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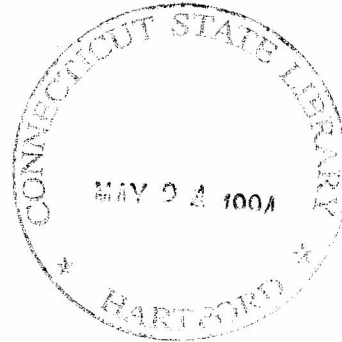
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Report of the
TEACHERS' RETIREMENT BOARD
1976-1977

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, Joseph Mike, 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, Chairman of the Board, whose term will expire June 30, 1979 and Mrs. Rosalyn Schoonmaker, Bridgeport, whose term will expire June 30, 1981. Members of the Board serve without compensation, but are reimbursed for expenses incurred in attending Board meetings which are held in Hartford the second Tuesday 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 application, 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 1976-1977 school year, 2,177 teachers became new members of the Association and 270 teachers who had previously withdrawn their funds, were reinstated. Requests for refund were received from teachers who withdrew from teaching; accounts refunded totaled 2,149. Withdrawals were for a variety of reason: 616 left the state, 571 left to be married, 107 left

to further their education, 218 entered other lines of endeavor, 59 left because of illness, and 46 left public school teaching in favor of private school teaching. Twenty-five 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 \$37,128,315. Personal payments by teachers purchasing service credits as provided under the statutes for teachers with previous Connecticut, outside-state or military service, totaled \$1,492,244. Payment for service credits is accepted in instalments for the convenience of the teacher. During the year, instalment payments totaled \$488,065 and were applied to accounts receivable which totaled \$1,416,109 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 215 widows, 269 dependent children, one mother, two dependent parents and one dependent widower, representing 288 families, 26 of which were new additions in 1976-1977. A total of \$612,190 was paid in monthly benefits; \$157,444 from members' funds and \$454,746 from forfeitures. For the fifth consecutive year, state appropriations were not required to finance benefits. A sum of \$52,703 including \$30,500 paid from members' funds and \$22,203 from forfeitures was paid in the form of lump sum death settlements. Five survivors entitled to monthly benefits were paid \$35,160 when they chose to withdraw members' funds in single payments. Members' funds totaling \$491,049 were paid to designated beneficiaries or estates of 41 deceased members in the absence of qualified survivors and dependents. Payments under the Survivorship and Dependency Program totaled \$1,191,102 including \$714,153 paid from members' funds and \$476,949 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 1976-1977 year, 571 teachers retired, up from last year's 534 and down from the record high of 698 for 1972-1973. Regular retirements accounted for 378 of this number and actuarially reduced retirements were elected by 59 teachers. Prevented from performing satisfactory service in the schools because of disability were 30 teachers, a 30% increase from last year. Seventy-eight 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 26 teachers whose retirement rights vested after 10 years of Connecticut teaching, and who qualified for deferred benefits at 60 years of age. This represents an increase of 18% 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 \$7,888,513 and pensions, including cost of living allowances, totaling \$47,357,466 were paid to retirants for a total of \$55,245,979 paid during the year.

LEGISLATION

The 1976-77 General Assembly enacted 7 public acts which affected the Teachers' Retirement System. PA 77-110 provides that the spouse of a deceased member must be designated the sole beneficiary, or other designated beneficiaries must relinquish any claims to the deceased member's funds in order for the spouse to withdraw the deceased member's funds in a lump sum in lieu of the lump sum death payment or monthly benefits or both. PA 77-230 provides a reinstated member with eligibility for survivorship benefits from the member's date of reinstatement in the Teachers' Retirement System. PA 77-233 allows an eligible

member to transfer to either the State Employees' Retirement System or the Teachers' Retirement System. PA 77-359 extends the definition section of Chapter 167 to include the following; active member, member and spouse. PA 77-536 establishes a minimum basic retirement income for teachers of not less than \$300.00 monthly. PA 77-547 removes the dependency requirement for widowers and increases the maximum survivorship/dependency family benefit payable under the Teachers' Retirement System to \$600.00 monthly. PA 77-563 provides that the salary used in the computation for purchase of out-of-state service for retirement credit after October 1, 1965 shall be reentry salary, where applicable.

