

CONNECTICUT STATE EMPLOYEES' RETIREMENT SYSTEM

TIER IV

SUMMARY PLAN DESCRIPTION (SPD)

Revised as of July 1, 2023

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I. YOUR RETIREMENT

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 ("State") understands this and provides you with retirement benefits through the Connecticut State Employees Retirement System ("SERS" or the "Plan").

SERS is a defined benefit plan and is intended to meet the requirements of both (i) the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) the Connecticut General Statutes, as supplemented, superseded, or amended by relevant collective bargaining agreements and arbitration awards. The Plan is intended to be a governmental plan, as defined in Section 414(d) of the Code. Required Employee Contributions are designated as "picked up" by the State, as provided by Section 414(h)(2) of the Code, so they are not included in the Member's gross taxable income for purposes of Federal income tax. Tier IV is a component of SERS and is provided to Members in lieu of coverage under any other Tier of SERS, under the Alternate Retirement Program ("ARP"), or under the Teachers' Retirement System ("TRS"). Tier IV includes both a defined benefit plan and a defined contribution plan.

We've described Tier IV of SERS in summary form in this Summary Plan Description ("SPD"). Although retirement plans are by necessity complicated, we have taken care to eliminate legal terms whenever possible and to use everyday language. Please read this SPD 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, or
- 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 Retirement Services Division at the address below; you may also contact the Division by email, at osc.rsd@ct.gov.

Retirement Services Division
Office of the State Comptroller
165 Capitol Avenue
Hartford, Connecticut 06106

Sean Scanlon, Comptroller
State of Connecticut

John Herrington, Director
Retirement Services Division

Important Note: This SPD is designed to help you understand your retirement benefits. It summarizes the more important provisions of Tier IV of SERS. It is not intended to give you complete details about all the terms and conditions of the Plan. If there is any conflict in wording between the law, as supplemented, superseded, or amended by applicable collective bargaining agreements or arbitration awards, and this SPD, the official wording of the law, as supplemented, superseded, or amended, will govern.

II. YOUR PLAN MEMBERSHIP

TIER IV COVERS STATE EMPLOYEES FIRST HIRED ON OR AFTER 7/31/17.

A. New Employees

If you first performed State Service¹ in a pension-eligible position² on or after July 31, 2017, you were automatically covered under the Tier IV Plan as of your date of employment-- **unless** you were eligible for, *and* you elected to participate in, another retirement plan or system, such as ARP or TRS (*see* "Education and Higher Education Professional Staff," below).

If you are uncertain about which tier you participate in, please check the SERS contribution deduction that appears on your pay advice. You may also contact your agency's Human Resources or Payroll Office.

B. Rehired Employees

If you (i) previously worked for the State as a member of Tier I, Tier II, Tier IIA, or Tier III, (ii) left State employment, and then (iii) were rehired on or after July 31, 2017, then your membership in Tier IV was mandatory as of the date you were rehired, **unless** one of the following statements applies to you:

- you had already earned and retained your right to a vested benefit from the Tier I Plan, the Tier II Plan, the Tier IIA Plan, or the Tier III Plan (*i.e.*, a pension, rather than a refund of your contributions), due to the length of your prior period(s) of State Service; or
- you returned to State Service after a period during which you were receiving State retirement benefits or State disability retirement benefits from the Tier I Plan, the Tier II Plan, the Tier IIA Plan, or the Tier III Plan; or
- you returned to State Service after a period of time shorter than either (a) five years or (b) your prior period of service as a member of Tier I, Tier II, Tier IIA, or Tier III, if that period was longer than five years.

If you are uncertain as to which tier you participate in, please review the SERS contribution deduction on your pay advice or contact your agency's Human Resources or Payroll Office.

¹ As used in this SPD, "State Service" means appointive or elective employment by the State for which a salary is paid.

² Employees in certain classifications were and are not eligible to become Members of SERS. Excluded classifications include certain student employment or general workers positions and other classifications excluded under the terms of collective bargaining agreements.

C. Education and Higher Education Professional Staff

If you are a teacher employed by the State or a professional staff member in higher education (as defined by Section 5-160(g) of the Connecticut General Statutes), and if you were first employed by the State in a pension-eligible position on or after July 31, 2017, then you had a right to make an irrevocable election from among (depending on where you were employed) Tier IV, ARP, or, if eligible, TRS, provided such election was made on or prior to the commencement of your employment and within the designated timeframes set forth by the Plan Administrator.

If you did not make such election within the time prescribed, you automatically became a member of whatever default plan was specified in the bargaining unit agreement that applied to you. You may be an active member of only one State retirement system.

Part-time adjunct faculty members may have had the option to waive retirement plan membership, depending on when they first were hired. A part-time adjunct's election to waive membership is irrevocable.

If you have questions regarding your default plan, you may contact the Retirement Services Division.

