

# CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM

## HYBRID PLAN

### SUMMARY PLAN DESCRIPTION (SPD)

#### **YOUR RETIREMENT**

Connecticut State Employees Retirement Commission  
Medical Examining Board for Disability Retirement

#### **YOUR PLAN MEMBERSHIP**

New Employees  
Rehired Employees

#### **CONTRIBUTIONS TO THE PLAN**

By You  
By The State  
Your Beneficiary

#### **SERVICE AND BENEFIT INFORMATION**

Actual State Service  
Vesting Service  
Credited Service  
Breaks In Service And Permanent Breaks In Service Rules  
Reference Chart for Actual State, Vesting And Credited Service  
Detailed Information On Purchase Opportunities  
Part-Time Service  
Benefit Calculation Factors  
Average Salary  
Breakpoint  
Minimum Guarantee  
IRC 415(b) Defined Benefit Limitations

#### **TYPES OF RETIREMENT**

Normal Retirement  
Early Retirement  
Disability Retirement

#### **NORMAL RETIREMENT**

Eligibility Requirements  
The Benefit Formula

#### **EARLY RETIREMENT**

How Your Benefit Is Figured  
An Example

#### **DISABILITY RETIREMENT**

Types Of Disability  
Disability Standard  
Disability Retirement Application Process  
How Your Disability Benefit is Calculated  
If You Recover  
Special Note

## **BENEFIT PAYMENT OPTIONS**

Benefit Options  
Important Information To Consider When Making Your Option Election

## **“CASH OUT” OPTION**

### **SURVIVOR BENEFITS**

Before You Retire  
Spousal Benefits Before You Retire  
Spousal Benefits If You Leave With 25 years Of Vesting Service  
If A Spousal Benefit Is Not Applicable  
After You Apply For Retirement - But Before Benefits Begin - The 90 Day Protection Window  
After Retirement Benefits Have Started  
Job Related Death

### **IF YOU LEAVE BEFORE RETIREMENT**

Vested Rights  
How Your Benefit Is Figured  
If You Are Not Vested - Withdrawal Of Contributions

### **REEMPLOYMENT AFTER RETIREMENT**

Reemployment In A Temporary Position  
Reemployment In A Permanent Position

### **COST OF LIVING ADJUSTMENT**

### **WHEN YOU ARE READY TO RETIRE**

The Application Process  
Counseling Services

### **OTHER INFORMATION**

Assignment Of Benefits  
Divorce - Plan Approved Domestic Relations Order (PADRO)  
Reporting And Disclosure

---

## **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 also offers you the option of participation in the Deferred Compensation Plan and 403(b) Program retirement savings plans to supplement your retirement income from the State Employees Retirement System; information on these and other miscellaneous employee benefits can be obtained on the Office of the State Comptroller's website at [www.osc.ct.gov](http://www.osc.ct.gov) under Employees Resources.

The State Employees Retirement System is based on a Connecticut state law enacted in 1939. Since 1939, the law has been changed by legislation and collective bargaining. Current plan provisions are in effect until June 30, 2022 in accordance with the 2011 agreement between the State of Connecticut and the State Employees Bargaining Agent Coalition. You should be aware however that these provisions are subject to change in accordance with any subsequent legislative, collective bargaining or court ordered actions. There are currently six plans - Tier I, Tier II , Tier IIA, Tier III and, for teachers and certain eligible employees in higher education only, the Hybrid Plan and the Alternate Retirement Program.

In this SPD, we describe the System's Hybrid Plan, which is a contributory defined benefit plan with a "cash out" option intended to be qualified under section 401(a) of the Internal Revenue Code. Accordingly, Hybrid Plan members are subject to the defined benefit plan compensation and benefit limitations provided for in the Internal Revenue Code sections 401(a)(17) and 415 (b).

The Hybrid 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 Hybrid Plan in summary form in this SPD. 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 SPD to help you understand how the Plan works.

Please read this Hybrid Plan description carefully. If you have any questions about the Plan that the SPD does not answer, please visit the Office of the State Comptroller's website at [www.osc.ct.gov](http://www.osc.ct.gov), contact your employing agency's Human Resources Office or contact the Retirement Services Division as directed throughout this SPD. Written requests for information may be sent to the Division at the address below; you may also contact the Division by email at [osc.rsd@po.state.ct.us](mailto:osc.rsd@po.state.ct.us).

***Important note:*** This SPD is designed to help you understand your retirement benefits. It summarizes the more important provisions of the Hybrid 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 SPD, the official wording of the law will govern.

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

Kevin Lembo  
Comptroller  
State of Connecticut

Brenda K. Halpin  
Director  
Retirement Services Division

## **CONNECTICUT STATE EMPLOYEES RETIREMENT COMMISSION**

Peter R. Blum, Chair  
Robert Baus  
Sandra Fae Brown-Brewton  
Michael Carey  
Charles Casella  
Robert Coffey  
Richard Cosgrove, Jr.  
Thomas P. Culley  
James Dzurenda  
Paul Fortier  
Stephen Greatorex  
Sal Luciano  
Ronald McLelland  
Claude Poulin  
Linda J. Yelmini

## **MEDICAL EXAMINING BOARD FOR DISABILITY RETIREMENT**

Oluremi Aliyu, MD  
Douglas D'Andrea, MD  
Jayesh Kamath, MD  
Catherine Lewis, MD  
Wilner Samson, MD  
Timothy Silvis, MD  
Ariane Sirop, MD

---

### **YOUR PLAN MEMBERSHIP**

---

### **THE HYBRID PLAN COVERS STATE TEACHERS AND CERTAIN EMPLOYEES IN HIGHER EDUCATION**

In general, the Hybrid Plan covers state teachers and professional staff members in higher education as defined by the Connecticut General Statutes first hired on or after July 1, 2011.

