CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM

TIER I
SUMMARY PLAN DESCRIPTION

Revised to January 1, 2001

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CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM TIER I SUMMARY PLAN DESCRIPTION

YOUR RETIREMENT

RETIREMENT...IT'S NOT SO FAR AWAY

Regardless of your age, you should start thinking about retirement now. You need money to enjoy your retirement years, and that takes careful planning.

Maintaining your pre-retirement living standard usually requires an income from various sources. The State of Connecticut understands this and provides you with retirement benefits through the Connecticut State Employees Retirement System.

The State Employees Retirement System is based on a Connecticut state law enacted in 1939. Since that time, the law has been changed by legislation and collective bargaining. There are currently three plans - Tier I, Tier II and Tier IIA. In this booklet, we describe the System's Tier I retirement plan, which is a contributory plan.

The Tier I Plan is administered by the State Employees Retirement Commission whose members are representatives selected by state employees or their unions, management members appointed by the Governor, and actuaries. The Chair of the Commission is nominated by Commission members and must be authorized to serve as a neutral arbitrator in labor relations cases.

We've described the Tier I Plan in summary form in this booklet. Although retirement plans are by necessity complicated, we have taken care to eliminate legal terms whenever possible and to use everyday language. Also, you'll find a number of examples throughout this booklet to help you understand how the Plan works.

Please read this Tier I description carefully. If you have any questions about the Plan that the booklet does not answer, contact:

The Retirement Services Division
Office of the State Comptroller
55 Elm Street
Hartford, Connecticut 06106

Kevin Lembo
Comptroller
State of Connecticut

YOUR PLAN MEMBERSHIP

TIER I COVERS MOST STATE EMPLOYEES HIRED ON OR BEFORE JULY 1, 1984

Eligibility For Tier I

For the most part, this booklet addresses employees hired on or before July 1, 1984. Generally, state employees first hired from July 2, 1984 through June 30, 1997 are covered under the System's retirement plan called the Tier II Plan, unless they are eligible for and elect membership in another Connecticut retirement system. Generally, state employees first hired on or after July 1, 1997 participate in the Tier IIA Plan, unless they are eligible for and elect membership in another Connecticut retirement system. If you are uncertain which plan you participate in, please contact your agency's Personnel/Payroll Office.

Most state employees hired on or before July 1, 1984 are participating in the Tier I Plan except employees who:

- were eligible for and elected to participate in another State sponsored retirement plan;
- failed to elect membership in the State Employees Retirement System during the 1973 open enrollment period and were continuously employed through October 1, 1982; these employees automatically became members of the Tier II Plan;
- when given the opportunity to do so, did not elect to transfer membership from Tier II to Tier I;
- when given the opportunity to do so, in accordance with the terms of several collective

bargaining agreements, transferred from the Tier I Plan to the Tier II Plan.

Rehired Employees

If you worked for the state as a Tier I member, left your job, then were rehired on or after July 2, 1984 but before July 1, 1997, Tier II Plan membership was mandatory as of the date you were rehired unless:

- you already earned and retained your right to a vested retirement benefit from the Tier I Plan due to your prior period(s) of state service (this means a retirement benefit over and above your own contributions);
- you returned to state service after a period during which you were receiving state retirement benefits, including disability retirement benefits, from the Tier I Plan;
- you were reemployed on or after July 1, 1988, but within five years of your prior termination as a Tier I member;
- you were away for more than five years, but your previous state service as a Tier I member was longer than the length of time you were away. (For example, you worked for the state for eight years, left your job, and returned after a six year absence.)

In these exceptions, you resumed membership in the Tier I Plan.

If you worked for the state as a Tier II member, left your job, then were rehired before July 1, 1997, you automatically returned to Tier II Plan membership as of the date you were rehired.

If you worked for the state as a Tier I or Tier II member, left your job, then were rehired on or after July 1, 1997, Tier IIA Plan membership was mandatory as of the date you were rehired unless:

- you already earned and retained your right to a vested retirement benefit from the Tier I or Tier II Plan due to your prior period(s) of state service (this means a retirement benefit over and above your own contributions, if any);
- you returned to state service after a period during which you were receiving state retirement benefits, including disability retirement benefits, from the Tier I or Tier II Plan;
- the time you were away from state service is less than your prior actual state service or 5 years, whichever is greater.

In these exceptions, you resumed membership in the Tier I or Tier II Plan based upon your original membership.

Teachers and Professional Staff

If you are a state teacher or a professional staff member in higher education as defined by the Connecticut General Statutes, and you were first employed by the state on or before July 1, 1984, you are covered under the Tier I Plan. However, you may have been eligible to elect membership in either the Connecticut Teachers Retirement System or, if you are in higher education, the alternate retirement program. You can be an active member of only one state retirement system.

Judges

Judges appointed to the Connecticut Supreme Court, Appellate Court or Superior Court become members of the Judges, Family Support Magistrates, and Compensation Commissioners Retirement System.

If you were covered by Tier I before your appointment to the Supreme Court, ppellate Court or Superior Court and had accrued at least 10 years of service credit under Tier I, you may elect to remain a member of the Tier I Plan. Or, if you had withdrawn from Tier I, you may elect to be reinstated as a Tier I Plan member. You may make either such election any time within 12 years after your initial appointment as a judge. In determining your Tier I benefit, you will receive credit for your years of service as a judge.

CONTRIBUTIONS TO THE PLAN

YOU AND THE STATE SHARE THE COST OF YOUR RETIREMENT BENEFITS

By You

There are three plans within Tier I - Plan A, Plan B and Plan C. Contributions for membership in Plans A, B, or C in Tier I are based on your annual salary. Salary includes all pay you receive from the state as a Tier I member, including longevity payments and payments for earned vacation time.

Generally, if you are employed by more than one state agency at the same time, all the monies you receive from both state agencies are considered to be salary. The exception to this was the period October 1, 1980 through December 31, 1982, during which time only the salary you received from your primary position was included.

