

## HAZARDOUS DUTY Option to Retain Grandfathered Normal Retirement Date for the State Employees Retirement System FAQs

Question	Answer
1. What does non-hazardous duty provision mean?	<p>As a hazardous duty employee you can retire with 20 years of hazardous duty service. If you have not met this requirement because some of your service was non-hazardous duty, you can retire under the non-hazardous duty provision outlined in the next question.</p>
2. What does grandfathered normal retirement date mean?	<p>This is the normal retirement eligibility date prior to July 1, 2022. The non-hazardous duty provision defines it as first of the month on or after either age 60 and 25 years of service or age 62 with 10 years of service. The additional contributions paid are to allow employees who won't reach normal retirement age before that date to maintain those retirement ages after that date if they choose.</p>
3. The Form says I need to pay this retroactively back to 7/1/2013. What does this mean?	<p>The SEBAC Agreement stated that grandfathered contributions must begin 7/1/2013 so contributions are to be paid on pension eligible wages back to the first full pay period in July. The retroactive contributions will be done via payroll deduction and spread out over a few paychecks. Members who opt into this will receive a letter stating which paychecks the retroactive contributions will be taken and how much it will be. The pay periods and duration will be dependent on when we process your form.</p>
4. What if I'm hazardous duty now but transfer to non-hazardous duty in the future?	<p>You will have the chance to make an election within 30 days of transferring to a non-hazardous duty position if you did not fill out a form at this time or if you opted out. If you have already opted in, the election will remain in effect. Please remember that if you opt in at the point of transfer to a non-hazardous duty position, you will still owe retroactive contributions back to 7/1/2013 because you are receiving service credit for that time. You will also owe interest on the retroactive contributions if your decision to move to a non-hazardous duty position was voluntary.</p>
5. What if I opt in but then retire under the hazardous duty provisions? What happens to those grandfathered contributions?	<p>You will receive a refund but without interest.</p>
6. What if I leave and defer my retirement date?	<p>If you make the election to pay the additional contributions and are vested, you retain the current normal retirement age regardless of when you leave. You will not receive a refund of the additional contributions.</p>
7. Does this election have any impact on my early retirement date?	<p>The SEBAC Agreement did not change the early retirement age rules. (Age 55). The actuarial discount reduction (now 6% per year) is computed against the current normal retirement age for anyone who retires before July 1, 2022, or for anyone who pays the additional contributions who retires after that date. Those who don't pay the additional contributions, and who retire on or after 7/1/2022, have their actuarial discount reduction computed on the new ages.</p>
8. What if I have already reached normal retirement age by 7/1/2022 but still keep working?	<p>You will retain that normal retirement age and <b>NOT</b> be subject to the post 2022 retirement age. There are no additional contributions due and no form needs to be filled out.</p>

9. What if I have not yet reached normal retirement age but want to retire early prior to 7/1/2022?

You will be subject to the early retirement rules currently in place computed off of the current normal retirement ages (60 or 62) NOT the post 2022 retirement ages because those ages don't take effect until 7/1/2022.

10. What happens if I make this election and want to retire early on or after 7/1/2022?

Again, if you make the election to pay the additional contributions, you retain the current normal retirement age regardless of when you leave.

11. What happens if I make this election and then stay past my grandfathered normal retirement date?

If you stay past the grandfathered normal retirement date and leave after your post 2022 normal retirement date, you will receive all of your additional contributions back but without interest, just as you will if you reach 20 years of hazardous duty time. If you stay past your grandfathered normal retirement date but leave prior to your post 2022 normal retirement date, and before you reach 20 years of hazardous duty time, you will not receive your contributions back but your benefit will be calculated under the grandfathered normal retirement date provisions.

12. For how long will these additional contributions be deducted out of my paycheck?

Your additional contributions continue as long as you are in state service unless you work until the new normal retirement age or reach 20 years of hazardous duty service. Once one of those two things occurs, your additional contributions are returned without interest.

13. How do I calculate the "actuarial costs" associated with the election to grandfather my retirement date?

There are two ways to calculate your percentage. The first is to use the online calculator that can be found by clicking on the red hotlink button at <http://www.osc.ct.gov/>. The other way is to use the chart at the end of the option form.

14. Can you clarify exactly what happens if I don't fill out this form? In other words, I take no action. Do I automatically get charged for taking the grandfathered option or is it assumed that I am NOT taking the grandfathered option?

If no form is returned, it will be considered as opting OUT of the election and no additional contributions will be deducted from your paycheck.

15. Is this deduction going to be pre-tax?

Yes, the additional contributions will be taken on a pre-tax basis.

16. If I make the election to maintain my grandfathered retirement age expecting to retire at age 60 but have to take a voluntary early retirement pending a disability retirement, how is it handled?

As you have made this election and had been contributing the additional amount, you maintain your grandfathered retirement date and the reduction is taken accordingly.

17. If an employee were to pass away prior to retiring, and prior to reaching either the new normal retirement age, or 20 years of hazardous duty service, would their beneficiary receive a refund of their additional contributions?

If the employee passes away after 25 years of service or was over age 55 with 10 or more years of service, the employee's spousal pension beneficiary receives the SERS pension, and no contributions would be refunded. Otherwise the employee's pension beneficiary receives no monthly pension, but would get a refund of all their contributions, including these additional ones.