State teachers and professional staff members in higher education hired before July 1, 2011 who were participating in the Alternate Retirement Program (ARP) have the option through a date yet to be determined of electing to transfer their membership from ARP to the Hybrid Plan and purchasing credit in the Hybrid Plan for their prior service at the full actuarial cost.

## **New Employees**

If you were a State teacher or professional staff member in higher education first hired into state service on or after July 1, 2011, you had the option to elect membership in the Tier III retirement plan, the Hybrid Plan, the ARP, or, if eligible, the Teachers Retirement System (TRS) within 60 days of your employment. **This is a one-time, irrevocable election.** If you did not make an election within the 60 day period you automatically became a member of SERS Tier III unless you were employed with the University of Connecticut and covered under the University of Connecticut Chapter of the American Association of University Professors contract then you automatically become a member of the ARP. **No change to an employee's retirement plan membership is permitted after initial election or following 60 day default.**

## **Rehired Employees**

If you worked for the state, left your job, then were rehired on or after July 1, 2011 you must return to the retirement plan to which you were previously assigned unless:

- you experienced a permanent break in service which means that the time you were away from state service is greater than your prior actual state service or 5 years, whichever is greater;
- you were hired in a position not eligible for participation in your prior retirement plan;
- you were hired in a position which affords you the opportunity to elect participation in a retirement plan not previously available to you.

**Special Note:** Since Hybrid Plan membership is limited to State teachers or professional staff members in higher education, if you elect membership in the Hybrid Plan and are subsequently employed in a position not eligible for Hybrid Plan participation, you must be enrolled in SERS Tier III.

You can be an active member of only one state retirement system.

---

## **CONTRIBUTIONS TO THE PLAN**

---

### **YOU AND THE STATE SHARE THE COST OF YOUR RETIREMENT BENEFITS**

#### **By You**

Contributions for membership in the Hybrid Plan are based on your annual salary. Salary includes all pay you receive from the state as a Hybrid Plan member. Federal law (IRC Code Section 401(a)(17)) imposes a limitation on earnings covered for retirement purposes. For 2011 this limit is \$245,000. No contributions will be taken on earnings above this limit.

Generally, if you are employed by more than one state agency at the same time, all the monies you receive from all state agencies are considered to be salary.

As a Hybrid Plan member you contribute:

- five percent (5%) of your total annual salary if you were first employed on or after July 1, 2011;
- five percent (5%) of your total annual salary if you were employed on or after July 1, 1997;
- three percent (3%) of your total annual salary to the Hybrid Plan **plus** two percent (2%) of your total annual salary to the Alternate Retirement Program if you were employed before July 1, 1997

In all cases, your contributions are made on a pretax 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 lump sum benefit payment as well as any salaries 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 Human Resources Office for the proper forms.

---

## **SERVICE AND BENEFIT INFORMATION**

---

### **ACTUAL STATE, VESTING AND CREDITED SERVICE**

As a member of the Hybrid Plan you will accrue three types of service: actual state, vesting and credited service. You are "vested" or eligible for immediate or deferred retirement benefits when you meet specific service requirements. Actual state and vesting service determine your eligibility for benefits. Credited service will be used to compute such benefits.

*Members who transferred from ARP to the new hybrid plan should refer to either the Tier II SPD, for members employed before July 1, 1997, or the Tier IIA SPD, for members employed on or after July 1, 1997, for service and benefit information.*

### **ACTUAL STATE SERVICE**

Actual state service includes all years and months of state service for which you have paid contributions subject to permanent break in service rules outlined in the section entitled "Breaks in Service and Permanent Breaks In Service Rules." Actual state service begins

building up from your employment or reemployment commencement date. Your employment commencement date is the date you first work an hour for which you are paid or entitled to pay by the state and for which you have paid retirement contributions. Your reemployment commencement date is the date you return to work after you terminate state employment and you first work an hour for which you are paid or entitled to pay and for which you have paid contributions. Actual state service continues building all the way to your severance from service date (the date your state employment ends).

Also counted as actual state service 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 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.

You earn one year of actual state service when you work 12 calendar months for the state. If you are a state teacher and work a full academic year, equivalent to at least 10 months of service, you will receive credit for the full calendar year.

## **VESTING SERVICE**

### **You Earn a Vested Right to a Benefit After 10 Years of Vesting Service**

Vesting service includes your actual state service. You also earn vesting service for a period(s) of severance of less than 12 months.

In addition, you may receive vesting service through a purchase for various types of leaves and service including the following:

- eligible military service
- eligible full-time service to other states
- leaves of absence without pay for military service or personal and family leaves pursuant to Section 5-248a of the Connecticut General Statutes
- eligible prior Connecticut state service not succeeded by a permanent break for which contributions in the Hybrid Plan were paid and later refunded

After you have ten years of vesting service, you have earned a vested right to a benefit.

## **CREDITED SERVICE**

### **Credited Service is Used to Calculate Your Retirement Benefit**

Credited service includes all your vesting service **except:**

- any period between the time you leave state service and return to state service including periods of severance of less than 12 months.

Credited service may include:

- any period of your municipal service if you were a member of the Connecticut Municipal Employees Retirement System, provided you have at least ten years vesting service under the Hybrid Plan and have not and will not receive any retirement allowance from the municipal system for this municipal service. Refer to the section entitled "Detailed Information on Purchase Opportunities" for more information.

### **Breaks In Service And Permanent Breaks In Service Rules**

A break in service occurs if you sever your state employment and do not return to state service within one year. You do not receive any retirement credit for a break in service.