If you are a member of Plan B, your contributions equal:

- 2% of your salary on which Social Security taxes are withheld; and
- 5% of your salary on which Social Security taxes are not withheld.

If you transferred from Plan A to Plan B **without** Social Security, your contributions to Tier I will be the same as a Plan B member contributing to Social Security.

If you are a member of either Plan A or Plan C, you contribute 5% of your total annual salary. The benefits from Plan A are equal to Plan C benefits.

However, Plan A members are not eligible to receive Social Security benefits based on their service with the state.

In addition, if you are a Tier I hazardous duty member, effective January 12, 1990 you were required to contribute 4% of your salary on which Social Security taxes are withheld, and 5% of your salary on which Social Security taxes are not withheld. If you are a hazardous duty member without Social Security coverage, your contributions will be the same as a hazardous duty member with such coverage. Prior to January 12, 1990 you were required to contribute the appropriate percentage of your salary in accordance with your plan membership as explained above.

Since July 1, 1997 your contributions are made on a pre-tax basis.

By the State

Your contributions pay only part of the cost of your retirement benefits. The State of Connecticut pays the remaining cost.

Your Beneficiary

It is important for you to name a retirement beneficiary or beneficiaries to receive any monies that may be due if you should die while you are an active state employee. This designation may be changed any time you wish. To name or change your retirement beneficiary, contact your agency's Personnel Office for the proper forms.

SERVICE AND BENEFIT INFORMATION

SERVICE DETERMINES YOUR ELIGIBILITY FOR BENEFITS

Service For Retirement Purposes

Service includes all the years and months of state service for which you have contributed. Also counted are all periods of time when you received temporary Workers' Compensation (excluding specific indemnity awards) or Disability Compensation under Connecticut General Statutes, Section 5-142 and any unpaid leave on and after June 9, 1994 consisting of individual prescheduled days or partial days off as provided by the Voluntary Schedule Reduction Program pursuant to Section 5-248c of the Connecticut General Statutes. Not counted are periods of absence without pay for other reasons.

If you are a teacher and work a full academic year, equivalent to at least ten months of service, you will receive credit for the full calendar year.

Credit For Purchased Service

You may also be eligible to purchase retirement credit for miscellaneous types of service. Purchased retirement credit may then be utilized in accordance with the plan provision requirements. Many purchase opportunities had an October 1, 1985 application deadline associated with them. Examples of the types of service you might have purchased for retirement credit by applying prior to the October 1, 1985 deadline include:

- periods of prior Connecticut state service for which contributions were not made;
- most periods of prior military service;
- service to other states;
- prior public school teaching in Connecticut;
- qualifying service to certain educational institutions.

There are other purchase opportunities that remain available so long as you apply before retirement. Examples of these open purchases include:

- certain qualifying leaves of absence without pay taken for personal medical reasons or family illness, military service, educational purposes, or voluntary leave prior to June 9, 1994;
- active full-time civilian employment with the United States government;
- your initial probationary period of state employment assuming you have not previously declined to purchase it.

Finally, as explained in the section of this booklet entitled *"Reemployment Before Your Retirement Benefits Commence"*, Tier I members have a limited opportunity to restore retirement credit for a period or periods of prior contributory service for which retirement contributions were refunded.

You may request a purchase of retirement credit or a restoration of retirement credit on a Form CO-896 provided by your employing agency's personnel or payroll office. After submission of the completed request form with all required documentation to the Retirement Services Division, you will either be sent an invoice to complete the purchase or a letter explaining why you do not qualify.

Please contact your agency Personnel or Payroll Office regarding any questions you may have about obtaining additional retirement credit.

Part-Time Service

If you have had part-time service, you should know that:

- your part-time service will be treated as full-time service when determining your eligibility to retire and your benefit percentage for each year of service;
- for retirement income calculation purposes, however, your benefit will be adjusted to reflect the portion of the standard full-time schedule you worked throughout your state employment.

Benefit Calculation Factors

Your basic benefit is calculated by using a formula that takes into account your service credit, your average salary, your age and your plan membership.

Average Salary

To determine your average salary, use your three highest paid years of service. Any 12 consecutive month period equals one year. For example, May 1st through the following April 30th equals one year. Add together your earnings from your three highest paid years, then divide this total by three.

When calculating your average salary, no one year's earnings, commencing January 1, 1986, can be greater than 130% of the average of the preceding two years. Mandatory overtime earnings are not subject to this limitation. You may be eligible for a refund of contributions made on salaries you earned during the three highest paid years which are not used in calculating your benefit.

Minimum Guarantee

If you retire with 25 or more years of service, the Plan provides a minimum benefit; your basic monthly benefit will equal the result of the formula calculation or $833.34, whichever is greater. This benefit will be pro-rated for members with 25 or more years of service which includes at least some part-time service.

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TYPES OF RETIREMENT

WHEN YOU MAY RETIRE AND RECEIVE BENEFITS

Normal Retirement

Your normal retirement date is the first of any month on which or after you:

- attain age 55 and have 25 years of service; or
- attain age 65 and have 10 years of service.

Age 70 Retirement

You may retire on the first of any month on or following your 70th birthday, if you have at least five years of service.

If you leave state service with less than five years of service at age 70 or older, no retirement benefits are payable.

Early Retirement

If you have at least 10 but less than 25 years of service, you can retire on the first of any month on or after your 55th birthday.

Hazardous Duty Retirement

If you have 20 years of hazardous duty service, you may retire with a benefit on the first of any month, regardless of your age.

Disability Retirement

If you become disabled and have 5 years of service, you may be eligible for disability retirement benefits. If your disability is job related, you may receive benefits regardless of your years of service.

Vested Rights Retirement

Your employment may end before you are eligible for immediate retirement benefits. Refer to the section entitled *"If You Leave Before Retirement"* for information about vested rights retirement.

NORMAL RETIREMENT

Eligibility Requirements

You are eligible for normal retirement benefits on the first of any month on which or after you attain age 65 with at least 10 years service, or age 55 with at least 25 years of service.

