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Report of the  
TEACHERS' RETIREMENT BOARD  
1977-1978

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



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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 affords 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: David H. Neiditz, 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, whose term will expire June 30, 1979 and Mrs. Rosalyn Schoonmaker, Bridgeport, Chairperson of the Board, 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 1977-1978 school year, 2,463 teachers became new members of the Association and 351 teachers who had previously withdrawn their funds, were reinstated. Requests for refunds were

received from teachers who withdrew from teaching; accounts refunded totaled 2,001. Withdrawals were for a variety of reasons: 623 left the state, 507 left to be married, 291 left to enter other lines of work, 93 left to further their education, 2 entered the armed forces, 34 left because of illness, 10 left because of illness or death in the family, 34 left to enter private school teaching and 7 inactive teachers' funds were paid to their estates or named beneficiaries. Twenty members were granted permission to transfer to the State Employees' Retirement System. Forty-five teachers gave no reason for withdrawing funds, while 335 gave a myriad of reasons other than those above.

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 members' accounts totaled \$38,674,448.57. Personal payments by teachers purchasing service credits as provided under the statutes for teachers with previous Connecticut, outside-state or military service, totaled \$1,130,921.16. Payment for service credits is accepted in instalments for the convenience of the teacher. During the year, instalment payments totaled \$717,973.32 and were applied to accounts receivable which totaled \$1,746,897.32 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 from 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 229 widows, 265 dependent children, one mother, three dependent parents and 30 widowers, representing 313 families, 39 of which were new additions in 1977-1978. A total of \$1,364,070 was paid in monthly benefits; \$340,149 from members' funds and \$1,023,921 from forfeitures. For the sixth consecutive year, state appropriations were not required to finance benefits. A sum of \$83,481 including \$47,000 paid from members' funds and \$36,481 from forfeitures was paid in the form of lump sum death settlements. One survivor entitled to monthly benefits was paid \$18,712 when the survivor chose to withdraw the member's funds in a single payment. Members' funds totaling \$298,061 were paid to designated beneficiaries or estates of 38 deceased members in the absence of qualified survivors and dependents. Payments under the Survivorship and Dependency Program totaled \$1,764,324 including \$703,922 paid from members' funds and \$1,060,402 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 1977-1978 year, 604 teachers retired, up from last year's 571 and down from the record high of 698 for 1972-1973. Regular retirements accounted for 395 of this number and actuarially reduced retirements were elected by 86 teachers. Prevented from performing satisfactory service in the schools because of disability were 29 teachers, a 3% decrease from last year. Sixty-six 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 28 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 2% 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 \$8,455,137 and pensions, including cost of living allowances, totaling \$52,140,802 were paid to retirants for a total of \$60,595,939 paid during the year.

## LEGISLATION

The 1978 General Assembly approved an increase in the cost of living payments to eligible retired teachers from 3% to 5% annually. In the event that the National Consumer Price Index for urban wage earners and clerical workers for the previous 12 months reflects a cost of living increase of less than the 5%, the cost of living increase will be reduced to reflect the actual price index figure, but not below 3%. The General Assembly also provided for the payment on behalf of the retired teachers of 10% of the premium charged for the group insurance plan carried by the individual. The 10% also applies to the cost of additional coverage carried. A long-awaited rewriting of the statutes covering teacher retirement was approved by the 1978 General Assembly. The result was the clarification of portions of Chapter 167 in accordance with the interpretations of the Teachers' Retirement Board. Some portions considered unnecessary, obsolete, moot, or contrary to practice were eliminated. Some items previously covered by Board regulations were incorporated in the new statute. Priorities and definitions under the Survivorship and Dependency provisions were established or clarified, the no-refund payment of allowances was eliminated and the provision for the restoration of forfeited funds to the accounts of returning teachers was approved.

In summary, the disturbing contradictions and obscurities have been eliminated, providing the Teachers' Retirement Board with clearer guidelines.