Suppose you leave your job and are rehired within 12 months, the period between the time you leave and the time you return will count toward your total years of vesting service when determining your eligibility to retire. But it does not count as actual state service and will not be used as credited service when calculating your retirement benefit amount. If you terminate while on a leave of absence, you must return to state service within one year after the first day of your absence to avoid a break in service.

A permanent break in service occurs if:

- you are not vested, and
- you have had a break in service of more than five years, and
- the period from your severance from service date to your reemployment commencement date equals or exceeds your Hybrid Plan vesting service prior to that severance.

If you have had a permanent break in service, you will not receive any retirement credit for service preceding the permanent break.

*Example:* You worked as a Hybrid Plan member for four years, left and were rehired after six years of severance. Since you were gone longer than five years and more than your total years of prior vesting service, your service before reemployment will not be counted for any retirement credit.

Alternatively, if you did not have a permanent break in service and did not withdraw your contributions (or if withdrawn, you restored them) your years of service before and after reemployment are added together after you are rehired.

*Example 1:* Let's say you build up three years of service. You leave state employment and after four years, you are rehired. Since you were gone less than five years, provided your contributions were retained or are restored, your years of service before and after reemployment are added together after you are rehired.

*Example 2:* Suppose you build up seven years of vesting service; you leave state employment and are rehired after six years. Since you were gone less than your prior vesting service, provided your contributions were retained or are restored, your years of service before and after reemployment are added together after you are rehired.



Now, assume you are vested in the Hybrid Plan when your state employment ends and you are later rehired. Your years of service, before and after reemployment, are automatically added together.

### Reference Chart for Actual State, Vesting And Credited Service

The following chart is a quick check reference chart showing varying types of service and whether each qualifies as actual state, vesting or credited service in the Hybrid Plan. Please contact your agency Human Resources or Payroll Officer regarding any additional statutory requirement which may also need to be met before actual state, vesting or credited service can be utilized.

<b>HYBRID PLAN ACTUAL STATE, VESTING AND CREDITED SERVICE</b>			
<b>Type of Service or Absence</b>	<b>Actual State Service</b>	<b>Vesting Service</b>	<b>Credited Service</b>
Paid state employment provided period is not succeeded by a permanent break *	Yes	Yes	Yes
Period of qualifying Workers' or Disability Compensation	Yes	Yes	Yes
Period of severance of less than 12 months	No	Yes	No
Purchased qualifying military leave without pay	No	Yes	Yes
Purchased personal medical or family leave without pay granted pursuant to Section 5-248a or terms of a collective bargaining agreement	No	Yes, in calendar months or 22 working day increments; 15 months in 5-year period	Yes, in calendar months or 22 working day increments maximum: 15 months in 5-year period
Educational leave without pay	No	No	No
Any other leave without pay	No	No	No
Purchased full-time service to other states with similar retirement credit provisions	No	Yes, maximum 10 years with 1 to 2 ratio to CT state service	Yes, maximum 10 years with 1 to 2 ratio to CT state service
Purchased prior eligible military service	No	Yes, maximum 10 years total: war service plus 3 years national emergency service	Yes, maximum 10 years total: war service plus 3 years national emergency service
Purchased prior eligible CT Municipal service if in CT Municipal Employees	No	No	Yes - provided 10 years vesting service

Retirement System (CMERS)

Voluntary schedule reduction Program granted pursuant to Section 5-248c	Yes - provided such leave is properly documented	Yes - provided such leave is properly documented	Yes - provided such leave is properly documented
---	--	--	--

\* If you received a refund of your Hybrid Plan retirement contributions for prior service, you must restore the contributions with interest in order to include as actual state, vesting, and credited service.

### Detailed Information on Purchase Opportunities

You may request a purchase of retirement credit on the appropriate form provided by your employing agency's human resources 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.

Invoices provide any payment options available; in some cases payroll deductions are permitted. Requesting a purchase does not obligate you to pay the invoice. However, no credit is allowed for any purchase unless all contributions and interest are paid in full within the time frames prescribed.

**Note:** Although the deadline to apply for some purchase opportunities is any time before retirement, the cost of the purchase may increase as the period between your date of hire and the date you apply for the purchase increases.

The following summarizes important information about purchase opportunities:

#### 1. Prior military service

- **description:** active duty served during war-time or national emergency in the United States Army, Navy, Marine Corps, Coast Guard or Air Force for which you received an Honorable Discharge and for which you are not and never will be entitled to a pension from another source other than the aforementioned Armed Forces.
- **documents required:** A DD-214 from the federal government.
- **deadline to apply:** Within one year of the commencement of your first period of state service.
- **credit allowed:** Vesting and credited service for all war-service plus three years national emergency service to a maximum of ten years.

#### 2. Prior service to another state

- **description:** Prior full-time employment with another State provided that State has similar retirement credit provisions for former Connecticut state employees. If you received or will receive any benefit, including a lump-sum payment, for your service to

the other State above and beyond your own retirement contributions and interest, you cannot purchase retirement credit in the Hybrid Plan for such service.

- **documents required:** An official statement from the other state specifying that you were full-time, the actual dates of your service and the retirement system to which you belonged.
- **deadline to apply:** Any time before retirement.
- **credit allowed:** Vesting and credited service to a maximum of ten years but no more than one year of out-of-state service allowable for each two years of Connecticut state employment.

### 3. *Service to a Connecticut municipality*

- **description:** Employment with a Connecticut municipality during which you were a member of the Connecticut Municipal Employees Retirement System (CMERS), provided either your retirement contributions are withdrawn from CMERS or transferred directly with interest to the Hybrid Plan.
- **documents required:** An official statement from the municipality specifying the actual dates of your service and the portion of a full-time schedule you worked.
- **deadline to apply:** Any time before retirement.
- **credit allowed:** While you may purchase unlimited credited service, it does not count until you have obtained a minimum ten years of vesting service, exclusive of the municipal service during which you were a CMERS member .