The Benefit Formulas

Your basic normal retirement benefit is calculated using one of two formulas, depending on whether you are in Plan B, or either Plan A or C. The formulas take into account your service and your average salary.

If you are a Plan B member, your basic normal retirement benefit will be calculated as follows:

FORMULA USED UNTIL AGE 65 OR RECEIPT OF A SOCIAL SECURITY DISABILITY AWARD, IF EARLIER				
two percent (.02)	X	years of service	X	average salary

FORMULA USED BEGINNING AT AGE 65 OR RECEIPT OF A SOCIAL SECURITY DISABILITY AWARD, IF EARLIER				
one percent (.01)	X	years of service	X	$4,800
		PLUS		
two percent (.02)	X	years of service	X	average salary over $4,800

If you retire as a Plan A or Plan C member, your basic benefit will be calculated as follows:

two percent (.02)	X	years of service	X	average salary

Both the Plan B and the Plan A or C formulas will give you an annual retirement benefit. To find your monthly benefit, divide by 12.

An Example

Suppose you retire at age 58 and you have 28 years of full-time service. Let'sassume your average salary equals $40,500 and you are a Plan B member.

Here's how your basic annual benefit is figured using the Plan B formula:

FORMULA USED UNTIL AGE 65

.02 X 28 X $40,500 = $22,680 per year (or $1,890 per month)

This is the benefit you'll receive until age 65, or until you begin receiving Social Security disability benefits, if earlier. At that time, your Plan B benefit will be recalculated, as follows:

				FORMULA USED BEGINNING AT AGE 65		
.01	X	28	X	$4,800	=	$ 1,344
				PLUS		
.02	X	28	X	$35,700	=	$ 19,992
				($40,500 - $4,800)		$ 21,336 per year
						(or $ 1,778 per month)

However, if you were a Plan A or Plan C member, your basic annual benefit would be $22,680 each year for your lifetime.

AGE 70 RETIREMENT

Eligibility Requirements

You may retire on the first of any month on or following your 70th birthday, if you have a least five years of any combination of the following types of credited service: actual state, war-time military, leaves of absence without pay and municipal. All required contributions and interest must be paid in full to receive retirement service credit.

The Benefit Formulas

If you are a member of Plan B, your basic annual benefit will be calculated as follows:

one and one-quarter percent (.0125)	X	years of service, up to a maximum of 20	X	$4,800
		PLUS		
two and one-half percent (.025)	X	years of service, up to a maximum of 20	X	average salary over $4,800

If you are a Plan A or Plan C member, your basic annual benefit will equal:

two and one-half percent (.025)	X	years of service, up to a maximum of 20	X	average salary

To determine what your basic monthly benefit will be in Plan A, B or C, divide your annual benefit by 12.

Remember, the age 70 retirement formula allows a maximum of only 20 years of service in the calculation. However, we will calculate your benefit using both the age 70 retirement formula and the normal retirement formula. Whichever formula gives you the higher payment will be used to determine your basic annual benefit.

EARLY RETIREMENT

Eligibility Requirements

You may retire with a reduced benefit as early as the first of any month on which or after you attain either age 55 with at least 10 years of actual state service, or age 60 with at least 10 years of any combination of the following types of credited service: actual state, war-time military, leaves of absence without pay and municipal. All required contributions and interest must be paid in full to receive retirement service credit.

The Early Retirement Benefit Percentage Chart

Your basic early retirement benefit will be calculated with the same formula used for normal retirement. However, because this benefit is expected to be paid over a longer time period, it must be reduced. To calculate the reduced benefit, we use a factor lower than the two percent factor used at normal retirement. The amount of the reduction depends on how far away you are from your normal retirement date.

The following table shows the factors for this purpose:

BENEFIT PERCENTAGE FOR EACH YEAR OF SERVICE												
Yrs. of Service	**Age**											
	55	**56**	**57**	**58**	**59**	**60**	**61**	**62**	**63**	**64**	**65-69**	**70+over**

5-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50
10	1.00	1.06	1.12	1.20	1.30	1.40	1.52	1.64	1.76	1.88	2.00	2.50
11	1.07	1.12	1.18	1.25	1.35	1.44	1.55	1.66	1.78	1.89	2.00	2.50
12	1.13	1.18	1.24	1.31	1.39	1.48	1.58	1.69	1.79	1.90	2.00	2.50
13	1.20	1.25	1.29	1.36	1.44	1.52	1.62	1.71	1.81	1.90	2.00	2.50
14	1.26	1.31	1.35	1.41	1.48	1.56	1.65	1.74	1.82	1.91	2.00	2.50
15	1.33	1.37	1.41	1.47	1.53	1.60	1.68	1.76	1.84	1.92	2.00	2.50
16	1.40	1.43	1.47	1.52	1.58	1.64	1.71	1.78	1.86	1.93	2.00	2.50
17	1.46	1.49	1.53	1.57	1.62	1.68	1.74	1.81	1.87	1.94	2.00	2.50
18	1.53	1.56	1.58	1.62	1.67	1.72	1.78	1.83	1.89	1.94	2.00	2.50
19	1.59	1.62	1.64	1.68	1.71	1.76	1.81	1.86	1.90	1.95	2.00	2.50
20	1.66	1.68	1.70	1.73	1.76	1.80	1.84	1.88	1.92	1.96	2.00	2.50
21	1.73	1.74	1.76	1.78	1.81	1.84	1.87	1.90	1.94	1.97	2.00	*
22	1.79	1.80	1.82	1.84	1.85	1.88	1.90	1.93	1.95	1.98	2.00	*
23	1.86	1.87	1.87	1.89	1.90	1.92	1.94	1.95	1.97	1.98	2.00	*
24	1.93	1.93	1.93	1.94	1.94	1.96	1.97	1.98	1.98	1.99	2.00	*
25 or												
over	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
* Using the benefit ratio of 2.50, percentage frozen to a maximum of 50%.												

