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Teachers Retirement
Board
75-76



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Administrative head---

Deputy administrator---

Established--- 1917. S

Central Office--- S

Average number of full-

Recurring operating expense

Capital outlay, _____

Organization structure---

The following information,
institutions only.

Value of real property

Average number of inmates

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HISTORICAL AND STATISTICAL DATA FOR ANNUAL REPORT

PLEASE GIVE INFORMATION BELOW AS OF JUNE 30, 1976

Teachers Ret. Bd.
Coord
75-76

1975-76

TEACHERS' RETIREMENT BOARD

(Title of Agency)

Administrative head--- Jo Ann Mogensen - Secretary
(Name and Title)

Deputy administrator--- Tracy O. Page, Assistant Secretary
(Name and Title)

Established--- 1917. Statutory authority--- Chapter 167, General Statutes

Central Office--- State Office Building, Hartford, Ct. 06115 566-3242
(Address) (Zip Code) (Tel.No.)

Average number of full-time employees--- 30

Recurring operating expenditures, 1975-76--- \$469,035

Capital outlay, 0

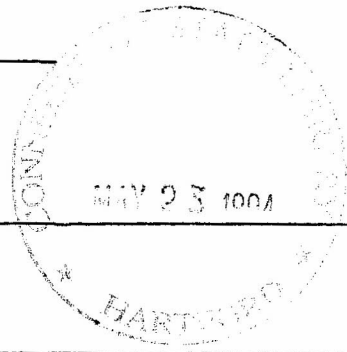
Organization structure---

Administrative Division
Retirement Division
Service Credits Division
Accounting Division
Data Processing Division

The following information, in addition to that above, is requested from institutions only.

Value of real property--- _____

Average number of inmates, students or patients--- _____



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Report of the
TEACHERS' RETIREMENT BOARD
1975 - 1976

Chapter 167, General Statutes, Rev. 1964, as amended

The Teachers' Retirement System, established in 1917, provides financial security that insures a dignified close to a long and dedicated teaching career, protection to teachers who must terminate their careers because they are physically or mentally unable to function effectively in the classroom, and continuing protection to the retired teacher against rising inflationary pressures that would reduce real income by providing cost of living allowances. To the active teacher, the system accords protection to his or her survivors and dependents in the event of death while actively employed in the public schools of Connecticut.

ADMINISTRATION - PERSONNEL

Management of the Teachers' Retirement System is vested in the Teachers' Retirement Board consisting of five members. Three members are ex officio: Lawrence Connell, Jr., Bank Commissioner, Jay W. Jackson, Insurance Commissioner, and Dr. Mark R. Shedd, Secretary of the State Board of Education. Two teacher representatives elected by members of the retirement association are Miss Norine F. Kennedy, Principal, Stratfield School, Fairfield, whose term will expire June 30, 1979 and Frank L. Metcalf, Wethersfield, Chairman of the Board, whose term will expire June 30, 1977. Members of the Board serve without compensation, but are reimbursed for expenses incurred in attending Board meetings which are held in Hartford the second Wednesday of each month excluding July, August and September. The Board is responsible for the administration of the Teachers' Retirement System in compliance with General Statutes, the establishment of policy, the promulgation of rules and regulations to implement the provisions of the law, the evaluation of proposed legislation, the review and determination of benefit applications, and the maintenance of financial records.

Despite the limitations inherent in the State of Connecticut employees

recruitment policies, the Teachers' Retirement Board is meeting fully its obligation to reverse traditional patterns of discrimination and has in effect a plan of Affirmative Action designed to identify and eliminate discriminatory practices. Positive approaches to human and organizational development have the full and active support and commitment from all levels of supervision. Practical action plans are in effect, and the monitoring and evaluation of the agency's progress in Affirmative Action by the Secretary and the Teachers' Retirement Board demonstrates the Board's commitment to Affirmative Action and insures its success. The Teachers' Retirement Board is dedicated to unquestioned adherence to the policy of providing Equal Employment Opportunities solely on the basis of individual merit without regard to race, color, religion, age, sex, physical hardship, criminal record, national origin, or political beliefs in accordance with Sections 5-228 and 4-61(b) to 4-61(1), inclusive.

MEMBERSHIP

Membership in the Teachers' Retirement Association is compulsory for all public school teachers whose positions require them to hold a teacher's certificate issued by or acceptable to the State Board of Education. Teachers employed by the State Board of Education, the Commission for Higher Education, and any state-supported institution which requires the teachers to hold a teaching certificate, have the option of electing membership in either the Teachers' Retirement Association, the State Employees' Retirement System, or an Alternate Retirement Program (TIAA-CREF). During the 1975-1976 school year, 1,939 teachers became new members of the Association and 240 teachers who had previously withdrawn their funds, were reinstated. Requests for refund were received from teachers who withdrew from teaching; accounts refunded

totaled 2,184. Withdrawals were for a variety of reasons: 730 left the state, 605 left to be married, 106 left to further their education, 147 entered other lines of endeavor, 66 left because of illness, and 44 left public school teaching in favor of private school teaching. Thirty members were granted permission to transfer to the State Employees' Retirement System.