### 4. *Restoring prior Hybrid Plan retirement credit*

- **description:** All retirement credit obtained in Hybrid Plan during a period of prior Connecticut state employment for which your contributions were refunded, provided there has not been a permanent break in service.
- **documents required:** An official statement from your former agency specifying the actual dates of your service, the position(s) held, and the portion of a full-time schedule you worked.
- **deadline to apply:** Any time before retirement.
- **credit allowed:** No limitation with respect to prior Connecticut state employment. If your restoration includes one of the other types of service, it is subject to the credit allowed for that type of service.

### 5. *Credit for qualifying leaves of absences without pay taken for personal or family illness*

- **description:** Leaves that qualify under applicable law, collective bargaining agreements or other regulations that were granted for the protection or improvement of the employee's health, including maternity, or granted for family illness or parental reasons.
- **documents required:** Copies of the official personnel action documents approving the leave, reflecting its type and confirming its duration.
- **deadline to apply:** Any time before retirement.
- **credit allowed:** In monthly increments to a maximum of fifteen months of credit in any five year period.

### 6. *Credit for qualifying leaves of absences without pay taken for military service*

- ***description:*** Leaves without pay taken for active duty in the United States Army, Navy, Marine Corps, Coast Guard or Air Force provided the individual returns to state service within ninety days of honorable release.
- ***documents required:*** A DD-214 from the federal government plus copies of the official personnel action documents approving the leave, reflecting its type and confirming its final duration.
- ***deadline to apply:*** Any time before retirement.
- ***credit allowed:*** No limitation.

## Part-Time Service

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

- for retirement eligibility purposes, your part-time service will be treated as if it were full-time service. This means that when you have completed ten years of vesting service, regardless of your exact schedule, you will be vested for a retirement benefit.
- 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 average salary, your average salary in excess of the year's breakpoint, and your credited service.

### Average Salary

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

When calculating your average salary, no one year's earnings can be greater than 130% of the average of the preceding two years. Effective July 1, 2014, this limit will be 150% if you have mandatory overtime earnings. You may be eligible for a refund of contributions made on salaries you earned during the five highest paid years which are not used in calculating your benefit.

**Reminder:** Federal law imposes a limitation on earnings covered for retirement purposes. For 2011 this limit is \$245,000. Salary above this limit can not be included in the calculation of your average salary and no contributions will be taken on earnings above this limit.

### Breakpoint

This table shows you the earnings breakpoints through the year 2013\*.

<i>For The Year:</i>	<i>The Breakpoint Is:</i>
----------------------	---------------------------

2011	58,100
2012	61,600
2013	65,300

***\* Important Note: The 2011 SEBAC Agreement provides for a modification to the breakpoint for service earned on and after July 1, 2013.***

In the benefit formula, you take the breakpoint for the calendar year in which your last severance from state service occurs.

### **Minimum Guarantee**

If you retire with 25 or more years of vesting service, the Plan provides a minimum benefit; your basic monthly benefit will equal the result of the formula calculation or \$360, 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.

### **IRC 415(b) Defined Benefit Limitations**

IRC Section 415 is a federal provision that limits the amount of annual retirement benefits an individual can receive from a qualified defined benefit plan. The annual retirement benefits payable from the Hybrid Plan are subject to the dollar limit imposed by Section 415(b). The 2011 calendar year benefit limit is \$195,000 for members aged 62 to 65; the 2012 calendar year benefit limit is \$200,000 for members aged 62 to 65. The benefit limit is typically adjusted downward for retirements beginning before age 62 and upward for retirements beginning on or after age 65.

---

## **TYPES OF RETIREMENT**

---

### **WHEN YOU MAY RETIRE AND RECEIVE BENEFITS**

*Members who transferred from ARP to the new hybrid plan should refer to either the Tier II SPD, for members employed before July 1, 1997, or the Tier IIA SPD, for members employed on or after July 1, 1997, for information on the types of retirement.*

#### **Normal Retirement**

Your normal retirement date will be the first of any month on or after you are age 63 if you have at least 25 years of vesting service or age 65 if you have at least 10 but less than 25 years of vesting service.

#### **Early Retirement**

If you have at least 10 years of vesting service, you can receive retirement benefits if you retire on the first of any month on or following your 58th birthday.

## Disability Retirement

If you become permanently disabled and have 10 years of vesting 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. Note: Prior military service cannot be used for eligibility or calculation purposes for a disability retirement.

**Important Note Concerning Workers Compensation and Retirement:** Receipt of workers compensation disability payments under Connecticut General Statutes (CGS), Section 5-142(a) may prevent you from receiving any retirement benefits until the payments end - receipt of section 5-142(a) payments may stop your SERS retirement benefit. This provision is applicable to all types of retirement - normal, early, or disability.

---

## NORMAL RETIREMENT

---

### YOUR BENEFIT IS BASED ON A FORMULA

#### Eligibility Requirements

You are eligible for normal retirement benefits on the first of any month on which or after you attain:

- age 63 with at least 25 years of vesting service,

OR

- age 65 with at least 10 but less than 25 years of vesting service,

#### The Benefit Formula

For retirement income calculation purposes, your credited service is used in the formula.

Your basic annual retirement benefit equals:

one and one-third percent (.0133)	X	average salary
	PLUS	
one-half of one percent (.005)	X	average salary in excess of the year's breakpoint
	TIMES	
		years of credited service to a maximum of 35 years
	AND	
one and five-eighths percent (.01625)	X	average salary

## TIMES

years of credited service over 35 years

Keep in mind your credited service includes fractions of a year, based on completed months of service. The above chart provides you with your annual benefit. To determine what your basic monthly benefit will be, divide your annual retirement by 12.