The Benefit Formulas

If you are a Plan B member, your basic early retirement benefit will be calculated as follows:

FORMULA USED UNTIL AGE 65 OR RECEIPT OF A SOCIAL SECURITY DISABILITY AWARD, IF EARLIER

benefit percentage from chart	X	years of service	X	average salary

FORMULA USED BEGINNING AT AGE 65 OR RECEIPT OF A SOCIAL SECURITY DISABILITY AWARD, IF EARLIER

one half benefit percentage from chart	X	years of service	X	$4,800
		PLUS		
full benefit percentage from chart	X	years of service	X	average salary above $4,800

If you retire as a Plan A or Plan C member, your basic benefit will be calculated as follows:

benefit percentage from chart	X	years of service	X	average salary

Both the Plan B and the Plan A or C formulas will give you a basic annual retirement benefit. To find your basic monthly benefit, divide by 12.

An Example

Suppose you retire early at age 58 with 11 years of service. Your benefit percentage from the preceding table would be 1.25. To calculate a benefit, this percentage must be converted to a decimal, so multiply it by .01 (1.25 x .01 = .0125). If your average salary equals $36,000 and you elected Plan B, here's how your basic benefit would be calculated:

.0125	X	11	X	$36,000	=	$ 4,950 per year (or $412.50 per month)

This is the basic annual benefit you will receive until age 65, or until you begin receiving Social Security disability benefits, if earlier. At that time, your Plan B benefit will be recalculated, as follows:

.00625 (1/2 of .0125)	X	11	X	$4,800	=	$ 330
			PLUS			
.0125	X	11	X	$31,200 ($36,000 - $4,800)	=	$ 4,290
						$ 4,620 per year (or $385.00 per month)

You will receive $4,620 each year for the rest of your life. If you retire as a Plan A or Plan C member, your basic annual benefit will be $4,950 each year for life (.0125 x 11 x $36,000).

HAZARDOUS DUTY RETIREMENT

Eligibility Requirements

You may retire with a benefit at any age if you have 20 years of hazardous duty service.

Definition Of Hazardous Duty

You are considered a hazardous duty member if you are an employee working:

- in the Division of State Police within the Department of Public Safety as a State Police Officer;
- as a detective, chief inspector, or inspector in the Division of Criminal Justice, or as a chief detective in any other division;
- in guard or instructional duties at any state correctional facility or institution;
- directly and substantially with patients at the Whiting Forensic Institute Division of the Department of Mental Health and Addiction Services;
- in specified firefighting, law enforcement or protective services classifications;
- in any other position included on the Hazardous Duty Appendix.

The Benefit Formulas

If you qualify for a hazardous duty retirement, your basic annual benefit will be calculated as follows:

50% (.50) for 20 years hazardous duty service			X	average salary
		PLUS		
two percent (.02)	X	all service over 20 years (which could include service for state jobs not classified as hazardous as well as other credited service)	X	average salary

If you are a hazardous duty member who was formerly in Plan B, unless you are an inspector, chief inspector or detective in the Division of Criminal Justice or a chief detective in any other division, you will have a reduction in your state retirement benefit when you attain age 65 or receive a Social Security disability award, if earlier. The reduction will be based on your years of credited service prior to July 1, 1988. The following formulas will help you determine how much your yearly reduction for your former Plan B service will be, when applicable.

FORMULA FOR PLAN B REDUCTION FOR STATE POLICE OFFICERS				
$4	X	all credited service prior to 7/1/88	X	12

FORMULA FOR PLAN B REDUCTION FOR ALL OTHER HAZARDOUS DUTY MEMBERS		
one and one quarter percent (.0125)	X	hazardous duty service rendered prior to 7/1/88 (to a maximum of 20 years)
		PLUS
one percent (.01)	X	all additional service (over 20 years) rendered prior to 7/1/88 (including hazardous duty and other credited service)
		TIMES
		$4,800

An Example

Let's suppose you are retiring with 30 years of service in a hazardous duty position. Assume your average salary equals $42,000. Here's how your basic annual benefit is figured:

.50	X	$42,000			=	$ 21,000
			PLUS			
.02	X	10 (service over 20 years)	X	$42,000	=	$ 8,400
						$ 29,400 per year (or $2,450 per month)

If you were in Plan B, this is the benefit you'll receive until age 65, or until you begin receiving Social Security disability benefits, if earlier. At that time your state retirement benefit will be reduced as explained earlier.

If you retired as a former Plan A or Plan C member, your basic annual benefit would be $29,400 each year for life.

Special Note

Hazardous duty members who leave state service before qualifying for hazardous duty retirement benefits may, if eligible to do so, receive early, normal, or vested rights retirement benefits.

For Plan B hazardous duty members, contributions in excess of those required for an early, normal, or vested rights retirement benefit will be refunded to the member following retirement. Upon written request, terminated vested members may receive a refund of the excess hazardous duty contributions before their retirement benefits begin. Hazardous duty members who retire on disability retirement are not entitled to a refund of any of their hazardous duty contributions.

Plan A and C hazardous duty members who receive an early, normal, or vested rights retirement benefit will be required to contribute the difference between the hazardous duty contribution rate and 5%.

DISABILITY RETIREMENT

Eligibility Requirements

You may receive retirement benefits if you become permanently disabled. To be eligible for a non service-connected disability retirement you must have at least 5 years of service. For service-connected disabilities there is no minimum service requirement.

Definition Of Disability

Disabled means you are permanently unable to perform the duties of your job. Your disability may be service-connected or non service-connected. If your disability is non service-connected, after you have received disability benefits for 24 months you are considered disabled only if you are totally unable to work at any suitable and comparable job.

The determination of eligibility for state disability retirement benefits is made by the Retirement Medical Examining Board. The Board will base its decision on the pertinent medical evidence you provide. It is important that you submit the treating physician's narrative reports as well as diagnostic test and hospital summaries and any other relevant information of ongoing care for the condition on which your application is based. The Board will conduct a hearing in connection with your disability retirement application at which oral testimony may be given. Remember for non service-connected disabilities, the Board will conduct another review after you have received benefits for 24 months. For individualized information you may contact your agency Personnel or Payroll Officer, or the Retirement Services Division Counseling Services Unit.