Deductions of 6% from a teacher's salary in addition to any voluntary deductions a teacher may authorize are forwarded monthly to the Teachers' Retirement Board by employing boards of education and deposited with the State Treasurer who invests such funds as are not required for current disbursements in accordance with statutes governing the investment of savings bank funds, or when deemed prudent, in accordance with the statutes governing the investment of trust funds. Annual Reports submitted by the employing boards of education provide details to post individual accounts; interest is credited annually at a rate determined by the Board based on earnings of the Annuity Fund during the calendar year. Deductions forwarded by the boards of education for deposit to member accounts totaled \$35,616,483. Personal payments by teachers purchasing service credits as provided under the statutes for teachers with previous Connecticut, outside-state or military service, totaled \$667,315. Payment for service credits is accepted in instalments for the convenience of the teacher. During the year, instalment payments totaled \$447,617 and were applied to accounts receivable which totaled \$948,592 at the end of the year.

SURVIVORSHIP AND DEPENDENCY PROGRAM

Eligible surviving family members of a teacher who dies while actively employed in the public schools of Connecticut are entitled to monthly benefits of the Survivorship and Dependency program in force since January 1, 1958.

The program is financed by deceased members' funds, forfeitures from the accounts of those teachers who withdrew their funds from the association, earnings of the Survivorship and Dependency Fund and state appropriations, if necessary. Forfeitures consist of the 1% accounts, both contributions and earned interest, of those teachers who withdrew their funds prior to completing five years of Connecticut public school teaching or interest earned on the 1% accounts of those teachers who withdrew after having completed five years. During the year, monthly benefits were paid to 211 widows, 262 dependent children, one mother, two dependent parents and one dependent widower, representing 279 families, 16 of which were new additions in 1975-1976. A total of \$643,656 was paid in monthly benefits; \$165,825 from members' funds and \$441,885 from forfeitures. For the fourth consecutive year, state appropriations were not required to finance benefits. A sum of \$35,946 including \$21,346 paid from members' funds and \$14,600 from forfeitures was paid in the form of lump sum death settlements. Six survivors entitled to monthly benefits, were paid \$95,409 when they chose to withdraw members' funds in single payments. Members' funds totaling \$226,737 were paid to designated beneficiaries or estates of 22 deceased members in the absence of qualified survivors and dependents. Payments under the Survivorship and Dependency Program totaled \$991,174 including \$534,689 paid from members' funds and \$456,485 from forfeitures.

RETIREMENT BENEFITS

The Teachers' Retirement System provides for regular retirement allowances to those who have devoted twenty or more years to Connecticut public school teaching and who have reached 60 years of age or to those who have devoted thirty-five years regardless of age. Those who have taught twenty-five years

may retire before 60 years of age on an actuarially reduced allowance. The system provides for retirement on a proratable basis between 60 years of age and the compulsory retirement age of 70. The retirement rights of teachers vest after ten years of teaching, a substantial portion of a working career; a teacher may terminate service at any time thereafter and receive a deferred benefit payable at 60 or 65 years of age.

During the 1975-1976 year, 534 teachers retired, down from last year's 614 and the record high of 698 for 1972-1973. Regular retirements accounted for 352 of this number and actuarially reduced retirements were elected by 56 teachers. Prevented from performing satisfactory service in the schools because of disability were 23 teachers, a 26% decrease from last year. Eighty-one teachers between the ages of 60 and 70 with 10 to 19 years of Connecticut teaching service were retired on a proratable basis. Deferred benefits were received by 22 teachers whose retirement rights vested after 10 years of Connecticut teaching, and who qualified for deferred benefits at 60 years of age. This represents a decrease of 37% from the previous year. A retirement allowance consists of: (1) an annuity paid from the member's accumulations and (2) a pension paid from state appropriations. Annuities totaling \$7,040,713 and pensions, including cost of living allowances, totaling \$50,900,423 were paid to retirants for a total of \$57,941,136 paid during the year.