If you retire in the first six months of the year, your benefit will not be less than the benefit you would have received had you retired on the previous December 31st.

On-line benefit estimators are available on the OSC website to help you determine your estimated retirement benefit. You are responsible for entering the relevant data (age, length of service, salary, etc.) and the calculator will produce an estimated benefit by option factor. You may need help from your agency Human Resources or Payroll Officer to determine "high" salary or service credit information. The benefit estimators can be found on the OSC website under "Employee Resources" or at the following link:

<http://www.osc.ct.gov/empret/indxwork.htm>

***Reminder: Pursuant to the 2011 SEBAC agreement the earnings breakpoint is under review.***

---

## EARLY RETIREMENT

---

### **YOU MAY RETIRE WITH A BENEFIT IF YOU HAVE 10 YEARS OF VESTING SERVICE AND ARE AT LEAST AGE 58**

#### **How Your Benefit is Figured**

Your basic early retirement benefit is first figured with the same formula used for a normal retirement benefit. Your average salary and years of credited service, as of your early retirement date, are used in the calculations.

Your basic normal benefit amount is then reduced by one-quarter of one percent (.005) for each month you retire prior to your attaining age 63 if you have at least 25 years vesting service, or age 65 if you have at least 10 but less than 25 years vesting service.

These reductions are required because your benefits are expected to be paid over a longer time period.

#### **An Example**

Suppose you retire effective July 1, 2021 on your 63rd birthday with at least 10 years vesting service. Let's assume your basic monthly benefit at normal retirement would be \$500. This basic benefit would then be reduced by one half of one percent for each month you receive a benefit before your 65th birthday, as follows:

your basic monthly normal retirement benefit:	\$500.00
Minus	
one half of one percent (.005) of \$500 X 24 (24 months before your 65th birthday)	\$ 60.00
	\$440.00

Your basic early retirement benefit at age 63 would be \$470 per month.

## DISABILITY RETIREMENT

### YOU MAY RECEIVE RETIREMENT BENEFITS IF YOU BECOME PERMANENTLY DISABLED

#### Types of Disability

There are two types of disability retirement available to eligible SERS members: a service connected disability (SCD) and a non-service connected disability (NSD) benefit.

1. **Service Connected Disability Retirement Benefit** - A member may apply for this retirement benefit if while on active payroll in state service, he or she becomes disabled as a result of any injury received while in the performance of his or her duty as a state employee. The member may be eligible for service connected disability retirement regardless of age or years of service.
2. **Non-service Connected Disability Retirement Benefit** - An member is eligible for this benefit if, prior to age sixty-five, he is disabled and has completed (or has) at least ten years of SERS service. In other words, employees with less than 10 years of service credit are only eligible for a service connected disability retirement: they are not eligible to apply for a non-service connected disability retirement benefit.

#### Disability Standard

A member is disabled and eligible to receive a disability retirement benefit for the first twenty-four months if he or she is permanently unable to continue to render the service in which he has been employed: that is the employee is unable to perform the duties of his occupation. After 24 months, the standard for disability retirement changes and the disability retirement continues thereafter only if such member is totally disabled for any suitable and comparable job. "Suitable and comparable" can refer to any job that a disability retiree is capable of performing considering his age, education, physical limitations, vocational skills, and experience.

#### Disability Retirement Application Process

To apply for a disability retirement you must contact the Human Resources or Payroll Office of your employing agency to request the preparation of your Application for Retirement Benefits and other related retirement forms as described under "**The Application Process**" in the Section of this SPD entitled **WHEN YOU ARE READY TO RETIRE**. You will also need to



provide a form entitled "Disability Retirement Application Medical Report" as completed by your treating physician, 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 completed application is then forwarded to the Retirement Services Division.

The determination of eligibility for disability retirement benefits is made by the Medical Examining Board (MEB). The Retirement Services Division does not determine whether or not a member is disabled. The Division, on behalf of the Medical Examining Board (MEB), *accepts* applications for disability retirement with appropriate medical documentation. It is the member's responsibility to show that he or she is disabled under the standard for disability retirement and to ensure that all medical documents, reviews, records and reports necessary to support his or her claim for disability retirement are properly submitted to the MEB.

The MEB performs medical record(s) review with regard to applications for disability retirement. The MEB may conduct reexaminations at any time to determine continuance of disability. The MEB using its medical judgment may believe or disbelieve any evidence presented before it so long as its final determination is supported by the evidence. The MEB may also make a determination as to whether a disability is service connected. Findings and determinations made by the MEB may be made without holding a hearing and solely on the basis of a "record review."

It is important to note that due to the number of applicants, it may take 3-6 months before a disability retirement application can be reviewed by the MEB.

Assuming your disability retirement application is approved, your entitlement to a continued disability benefit is reviewed again after you receive benefits for 24 months. The MEB will require updated medical records and review continued eligibility under the "suitable and comparable" standard. That is, after 24 months you must show that you are disabled from any and all comparable positions for which you would be suited for by experience and training. You must submit proof of continuing disability at the request of the Retirement Services Division.

### **How Your Disability Benefit is Calculated**

There are several components used in the determination of the amount of your SERS disability retirement benefit: the statutory benefit, the 100% maximum, the 80% maximum and the 60% minimum.

#### **1. *The "Statutory Benefit"***

The statutory benefit is the basic benefit calculated prior to the application of the minimum or maximum rules or any offsets.