If you qualify for a non service-connected disability retirement, the following formula is used to compute your basic annual benefit:

NON SERVICE-CONNECTED DISABILITY RETIREMENT FORMULA

THE LESSER OF:

three percent (.03)	X	years of service at disability	X	average salary
		OR		
one and two-thirds percent (.0167)	X	years of service as if you had kept working to age 65	X	average salary

For a service-connected disability, your basic annual benefit will be calculated as follows:

SERVICE-CONNECTED DISABILITY RETIREMENT FORMULA

one and two-thirds percent (.0167)	X	years of service as if you had kept working to age 65 (up to a maximum of 30 years)	X	average salary **OR** your annual rate of salary at disability (if greater).

If you retire on a service-connected disability and you have at least five years of service and your date of injury was on or after October 1, 1982, your benefit may be paid under the non service-connected formula, if it produces a higher benefit.

An Example

Assume you become disabled from a non service-connected injury at age 50. You have 10 years of service and your average salary equals $36,000. Your benefit will be calculated two ways: using your service at the time of disability (10 years) and your service projected to age 65 (25 years). Here is how your basic annual benefit is figured:

You will receive the lesser of:						
.03	X	10	X	$36,000	=	$10,800
						OR
.0167	X	25	X	$36,000	=	$15,030

You would receive a basic annual benefit of $10,800 or $900 a month.

Now, let's suppose your disability is service-connected. Your salary at the time of disability is $38,000 (higher than your average salary of $36,000).

Here is how your basic annual benefit is calculated:

.0167	X	25	X	$38,000	=	$15,865

You would receive a basic annual benefit of $15,865 or $1,322.08 a month.

Maximum Benefits

During your disability retirement you may receive these other forms of income:

- Social Security disability payments, including payments made to your spouse and children due to your disability;
- certain Workers' Compensation benefit payments, limited to temporary total or temporary partial benefits;
- Disability Compensation under Section 5-142 of the Connecticut General Statutes;
- Supplemental Disability payments made by the Retirement System to State Police Officers;
- outside income from a job.

The total amount you may receive from the first four listed sources, combined with your Tier I benefit, cannot be more than 80% of your average salary or 80% of your salary at the time of disability, if higher. If your total benefits exceed the 80% maximum, your Tier I benefit will be reduced. The reduction will be the amount needed to bring the benefit total down to the 80% maximum.

Suppose you also earn income from a job. In this case, your total income (from Tier I, Social Security Disability, Workers' Compensation, Disability Compensation, State Police Supplemental Disability benefits and the job combined) cannot exceed 100% of your average salary or 100% of your salary at the time of disability, if higher. If your income exceeds this 100% maximum, your Tier I benefit will be reduced. The reduction will be the amount needed to bring the total down to the 100% maximum.

The Retirement Commission may approve your job as being rehabilitative; that is, being helpful to your recovery. If so, your Tier I benefit will not be reduced based on your salary from that job.

If both the 80% and 100% maximum amounts apply, the formula paying the smaller benefit will be used.

Guarantee Of Minimum Disability Retirement Benefit

Of note, you should be aware that your combined income including disability retirement benefits, any Social Security payments, certain Workers' Compensation payments limited to temporary total and temporary partial payments, Disability Compensation benefits under Section 5-142 of the Connecticut General Statutes, and State Police Supplemental Disability benefits cannot be less than sixty percent of your rate of salary at the time your disability occurred.

Remember, however, that you will always receive the 60% minimum guaranteed amount if it is higher than the amount provided by the basic formulas or the maximum benefits described above.

If You Recover

All disability retirement benefits will end if you recover from your condition before your normal retirement date. You will receive credit for the period of time you were receiving Tier I retirement disability benefits. The total number of years including the time you worked and the period you were receiving the disability benefits is subject to a maximum of 25 years. However, if your service at the time of disability is greater than 25, you will receive credit for your total years of service before your disability.

Special Notes

- If you became disabled before January 1, 1984, your benefit may becalculated differently.
- In the event that the Retirement Medical Examining Board determines thatyou are not permanently disabled from performing your job duties, the agency where you were last actively employed will be required to return you to employment, if you so choose. This assumes there are no other employment related reasons for your separation.

State Police Officers

In addition to the benefits described in this section, you may be eligible for supplemental disability payments from the Retirement System. For more information, you should contact the Personnel/Payroll Office, Division of State Police, or the Retirement Counseling Services Unit, Retirement Services Division, Office of the State Comptroller.

If you become disabled, be sure to get complete information on the benefits of both a hazardous duty retirement and a disability retirement. Only after you fully understand all your alternatives can you make the right decision for your own situation.

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM TIER I SUMMARY PLAN DESCRIPTION

BENEFIT PAYMENT OPTIONS

YOU MAY CHOOSE THE FORM OF BENEFIT PAYMENT

Benefit Options

When you apply to retire you must elect one of four benefit payment "options". You should review your option choices with care and select the one that will provide you with retirement income in the form best suited to your personal needs. If you elect to have your retirement benefits paid to someone else when you die, the recipient would be your contingent annuitant, commonly referred to as your "optionee". The optional forms of payment available are:

1. ***Option D - Straight Life Annuity.*** This option provides you with the highest monthly benefit for your lifetime. However, all payments stop at your death.

2. ***Option A - 50% Spouse.*** This option first provides a reduced monthly benefit to you for life. Then, 50% of that benefit will continue after your death for the lifetime of your surviving spouse (contingent annuitant).

3. ***Option B - 50% or 100% Survivor.*** This option arranges to continue payments after your death to the contingent annuitant you choose. This contingent annuitant can be any person, including your spouse. The option provides a reduced monthly benefit to you for life. After your death, a percentage of that benefit, either 50% or 100%, whichever you choose, will continue for the lifetime of your contingent annuitant.