COMPARATIVE STATISTICS

	1966-1967	1971-1972	1976-1977
STAFF MEMBERS	20	30	31
MEMBERSHIP			
Active and inactive accounts	36,024	46,967	47,936
New teachers during year	4,646	3,802	2,175
Reinstated members	453	406	270
DEATHS			
Active and inactive teachers	69	74	84
Retired teachers	134	168	218
WITHDRAWALS	2,312	2,929	2,149
RETIREMENTS	324	547	571
SURVIVORSHIP/DEPENDENTS - to date	233	431	641
- during year	51	68	61
RECEIPTS			
From teachers' salaries	\$ 15,794,272	\$ 28,724,476	\$37,128,315
Personal payments	421,449	637,091	1,492,243
FORFEITURES TO SURVIVORSHIP/ DEPENDENCY FUND - to date			
	1,136,613	3,042,266	5,344,244
- during year	211,146	422,370	416,347
REFUNDS			
Regular withdrawals	2,082,217	3,812,395	5,863,772
Deceased payments			
- other than survivor benefits	12,219	33,285	62,152
Voluntary contributions at retirement	209,687	1,034,149	1,472,951

	1966-1967	1971-1972	1976-1977	
SURVIVORS AND DEPENDENTS PAYMENTS				
Accounts paid in full	\$ 260,342	\$ 338,843	\$ 491,049	(41)
Paid to survivors choosing				
single payment	---	25,877	35,160	(5)
Monthly to survivors/dependents	\$ 287,734	\$ 581,612	612,190	(488)
Widows	87	167	323,375	(215)
Mother (former wife divorced)	---	1	1,500	(1)
Children	141	259	282,815	(269)
Dependent Widowers	2	2	1,500	(1)
Dependent Parents	3	2	3,000	(2)
Lump sum death settlements	\$ 47,244	\$ 56,100	\$ 52,703	(61)
RETIREMENTS				
Annuities (members' funds)	2,347,573	4,639,323	7,888,512	
Pensions (state appropriation)	13,035,506	22,025,109	38,290,236	
Cost-of-living adjustments	263,923	4,715,775	9,067,231	
RESERVES				
By State	15,036,242	37,646,725	45,970,733	
State of Connecticut Bonds, P.A. 629,1969	---	---	---	
From surplus	311,536	---	1,481,482	
By teachers	3,607,380	8,140,897	11,150,471	
FUNDS IN CUSTODY OF BOARD				
Annuity Fund	165,372,009	302,792,004	497,980,022	
Survivorship/Dependency Fund	978,073	1,964,293	2,701,330	
Pension Fund	123,369,956	259,011,766	363,580,537	
TOTAL FUNDS	289,720,038	563,768,063	864,261,889	

RETIREMENT DATA

	1966-1967	1971-1972	1976-1977
RETIRED during year	324	547	571
Average...age	63.8	63.0	61.7
service	34.2	32.1	27.8
salary base	\$ 8,296	\$ 12,208	\$ 15,754
member's retirement	\$ 10,850	\$ 14,139	\$ 18,052
savings			
pension reserve	47,370	76,805	84,653
retirement allowance	4,264	6,961	8,126
Retired...regular basis	274	430	378
disability	8	17	30
actuarial equivalent	28	45	59
proratable	14	40	78
deferred benefit	---	15	26
Total retired as of June 30	3,871	5,627	7,696
New Haven retirants prior to			
September 1, 1947	42	29	14
OVERALL AVERAGE			
retirement allowance	3,276	5,457	7,095
regular	3,354	5,722	7,701
disability	2,003	2,885	4,484
actuarial equivalent	3,213	4,982	6,481
proratable	1,466	2,481	3,549
deferred benefits	---	2,294	3,522
Total Monthly			
Retirement Allowance	1,064,729	2,617,301	4,549,944