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

one and one-third percent (.0133)	X	average salary
--------------------------------------	---	----------------

	PLUS	
one-half of one percent (.005)	X	average salary in excess of the year's breakpoint
	TIMES	
		years of service if you had kept working to age 65 (up to a maximum of 30 years)
		<u>OR</u>
		actual years of credited service as of your disability (whichever is greater)

To determine what your basic monthly benefit will be, divide by 12.

Your disability retirement, either service or non-service connected, is subject to certain offsets. Those offsets are: (1) Social Security regular and disability (SSDI) benefits (individual and family Social Security disability payments); (2) most workers compensation payments and (3) outside earnings (where you work or earn income from another employer while collecting a disability retirement benefit from SERS).

It is important to note that these benefits are not always "dollar for dollar" offsets to your SERS retirement benefit but rather are just one component used in determination of your benefit. Therefore, your disability retirement may start with one monthly benefit amount and then be reduced if and when you receive any type of social security benefits or workers compensation payments and increase (or further decrease) due to changes in those benefits. Workers compensation benefits alone may not reduce your benefit but when coupled with SSDI payments may severely reduce or even eliminate in its entirety your SERS monthly retirement benefit.

It is your duty and obligation when receiving a disability retirement benefit to promptly notify the Retirement Services Division upon receipt of any social security income, workers compensation payment or outside earnings. Failure to do so will cause an overpayment of your retirement benefit and repayment of the amount through a reduction of your retirement benefit.

**Important Note:** Receipt of workers compensation disability payments under Connecticut General Statutes (CGS), Section 5-142(a) may prevent you from receiving any retirement benefits until the payments end - receipt of section 5-142(a) payments may stop your SERS retirement benefit.

**2. The "100% Maximum" Rule**

There is a maximum benefit limitation you can receive with respect to the **combined income** from your SERS disability benefit, individual and family Social Security disability benefits, workers compensation payments and outside earnings. You must receive outside earnings for this rule to apply.

The total amount you may receive from these sources, combined with your Tier III benefit, cannot be more than 100% of your average salary or 100% of your salary at the time of disability, if higher.

If your total benefits exceed the 100% maximum, your Tier III benefit will be reduced. The reduction will be the amount needed to bring the benefit total down to the 100% maximum.

If you are receiving Social Security disability benefits or workers compensation payments but no outside earnings, the 80% maximum and the 60% minimum rules apply.

### 3. ***The "80% Maximum" Rule***

There is a maximum benefit limitation a disability retiree can receive with respect to the **combined income** from a SERS disability benefit, individual and family Social Security disability benefits, and workers compensation payments.

The total amount you may receive from these sources, combined with your Tier III 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 III benefit will be reduced. The reduction will be the amount needed to bring the benefit total down to the 80% maximum.

If you do not receive social security or workers compensation payments, the 80% rule will not apply.

### 4. ***The "60% Benefit"***

As a SERS member your **combined income** from a SERS disability benefit, individual and family Social Security disability benefits, and workers compensation payments cannot be less than 60% of your rate of salary (base salary of office) at the time your disability occurred.

This is a minimum benefit using combined income therefore your receipt of any Social Security benefit (including but not limited to "normal" social security benefit at age 65) or workers compensation following your receipt of SERS disability retirement benefits will usually reduce your SERS benefit.

***Important Note:*** As long as you remain disabled, your disability retirement benefit will *never* revert to a normal retirement benefit.

### **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 III 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 30 years. However, if your service at time of disability is greater than 30, you will receive credit for your total years of service before your disability.

### **Special Note**

In the event that the Retirement Medical Examining Board determines that you 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.

---

## **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 A - 50% Spouse.* This option 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 designated at date of retirement.
2. *Option B - 50% or 100% Survivor.* This 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. This contingent annuitant can be any person, including your spouse.
3. *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.
4. *Option D - Straight Life Annuity.* This option provides you with the highest monthly benefit for your lifetime. However, all payments stop at your death.

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

closest age and, with the exception of Option C, the closest age of your contingent annuitant. In the case of Option C, your closest age alone 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.

Each option requires you to designate a beneficiary. Your beneficiary would receive a lump sum refund of any remaining contributions and/or funds used by former ARP members to buy into the Hybrid plan 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 as well as any reimbursement for Medicare Part B or Part D premiums for any qualified 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.

If you elect Option A, B, or C, the state sponsored health coverage and the payment of any reimbursement of Medicare Part B or Part D premiums may be extended at the time of your death to your designated contingent annuitant(s) and his or her dependents for as long as the monthly benefit continues if they meet certain eligibility requirements. Information on retiree health insurance is available on the Office of the State Comptroller's website at [www.osc.ct.gov](http://www.osc.ct.gov) under Retiree Resources.

---

## **"CASH OUT" OPTION**

---

### **AT RETIREMENT YOU MAY ELECT TO RECEIVE A ONE-TIME LUMP SUM PAYMENT IN LIEU OF MONTHLY BENEFITS**

As a member of the Hybrid Plan you may elect at the time of retirement to receive a one-time lump sum payment in lieu of your receipt of the monthly defined benefits described in this SPD.

The lump sum payment you receive will include your contributions plus a five percent (5%) employer match plus any transferred funds used by former ARP members to buy into the Hybrid plan and four percent (4%) interest applied to both employee and employer contributions as well as any transferred funds. Interest is credited from the July 1st following commencement of contributions and compounded annually. Funds used by ARP members to buy-in to the Hybrid plan are not eligible for the five percent employer match. By electing receipt of this lump sum payment you will relinquish your right to any further benefit from SERS including your eligibility for retiree health insurance unless you convert your "cash out" to a periodic annuity payment as would be required under the ARP. Information on payments required under ARP may be obtained through the State of Connecticut Defined Contribution Plans website at: [www.CTdcp.com](http://www.CTdcp.com)

If you have been married for at least one year prior to your request for a one-time lump sum payment in lieu of monthly payments, written consent from your spouse will be required.