4. ***Option C - 10 Year or 20 Year Period Certain.*** This option provides a reduced monthly benefit to you for your lifetime with payments guaranteed from your retirement date for 10 or 20 years (whichever you choose). If you should die within 10 years (120 payments) or 20 years (240 payments) from your date of retirement, the remaining payments, in accordance with your selection, will be made to your contingent annuitant(s). This is the only option which allows you to name more than one contingent annuitant, each of whom would share each remaining monthly payment equally.

If you elect a benefit option that will continue an income to a surviving contingent annuitant, the benefit amount you receive will depend on your age and, with the exception of Option C, the age of your contingent annuitant. In the case of Option C, your closest age is the determining factor. The amount is less than you would receive if benefits were paid to you alone.

Important Information to Consider When Making Your Option Election

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.

Regardless of your option choice or marital status, you must submit proof and/or attest to your marital status within one year prior to the date your retirement benefits are to commence. Failure to submit the required waiver and documentation prior to your effective date of retirement may result in a delay of retirement income payments.

If you retire and have not designated in writing the benefit payment option you would prefer or have not obtained the consent of your spouse, your benefit will be paid according to your marital status when payment begins.

Your benefit payment option cannot be changed after retirement. Therefore, it is very important that you elect your "option" following careful review of all the available choices.

Except for Option C, each option requires you to designate a beneficiary. Your beneficiary would receive a lump sum refund of any remaining contributions and interest. This lump sum payment occurs only after your death and the death of your designated contingent annuitant, if applicable.

PLEASE NOTE:

If you elect Option D, at the time of your death not only do all pension payments stop, but health insurance for any dependents you were covering through the State Employees Retirement System also ends. Those dependents would be offered the choice of assuming the full (100%) cost of the group health insurance for a limited period only (currently 3 years). Then all health insurance benefits available through the state would cease. Reimbursement for your dependent's Medicare Part B (normal premiums) will also end at your death.

If you elect Option A, B, or C, the state sponsored health coverage and the payment of any reimbursement of the Medicare Part B normal premiums would be extended at the time of your death to your designated contingent annuitant(s) and his or her eligible dependents for as long as the monthly benefit continues provided that the contingent annuitant and dependents were your dependents or cohabited with you at the time of your death.

SURVIVOR BENEFITS

DEATH BENEFITS MAY BE PAYABLE TO YOUR SURVIVOR

Before You Retire

If you should die before you retire, death benefits may be due your survivors. It is important, therefore, for you to know that state employees can, in some instances, influence the type and amount of benefits which may be available to the survivor(s). Should you become seriously ill or injured, or have a life threatening condition, you or someone on your behalf should contact the Retirement Services Division Counseling Services Unit as soon as possible, either directly or through your employing agency.

Spousal Benefits Before You Retire

Your spouse may receive monthly Tier I benefits if you die before retirement. Should you die while actively employed or while on an approved leave of absence, your spouse will receive a monthly benefit if:

- you are eligible for normal, age 70, early, or hazardous duty retirement;

OR

- you have 25 years of service at any age.

For your spouse to receive benefits, you must have been married for at least the one year period immediately preceding your death. The agency where you were employed should be notified of your death as soon as possible.

Your spouse's benefits would begin on the first of the month on or after your death. Monthly payments would then continue for his or her lifetime. The amount would equal 50% of the following: the payment you would have received under the Spouse option averaged with the payment you would have received under the Straight Life Annuity option had payments started the day of your death. If you had not reached age 55 at the time of your death, the benefit would be figured as though you were 55.

Spousal Benefits If You Leave With 25 Years Of Service

Suppose you leave state employment with 25 years of service, leave your contributions in the System and you die before receiving any retirement benefits. Your spouse will receive retirement benefits, provided you had been married to each other for at least the twelve months preceding your death.

Benefits would be paid as described previously in the section entitled "Spousal Benefits Before You Retire".

If A Spousal Benefit Is Not Applicable

If you are not married or if your spouse is not eligible to receive monthly benefits, your designated beneficiary (who could be your spouse) will receive a lump-sum payment. The amount will equal your contributions plus 5% annual interest credited from January 1, 1982, or the July 1st following date of entry into the Plan, whichever is later.

After You Apply For Retirement - But Before Benefits Begin - The 90 Day Protection Window

Suppose you apply for retirement and select Option B or Option C (refer to the section entitled *"Benefit Payment Options"*). If you die within 90 days after you first elect either one of these options, but prior to your date of retirement, your contingent annuitant may receive payments in accordance with your selection. If your death occurs after this 90 day period and you have not yet retired, or if you die within 90 days after electing Option D or A but prior to your date of retirement, the benefit paid will be as described earlier in the section entitled *"Spousal Benefits Before You Retire".* Again, both the agency where you were employed and the Retirement Services Division should be immediately notified of your death.

After Retirement Benefits Have Started

If you die after benefits have started, your designated contingent annuitant or beneficiary will receive any benefits due under the option you chose before retirement. It is necessary to have the Retirement Services Division notified of your death as soon as possible to facilitate the commencement of benefits for your contingent annuitant or beneficiary.

Suppose you elect the Straight Life Annuity option and you die before your contributions and earned interest are depleted. In this case, your designated beneficiary will receive a lump sum benefit equal to the remaining portion of your contributions and interest.

If you provide for an income to continue to a contingent annuitant for life and both you and that contingent annuitant die before your contributions and earned interest are depleted, a similar refund will be made. If no beneficiary was designated, the lump-sum benefit will be paid to the estate.

Job Related Death

The Tier I Plan may provide a benefit to your family if your death is a result of a job related injury. Death must not have been caused by an intentional or careless act on your part. For deaths occurring on and after January 1, 1998, the following benefits are payable.

If you are survived by a spouse and at least one dependent child under 18 years of age, the Plan pays your husband or wife $100,000. The money will be paid in equal monthly installments over a period of at least ten years. All payments to your spouse will end if he or she dies or remarries during this time. In addition, each dependent child will receive $50 a month until his or her 18th birthday.