LEGISLATION

The 1976 Legislature passed four acts affecting the administration of the Teachers' Retirement System. P.A. 76-312 corrects an inequity in the system by requiring that the cost of purchasing service credits be based on full time Connecticut teaching salary. P.A. 76-360 removes an ambiguous passage in the law and requires that boards of education transmit funds in a

timely fashion so that funds are received in the Teachers' Retirement Board offices on the last business day of the month. Public Act 76-203 extends to survivors receiving benefits under Chapter 167 the same protection accorded teachers regarding exemption from taxation, the operation of bankruptcy or insolvency laws, attachment or assignment. Public Act 76-206 opened the doors to the purchase of service credits by teachers whose rights to make such purchase had lapsed. The impact of such legislation in 1975-1976 was minimal except for heightened interest reflected in increased inquiries on the part of teachers, but its full impact will be felt in terms of increased Personal Services expenditures and increased pension reserve requirements.

COMMENTS

The year saw the completion of 20 years payments by the City of New Haven to finance the obligation of the City of New Haven to insure the retirement of those teachers transferred to the Connecticut State Teachers' Retirement System from the previously existing City of New Haven Plan.

For the second time, a bill was introduced in the Legislature to achieve actuarial funding of the Connecticut State Teachers' Retirement System; for the second time, the bill died in committee. Increasing pension reserves and cost of living requirements make it imperative that actuarial funding be adopted.

COMPARATIVE STATISTICS

	1965-66	1970-71	1975-76
STAFF MEMBERS	22	30	33
MEMBERSHIP			
Active and inactive accounts	33,628	46,336	48,078
New teachers during year	4,498	5,824	1,941
Reinstated members	410	595	240
DEATHS			
Active and inactive teachers	66	70	44
Retired teachers	122	165	214
WITHDRAWALS	2,407	3,532	2,184
RETIREMENTS	361	522	534
SURVIVORSHIP/DEPENDENTS - to date	211	404	580
- during year	66	72	44
RECEIPTS			
From teachers' salaries	14,320,266	26,692,582	35,616,483
Personal payments	477,183	473,576	667,315
New Haven amortization payment	117,741	117,741	117,741
FORFEITURES TO SURVIVORSHIP/ DEPENDENCY FUND - to date	925,467	2,619,895	4,927,897
- during year	211,557	448,936	456,485
REFUNDS			
Regular withdrawals	2,279,408	4,081,991	5,311,198
Deceased payments			
- other than survivor benefits	26,008	8,027	55,060
Voluntary contributions at retirement	241,501	780,244	1,408,974

	1965-66	1970-71	---	1975-76
SURVIVORS AND DEPENDENTS PAYMENTS				
Accounts paid in full	\$ 251,316	\$ 326,938	(22)	\$ 226,737
Paid to survivors choosing				
single payment	8,305	-	(6)	95,409
Monthly to survivors/dependents	-	40,205	(477)	643,656
Widows	73	151	(211)	316,500
Mother (former wife divorced)	-	1	(1)	3,750
Children	134	247	(262)	281,210
Dependent Widowers	1	2	(1)	2,375
Dependent Parents	3	3	(2)	3,875
Lump sum (\$500+) death settlements	41,660	50,890		35,946
RETIREMENTS				
Annuities (members' funds)	2,207,233	4,064,549		7,040,713
Pensions (state appropriation)	9,818,163	19,212,165		43,011,174
Cost-of-living adjustments	-	1,715,451		7,889,249
RESERVES				
By State	17,244,153	13,729,318		46,622,196
State of Connecticut Bonds,				
P.A. 629, 1969	-	23,871,136		-
From surplus	290,874	-		1,481,482
By teachers	4,032,696	7,030,590		10,018,740
FUNDS in Custody of Board				
Annuity Fund	147,838,408	263,329,554		453,228,376
Survivorship/Dependency Fund	896,471	1,807,728		2,568,811
Pension Fund	113,477,014	229,874,885		337,432,239
TOTAL FUNDS	262,211,893	495,012,167		793,229,426

RETIREMENT DATA

	1965-66	1970-71	1975-76
RETIRED during year	361	522	534
Average age	63.06	63.1	60.5
service	35.8	33.2	28.2
salary base	8,046	11,162	15,843
member's retirement savings	10,777	13,469	17,080
pension reserve	48,575	71,932	88,431
retirement allowance	4,282	6,572	7,987
Retired regular basis	309	414	352
disability	17	20	23
actuarial equivalent	28	45	56
proratable	7	35	81
deferred benefit	-	8	22
Total retired as of June 30	3,657	5,227	7,333
New Haven retirants prior to			
September 1, 1947	47	31	17
OVERALL AVERAGE			
retirement allowance	3,201	4,656	6,756
regular	3,273	4,846	7,319
disability	1,998	2,696	4,166
actuarial equivalent	3,113	4,304	6,214
proratable	1,412	2,246	3,345
deferred benefits	-	2,271	3,275
Total Monthly Retirement Allowance	\$ 973,425	\$ 2,028,133	\$ 4,147,095