---

## **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 your employing agency Human Resources Office as soon as possible.

**Important Note:** The Retirement Services Division has a Pre-Retirement Limited Durable Power of Attorney form specifically for use with applications relating to SERS retirement benefits when you are unable to execute the documents yourself. This is the only Power of Attorney form accepted by the Division for retirement related activities. The form is available on the Office of the State Comptroller website at the following link: <http://www.osc.ct.gov/agencies/forms/pdf/CO-1049.pdf>

A Post- Retirement Limited Durable Power of Attorney form is also available on the Office of the State Comptroller website under Retiree Resources, Retiree Forms.

### **Spousal Benefits Before You Retire**

Your spouse may elect to receive monthly Hybrid Plan defined benefits if you die before retirement.

Should you die while actively employed or while on an approved leave of absence, your spouse will be eligible to elect to receive a monthly benefit if:

- you are eligible for normal or early retirement;

OR

- you have 25 years of vesting 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.

If a defined benefit payment is elected, 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 payment you would have received under the Spouse option had payments started the day of your death. If you had not reached age 58 at the time of your death, the benefit would be figured as if you were 58.

Your spouse may also elect to receive a one-time lump sum payment in lieu of the monthly defined benefits described above.

The lump sum payment you receive will include your contributions plus a five percent (5%) employer match plus any transferred funds used by former ARP members to buy-in to the Hybrid plan and four percent (4%) interest applied to both employee and employer contributions as well as any transferred funds. Interest is credited from the July 1st following commencement of contributions and compounded annually. Funds used by ARP members to buy-in to the Hybrid plan are not eligible for the five percent employer match. By electing receipt of this lump sum payment your spouse will relinquish their right to any further benefit from SERS including their eligibility for retiree health insurance unless they convert the "cash out" to a periodic annuity payment as would be required under the ARP. Information on payments required under ARP may be obtained through the State of Connecticut Defined Contribution Plans website at: [www.CTdcp.com](http://www.CTdcp.com)

### **Spousal Benefits If You Leave With 25 Years Of Vesting Service**

Suppose you leave state employment with 25 years of vesting service and you die before receiving any retirement benefits including the "cash out" lump sum payment. 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 a five percent (5%) employer match and four percent (4%) interest credited from the July 1st following commencement of contributions. The lump sum payment you receive will include your contributions plus a five percent (5%) employer match plus any transferred funds used by former ARP members to buy-in to



the Hybrid plan and four percent (4%) interest applied to both employee and employer contributions as well as any transferred funds. Interest is credited from the July 1st following commencement of contributions and compounded annually. Funds used by ARP members to buy-in to the Hybrid plan are not eligible for the five percent employer match. **After You Apply For Retirement - But Before Benefits Begin - The 90 Day Protection Window**

Suppose you apply for monthly defined benefits 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. But 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 A or D but prior to your date of retirement, the benefit paid will be as described earlier in the subsection 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 payment 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 Hybrid contributions and earned interest. If you are a former ARP member you're your beneficiary will receive a lump sum benefit equal to the remaining portion of your Hybrid contribution, any transferred funds used to buy-in to the Hybrid plan and earned interest.

If you provide for an income to continue to a contingent annuitant for life and that contingent annuitant dies 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 Hybrid 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.

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.

---

## **IF YOU LEAVE BEFORE RETIREMENT**

---

### **YOU BECOME VESTED AFTER 10 YEARS OF VESTING SERVICE**

*Members who transferred from ARP to the new hybrid plan should refer to either the Tier II SPD, for members employed before July 1, 1997, or the Tier IIA SPD, for members employed on or after July 1, 1997, for information on vested rights retirement.*

#### **Vested Rights**

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 vesting service at the time you leave.

#### **How Your Benefit is Figured**

If you leave with at least 10 years of vesting service, you may:

- Elect to receive your vested defined benefit when you reach age 58 - the minimum retirement age. Then benefits may begin the first of any month on or after you qualify for retirement. Refer to the section entitled "Early Retirement" to determine how the benefit will be calculated.

OR

- Elect to receive a one-time lump sum payment in lieu of your receipt of the monthly defined benefits when you reach age 58 - the minimum retirement age. The lump sum payment you receive will include your contributions plus a five percent (5%) employer match plus any transferred funds used by former ARP members to buy-in to the Hybrid plan and four percent (4%) interest applied to both employee and employer contributions as well as any transferred funds. Interest is credited from the July 1st following commencement of contributions and compounded annually. Funds used by ARP members to buy-in to the Hybrid plan are not eligible for the five percent employer match. By electing receipt of this lump sum payment you will relinquish your right to any further benefit from SERS including your eligibility for retiree health insurance unless you convert your "cash out" to a periodic annuity payment as would be required under the ARP. Information on payments required under ARP may be obtained through the State of Connecticut Defined Contribution Plans website at: [www.CTdcp.com](http://www.CTdcp.com)

OR

- Elect to receive your vested defined benefit on or after you are eligible for normal retirement benefits. With 10 or more years of vesting service, age 65 is considered the normal retirement age. Your basic benefit will then be calculated as explained in the section entitled "Normal Retirement." You should contact the Retirement Services Division Counseling Unit if you intend to delay benefits beyond the date you attain the minimum age.

Your benefits will depend on:

- the date your retirement benefit will commence;
- the amount of credited or actual service you had earned;
- the age at which payments commence;
- your average salary and the breakpoint for the year of your last severance, if applicable.
- the income payment election (option) you select at retirement.