If you are survived by your spouse only, the Plan pays $50,000 to that spouse in equal monthly installments. Payments will be made over a period of at least ten years. They will end if your spouse dies or remarries during this period.

Suppose you have no surviving spouse or children, but you leave one or both parents dependent upon you. In this case, your parent(s) will receive $50,000 in equal monthly installments over a ten year period. If one parent dies, the other parent will continue to get the remaining payments. All benefits will end if both parents die within the ten year period.

Family Benefits For State Police Officers

In addition to the survivor benefits described in this section, State Police Officers have additional family benefits. Your spouse and dependent children may be entitled to receive a monthly check if you die. To learn the amount of this benefit, please contact your agency's Personnel/Payroll Office.

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM TIER I SUMMARY PLAN DESCRIPTION

IF YOU LEAVE BEFORE RETIREMENT

YOU BECOME VESTED AFTER 10 YEARS OF SERVICE

Vested Rights Eligibility Requirements

Your state employment may end before you retire. You will have earned a permanent vested right to a retirement benefit if:

- you have at least 10 years of service at the time you leave; and
- you have been continuously employed by the State for the last 5 years, without a severance of a year or more.

When you leave, you may make one of three choices:

1. Elect to have the state hold your vested benefit until you reach the minimum retirement age. Then, benefits may begin the first of the month on or after you qualify for retirement. If you have at least ten but less than twenty five years of service, your benefit will be reduced the same as any early retirement

benefit. We explained how and why your benefit is reduced in the section entitled *"Early Retirement"*. However, if you have 25 or more years of credited service, your benefits will be calculated as explained in the section entitled *"Normal Retirement"*.

2. Elect to receive your vested benefit at a date later than the date you reach the minimum retirement age. Then, the amount of your basic monthly payment will depend upon: your average salary at the time you left state service; the amount of service you had earned; and the age at which you elect to have payments commence. You should contact the Retirement Services Division Counseling Unit if you intend to delay benefits beyond the date you attain the minimum age.

3. Elect to take a lump-sum refund of your contributions instead of waiting to receive monthly benefits. Your refund will include your contributions plus interest at 5% per year credited from January 1, 1982, or the July 1st following your date of entry into the Plan, whichever is later. Such a refund s in lieu of any other benefits from Tier I.

If you elect choice "1" or "2", you must leave your retirement contributions and earned interest in the system. Additionally, you should contact your last employing agency's Personnel Office to request the preparation of an application for vested rights retirement benefits at time of termination or shortly thereafter even though the effective date of your benefits may be years in the future. Your application, accompanied by a confirmation of active health insurance form and a copy of your birth certificate, should be directed to the Retirement Services Division. You should also advise the Retirement Services Division, in writing, of any address changes that follow your severance from state service.

Withdrawal Of Contributions

If you are not eligible for any retirement benefits when you leave state service, you may withdraw your retirement contributions. This withdrawal will include 5% interest per year credited from January 1, 1982, or the July 1st following your date of entry into the Plan, whichever is later to the July 1st coincident with or preceding the date you leave state service. If you do not withdraw your contributions and you do not return to state service within five years we will assume that you want a refund and a refund application will be sent to you. After you complete the form and return it to us, we will send you your contributions and interest. If we cannot locate you within 10 years after your employment ends, your contributions will become part of the retirement fund.

Reemployment Before Your Retirement Benefits Commence

Suppose you leave state service with a right to a vested benefit but you are later rehired. If you did not withdraw your contributions, your service before reemployment will be added to future service when calculating your benefit when you next apply for retirement benefits.

If you did withdraw your contributions and are reemployed as a Tier I member, you may return your withdrawn contributions plus interest to the System to restore retirement credit for your prior years of service. If application is made within two years of your reemployment date, you may restore credit for all prior service, including any previous purchases of retirement credit for non-state employment. If application is made after two years of reemployment, the restoration of credit is limited to prior periods of Connecticut state employment during which Tier I contributions were made.

REEMPLOYMENT AFTER RETIREMENT

AFTER YOU RETIRE YOU MAY RETURN TO EITHER FULL-TIME OR PART-TIME STATE SERVICE

Reemployment In A Temporary Position

If you are reemployed by the state in a temporary position, you can work no more than 120 days in any calendar year without impairing your pension rights. If the temporary position is considered a 7 hour full-time position, you may work a maximum of 840 hours; if the position is a 7.5 hour full-time position, you may work 900 hours; if the position is a 7.75 hour full-time position, you may work 930 hours; and if the position is an 8 hour per day full-time position, you may work 960 hours in a calendar year.

A retiree reemployed in a state teaching position may work 45.97% of a full-time teaching schedule without impairing pension rights. This means that a reemployed retiree at a state university or the University of Connecticut may teach twelve load credits per calendar year. A reemployed retiree at a state technical college may teach up to fourteen contact hours per calendar year.

Reemployed retirees at institutions which do not operate on a credit basis, such as the Department of Correction and the state technical high schools, are required to observe the 120 days per calendar year limitation.

Reemployment In A Permanent Position

If you are reemployed by the state in a permanent position after you have retired, your pension payments and benefits will cease. It is your responsibility to notify the Retirement Services Division of your reemployment. Although you cannot rejoin the retirement system immediately, your membership and contributions will resume after you have completed six months of continuous service. You may purchase that initial period of reemployment without interest, if you apply and make payments within six months of the date your membership in the system resumed. When you next retire, your retirement benefit will not be less than the amount you were receiving prior to reemployment.

COST OF LIVING ADJUSTMENT

BENEFITS ARE ADJUSTED TO OFFSET RISING COSTS OF LIVING

You will be eligible for an annual cost of living adjustment (COLA) after you start receiving retirement benefits. The first increase will take place on the January 1st or July 1st (whichever comes first) after at least nine full months of retirement. Future increases will occur on either the January or July anniversary of your first increase.