COMPARATIVE STATISTICS

	1967-68	1972-73	1977-78
STAFF MEMBERS	24	33	34
MEMBERSHIP			
Active and inactive accounts	38,501	47,469	47,818
New teachers during year	5,241	3,806	2,463
Reinstated members	538	412	352
DEATHS			
Active and inactive	75	78	65
Retired Teachers	171	194	240
WITHDRAWALS	2,817	2,901	2,001
RETIREMENTS	372	698	604
SURVIVORSHIP/DEPENDENTS - to date	283	475	734
-during the year	68	65	93
RECEIPTS			
From teachers' salaries	\$17,820,509	\$30,217,271	\$38,674,449
Personal payments	496,799	780,506	1,848,894
New Haven amortization payment	117,741	117,741	0
FORFEITURES TO SURVIVORSHIP/ DEPENDENCY FUND - to date	1,414,472	3,526,856	5,675,633
-during year	277,860	484,590	419,179
REFUNDS			
Regular withdrawals	2,767,264	4,740,215	6,398,174
Deceased payments			
- other than survivor benefits	18,457	36,659	41,156
Voluntary contributions at retirement	362,863	1,328,183	1,755,039

	1967-68	1972-73	1977-78
<b>SURVIVORS AND DEPENDENTS PAYMENTS</b>			
Accounts paid in full	287,750	301,366	(38) 298,061
single payment	34,438	18,170	(1) 18,712
Monthly to survivors/dependents	322,751	559,965	(528)1,364,070
Mothers	--	(2) 2,500	(1) 3,600
Widows	(104) 13,000	(189) 275,250	(229) 806,700
Children	(174) 14,410	(280) 276,215	(265) 452,545
Widowers	(2) 250	(2) 3,000	(30) 90,300
Dependent Parents	(3) 375	(2) 3,000	(3) 10,925
Lump sum (\$1,000+)			
death settlements	54,844	54,447	(54) 83,481
<b>RETIREMENTS</b>			
Annuities (members' funds)	2,691,714	5,339,957	8,455,137
Pensions (state appropriation)	11,847,660	25,776,095	41,802,144
Cost of living adjustments	1,148,527	4,541,571	10,338,658
<b>RESERVES</b>			
By state	21,726,655	38,884,748	47,996,771
From surplus	3,543,665	16,808,970	--
By teachers	4,698,519	10,890,225	12,356,707
<b>FUNDS in Custody of Board</b>			
Annuity Fund	184,798,797	334,358,292	547,587,217
Survivorship/Dependency Fund	1,119,860	2,241,071	2,176,326
Pension Fund	139,132,673	286,075,109	391,229,579
<b>TOTAL FUNDS</b>	<b>325,051,330</b>	<b>622,674,472</b>	<b>940,993,122</b>

RETIREMENT DATA

	1967-68	1972-73	1977-78
RETIRED during year	372	698	604
Average . . . . age	63.4	62.7	61.5
service	35.1	31.1	27.8
salary base	\$9,435	\$13,206	\$17,198
members' retirement			
savings	\$12,361	\$14,864	\$19,255
pension reserves	\$67,931	\$81,476	\$89,336
retirement allowance	5,909	7,325	8,513
RETIRED . . . . regular basis	319	504	395
disability	12	18	29
actuarial equivalent	26	71	86
proratable	11	88	66
deferred benefit	4	17	28
TOTAL retired as of June 30,	4,079	6,118	8,069
NEW HAVEN retirants prior to September 1, 1947	38	26	12
OVERALL AVERAGE retirement allowance	\$3,108	\$5,673	\$7,440
regular	3,709	6,009	8,133
disability	2,256	3,042	4,718
actuarial equivalent	3,489	5,207	6,820
proratable	1,656	2,720	3,691
deferred benefits	1,780	2,292	3,643
TOTAL monthly retirement allowance	\$1,279,086	\$2,904,692	\$5,008,200