You should contact your last employing agency's Human Resources 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.

**Special Note:** Current plan provisions are in effect until June 30, 2022 in accordance with the 2011 agreement between the State of Connecticut and the State Employees Bargaining Agent Coalition. You should be aware however that these provisions are subject to change in accordance with any subsequent legislative, collective bargaining or court ordered actions.

### **If You Are Not Vested - Withdrawal of Contributions**

If you are not eligible for immediate or vested retirement benefits when you leave state service, you may withdraw your retirement contributions. The withdrawal will include your contributions plus a five percent (5%) employer match plus any transferred funds used by former ARP members to buy-in to the Hybrid plan and four percent (4%) interest applied to both employee and employer contributions as well as any transferred funds. Interest is credited from the July 1st following commencement of contributions and compounded annually. Funds used by ARP members to buy-in to the Hybrid plan are not eligible for the five percent employer match. You should contact your last employing agency's Human Resources Office to complete the appropriate refund application form at the time of your termination.

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 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 SERS retiree at a state university or the University of Connecticut may teach twelve load credits per calendar year. A reemployed SERS retiree at a state community-technical college may teach up to fourteen contact hours per calendar year. Reemployed SERS 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 and elected receipt of defined benefits, your defined benefit payments must cease. It is your responsibility to notify the Retirement Services Division of your reemployment. You will resume membership in the Hybrid Plan if you are reemployed in a position eligible for participation in the Hybrid Plan and receive credit for service during such reemployment. 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**

If you elect to receive monthly defined benefits and have at least 10 years of actual state service, you will be eligible for an annual cost of living adjustment 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% to a maximum of 7.5% 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%

---

## **WHEN YOU ARE READY TO RETIRE**

---

### **The Application Process**

**If you choose to receive a monthly defined benefit under the Hybrid Plan** you must contact the Human Resources or Payroll Office of your employing agency 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."

You are also required to complete a "Retirement - Direct Deposit Authorization and Input Form." If you do not wish to have your retirement benefit check electronically deposited to your account at your financial institution, you will need to complete the section requesting an exemption from participation on the form.

**If you choose to elect the “cash out” option** you must also contact the Human Resources or Payroll Office of your employing agency to request the preparation of your "State Employees Retirement System Hybrid Plan Cash Out Application".

You are also required to complete the "Spouse Waiver of Monthly Survivor Benefits" attesting to your marital status and, if you have been married for at least one year as of your retirement date, a copy of your marriage certificate.

You will receive your lump sum payment approximately six weeks following the receipt of your properly completed application and spouse waiver form or your termination date whichever is later.

## **Counseling Services**

In addition to the Human Resources or Payroll Officer at your own agency or facility, the Office of the State Comptroller provides group 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.

The Division also provides retirement counseling workshops and benefit estimators on the Office of the State Comptroller (OSC) website. These workshops provide informative “self-help” retirement counseling with the same information provided in traditional counseling sessions. These workshops are not meant to cover every retirement provision or detail, but rather are a general explanation of the most important retirement issues and considerations. Links are provided to relevant forms and outside vendors or entities as necessary. The workshops can be found on the OSC website under “Employee Resources” at <http://www.osc.ct.gov/empret/index.html>.

Along with the workshops, on-line benefit estimators are available to help you determine your estimated retirement benefit. You are responsible for entering the relevant data (age, length of service, salary, etc.) and the calculator will produce an estimated benefit by option factor. You may need help from your agency Human Resources or Payroll Officer to determine “high” salary or service credit information. The benefit estimators can also be found on the OSC website under “Employee Resources” at <http://www.osc.ct.gov/empret/index.html>.

---

## OTHER INFORMATION

---

### **Assignment Of Benefits**

You may not use your Hybrid Plan interests as collateral or security for a loan. Any assignment by a member or beneficiary of any amount payable to any creditor shall be null and void. Retirement payments are for the support of the member or beneficiary and are exempt from the claims of creditors of such member and beneficiary except for court ordered plan approved domestic relations orders (divorce), the recovery of costs of incarceration, and recovery of damages by a victim of crime as specifically enumerated and described in Conn. Gen. Stat. Sec. 52-321a(b) and as determined or entered by a court of competent jurisdiction.

### **Divorce - Plan Approved Domestic Relations Order (PADRO)**

The State Employees Retirement System (SERS) is a governmental retirement plan and, as such, is exempt under United States Code, Title 29, Section 1003 from the federal requirements of the Employee Retirement Income Security Act (ERISA) and the Retirement Equity Act. However, the State Employees Retirement Act does provide for the division of pension benefits when it is so ordered by a court of competent jurisdiction in recognition of marital assets or child support obligations, providing such order is not contrary to SERS plan provisions. Attachment of SERS retirement benefits for purposes of equitable marital distribution must be accomplished through the terms of a Plan Approved Domestic Relations Order (“PADRO”).

It is important for the Court, attorneys, and the parties to become familiar with some important SERS plan provisions before executing a pension division order. A copy of the [PADRO Guidelines](#) which contain the procedures and provisions with regard to such orders are available on-line at:

<http://www.osc.ct.gov/empret/drorder/REVISEDQDROSERSGUIDELINESMAR2010.pdf>

### **Reporting And Disclosure**

The Retirement Services Division has published this Hybrid Plan SPD online. A hard copy may be obtained by selecting “printable version” at the beginning of this SPD or by asking your employing agency Human Resources Office to provide you with a printed copy.

You will be advised of any significant changes or modifications to this plan either by on-line notification, through your employing agency or through a manner to be determined by the State Employees Retirement Commission as an appropriate means of dissemination.



Each year you will receive a personalized retirement benefits statement.