The COLA will range from a minimum 2.5% to a maximum of 6% based on a formula which takes into account a portion of the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12 months immediately preceding your COLA anniversary date.

Specifically, the COLA will be determined in accordance with the following formula:

60% of the annual increase in the CPI-W up to 6%

PLUS

75% of the annual increase in the CPI-W above 6%

HEALTH AND LIFE INSURANCE

STATE MEDICAL, DENTAL, AND LIFE INSURANCE MAY CONTINUE AFTER YOU RETIRE

Health Insurance

When you retire, you may be entitled to group medical coverage for you and your eligible dependents under a state group medical insurance plan provided you were eligible for normal, active group health coverage immediately prior to your termination. If you were not eligible for normal, active group health coverage immediately prior to your termination but you had 10 years of service credit in Tier I as of June 30, 1992, you may also be entitled to group medical coverage for you and your eligible dependents under a state group medical insurance plan. The state currently pays 100% of the cost of certain medical plans for you and your eligible dependents; other medical plans require you to pay part of the premium cost.

If you qualify for the retiree group medical coverage, you may also elect the group dental insurance for you and your eligible dependents under a state group dental insurance plan. The state currently pays 20% of the cost of this coverage for you and your eligible dependents. The balance of the cost (80%) will be deducted from your monthly retirement check.

If you terminate state employment with vested rights, your retiree coverage under the group medical and dental insurance plans can begin as early as the month following the commencement of your retirement benefits.

If you do not elect to continue your state medical coverage at the time you retire, within certain limits, you will be able to obtain coverage during any open enrollment period for retirees. You will be notified annually when the next open enrollment period will take place.

You may be reimbursed by the state for 100% of the basic cost of Medicare Part B premiums for you and your eligible dependents. Therefore, a copy (not the original) of the appropriate Medicare card, showing Part B enrollment, should be sent to the Retirement Services Division.

Life Insurance

When you retire, a portion of your life insurance will be continued with the state paying the full cost. If you retire with 25 or more years of state service, or if you receive hazardous duty retirement benefits under Connecticut General Statutes, Section 5-173, you will receive a life insurance policy equal to one-half of the basic coverage you had immediately before retirement. With less than 25 years of state service, your coverage will be proportionately reduced based on years of service. However, with 25 or more years of full-time state service, your life insurance at retirement will never be less than $10,000.

You may convert any amount up to the full amount of the reduction to a personal policy of life insurance with the insurer. If you wish to do this, you must apply within 31 days after your date of retirement.

Special Notes

If you have become permanently and totally disabled, you may remain eligible for your full amount of basic life insurance coverage. You must be insured and under age 60 when first disabled. You should contact your agency Personnel or Payroll Officer to obtain additional information and to request an application for a waiver of group life insurance premiums to determine if you qualify.

If you terminate state service and you elect to vest your rights or you elect to defer your retirement benefits to a later date, you will not be eligible to receive any of the state paid life insurance. You will, however, be eligible to convert up to the full amount of the life insurance coverage in effect immediately prior to your termination of state employment, to a personal life insurance policy with the insurer.

WHEN YOU ARE READY TO RETIRE

The Application Process

You must contact the Personnel or Payroll Office of your employing agency, in writing, to request the preparation of your "Application for Retirement Benefits" and other related retirement forms. You should allow a reasonable amount of notice time for this process, which is generally considered to be 2 to 3 months prior to your intended date of retirement. Because of the 90 day protection window explained in the section entitled *"Survivor Benefits"*, you should not execute your retirement forms prior to 90 days from your targeted retirement date. Your retirement application and all accompanying documentation must be received by the Retirement Services Division before the effective date of your retirement.

You will need to provide to your agency copies of:

- Your birth certificate
- Your contingent annuitant's birth certificate, if applicable
- If married, your marriage certificate.

You will need to make several elections including:

- Income payment election (option)
- Choice of Health Services after retirement, if eligible. If you or your dependent(s) are over the age of 65 and are covered by Medicare Part B, you should provide a copy of your identification card(s) indicating Medicare Part B enrollment.

You are required to complete a form entitled "Spouse Waiver of Monthly Survivor Benefits" attesting to your marital status. If you have been married for at least one year as of your requested retirement date and elect an option that, following your death, will not provide your spouse with a guaranteed lifetime monthly benefit, your spouse must provide written consent, with proper witness certification, on this waiver form.

If you are making application for a disability retirement, you must provide, in addition to the aforementioned items, a form entitled "Disability Retirement Application Medical Report " as completed by your treating physician, as well as the supporting documentation addressed in the section entitled *"Disability Retirement"*.

If you would like your retirement benefit check electronically deposited to your account at your financial institution, you will need to complete with your financial representative a "Retirement - Direct Deposit Authorization and Input Form".

Counseling Services

In addition to the Personnel or Payroll Officer at your own agency or facility, the Office of the State Comptroller provides retirement counseling services to all state employees through its Retirement Services Division, located at 55 Elm Street, Hartford, Connecticut 06106 (Telephone: (860) 702-3490). Appointments must be scheduled in advance.

OTHER INFORMATION

Compensation Limitation

Federal law operates to impose a limitation on earnings covered for retirement purposes. For calendar year 2001, the limit is $170,000; this amount may be adjusted on an annual basis.

Assignment Of Benefits

You may not use your Tier I Plan interests as collateral or security for a loan.

Reporting And Disclosure

You or your representative have the right to inspect and obtain copies of all Plan documents. You must pay a reasonable charge for such copies.

You will receive a summary plan description 90 days after you begin work, and at least once every four years. You will be notified of any substantial Plan changes within 210 days after their effective date.

Each year you will receive an annual retirement benefits statement with personalized information.

A Final Note

This booklet is designed to help you understand your retirement benefits. It summarizes the more important provisions of the Tier I Plan. It is not intended to give you complete details on all Plan conditions. If there is any conflict in wording between the law and this booklet, the official wording of the law will govern.

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