticut General Statutes 10-183e, such service must be calculated and purchased prior to the application of the incentive years of service. If the member chooses not to purchase additional credited service, the right to purchase such service will be forfeited.

Filing Requirements

The member must file a complete application for retirement with the Teachers' Retirement System not later than the last day of the month preceding the effective date of retirement (i.e., May 31, 2009 for retirement to become effective June 1, 2009 or June 30, 2009 for retirement to become effective July 1, 2009.)

The application must include all of the following:

TRB Application for a Retirement Allowance  
TRB Application for Retirement Incentive Benefits  
Birth Certificate (photocopy acceptable)  
Birth Certificate of co-participant, if electing Plan D  
<http://www.ct.gov/trb/lib/trb/formsandpubs/RetirementApplication.pdf>

Normal Retirement Formula Example

Age at retirement: 57  
Actual retirement credit: 32 years  
Incentive retirement credit: 3 years  
Total credit: 35 years full-time service

Highest three year average salary: \$60,000

$35.0 \text{ yrs.} \times 2.00\% = 70.00\% \times \$60,000 = \$42,000 \text{ yearly or } \$3,500 \text{ monthly under Payment Plan N, Normal Allowance.}$

Early Retirement Formula Example

Age at retirement: 55  
Actual retirement credit: 18 years  
Incentive retirement credit: 3 years  
Total credit: 21 years full-time

Highest three years average salary: \$60,000

$21 \text{ years} \times 1.4\% = 29.4\% \times \$60,000 = \$17,640 \text{ yearly or } \$1,470 \text{ monthly under Payment Plan N, Normal Allowance.}$

Pro-ratable Retirement Formula Example:

Age at retirement: 63  
Actual retirement credit: 14 years  
Incentive retirement credit: 3 years  
Total credit: 17 years full-time

Highest three years average salary: \$60,000

$17 \text{ years divided by } 10 = 1.7 \times 17 \text{ years of service} = 28.9\% \times \$60,000 = \$17,340 \text{ yearly or } \$1,445 \text{ monthly under Payment Plan N, Normal Allowance}$



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**APPLICATION FOR RETIREMENT INCENTIVE BENEFITS**

I, \_\_\_\_\_, of \_\_\_\_\_  
 Member Name (please print) Agency Employed by

hereby make application for a retirement benefit as a member of the Teachers' Retirement System under the Retirement Incentive Program enacted as HB 6718 during the 2009 legislative session. I understand that I must retire from state service on June 1, 2009 or July 1, 2009 and I must file a completed retirement application with the Teachers' Retirement Board on or before the effective date of my retirement in order to qualify for such benefits.

I further understand that if I am eligible to purchase any additional credited service which I am entitled to purchase at retirement in accordance with Section 10-1 83e C.G.S., I must do so prior to the application of the additional years of service which will be applied under the Retirement Incentive Program. If I fail or choose not to purchase such service, I will forfeit my rights to this service.

Check One:

I do not have any additional credited service \_\_\_\_\_

I have additional credited service that I wish to purchase \_\_\_\_\_

I do not wish to purchase any additional credited service \_\_\_\_\_

\_\_\_\_\_  
 Signature of Member Date

Return this form along with your completed application for a retirement allowance directly to the Teachers' Retirement Board.