D. Elected Officials

If, after having become a member of Tier IV, you were elected to serve as an official of the State of Connecticut, or of any political subdivision of the State, then you could or may elect to continue your membership in Tier IV for a period of not more than ten years of service as an elected official. While participating in Tier IV as an elected official, you are ineligible for membership in any other State or municipal retirement system.

E. Tier 4S: Instructors in CTECS

If you were hired on or after July 31, 2017, as a substitute instructor in the Connecticut Department of Education's Technical Education & Career System (CTECS), and if you either (i) had not previously been employed by the State or (ii) were hired by the State after a Permanent Break in Service, then you automatically became a member of Tier 4S.

- The provisions of Tier IV also apply to members of Tier 4S. Rules that apply to Tier 4S only are described below, in the Section entitled "Contributions to the Tier IV Defined Contribution Plan."
- If you were hired by the State as a member of Tier 4S, and if you thereafter attained or will attain permanent status as an instructor in CTECS; then you were or will be required to make an irrevocable election between Tier 4S and TRS.

F. All Members of Tier IV are Members of the Tier IV Defined Contribution Plan

All members of Tier IV and Tier 4S are enrolled in a separate defined contribution plan (the “**Tier IV Defined Contribution Plan**”). The provisions of the Tier IV Defined Contribution Plan are contained in a Plan Document, which is available on the website of the Office of the State Comptroller, at [Tier IV \(DC Plan\) - Summary Plan Description](#).

III. CONTRIBUTIONS TO THE PLAN

YOU AND THE STATE SHARE THE COST OF YOUR RETIREMENT BENEFITS

A. By You

1. Basic Contributions

You must make contributions for membership in the defined benefit portion of the Tier IV Plan, and these contributions (“**Employee Contributions**”) must be made in the form of deductions from the salary you receive from the State. The amount of your Employee Contribution is a percentage of your annual State salary.

For this purpose, your salary includes all pay you receive for the performance of State Service, up to a certain limit. Under federal law (Section 401(a)(17) of the Code), salary above that limit may not be considered for purposes of determining the amount of your contribution to the plan. The limit is adjusted by the federal government every year. For 2023, the limit is \$330,000. No contributions will be deducted from salary above this limit.

Generally, if you are employed by more than one State agency at the same time, all the money you received from any State agency is considered to be salary.

As a Tier IV member you contribute five percent (5%) of your total annual salary to SERS, unless (i) you are in a position designated as a hazardous duty position, or (ii) you are a member of the Hybrid Plan.

If you are in a hazardous duty position, you contribute eight percent (8%) of your total annual salary to SERS: the standard Employee Contribution of 5%, plus an additional contribution (a “**Hazardous Duty Contribution**”) to make your total contribution equal 8%.

Regardless of the amount of your contributions, your contributions are made on a pre-tax basis.

2. Contributions to the Tier IV Defined Contribution Plan

Members of Tier IV (including members in hazardous duty positions) must also make contributions to the Tier IV Defined Contribution Plan in an amount equal to one percent (1%) of total annual salary. These contributions (“**DC Contributions**”) are **in addition to** the Employee Contributions described above, in the Section entitled “Basic Contributions.”

TIER 4S: If you are a member of Tier 4S, you must make DC Contributions in an amount of two percent (2%) of your total annual salary. The amount of this required DC Contribution will be increased as necessary to make the total of your Employee Contributions and your DC Contributions equal to the total amount of the contributions you would be required to make as

a member of TRS. These contributions are **in addition to** the Employee Contributions described above, in the Section entitled "Basic Contributions."

3. Additional Contributions for Shared Risk of Adverse Plan Performance

It may be necessary for you to pay additional Employee Contributions to the Plan. If the Plan's investments underperform in any calendar year and earn less than 6.9%, you will make additional Employee Contributions in the following fiscal year. Your additional Employee Contributions will equal half of the amount, if any, by which the Plan's investment performance falls short of the Plan's actuarial assumed rate of return (6.9%), up to a maximum additional contribution of two percent (2%).

B. By the State

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

C. Status as Picked-Up Contributions

Both the Employee Contributions you make to Tier IV and your contributions to the Tier IV Defined Contribution Plan are designated by the State as being made by the State in lieu of contributions by you. Federal law (Section 414(h)(1) of the Code) provides that such "picked-up" amounts cannot be paid directly to you, but must be deducted from your salary. Otherwise, your contributions could not be made on a pre-tax basis.

IV. FORMS OF SERVICE THAT AFFECT YOUR RETIREMENT

Note: Appendix A provides a reference chart summarizing certain highlights about Actual State Service, Vesting Service, and Credited Service. You will find it at the end of this SPD.

As a member of Tier IV, you will accrue three types of service: Actual State Service, Vesting Service, and Credited Service. The amount of your **Actual State Service** and your **Vesting Service** determine whether you will be eligible to receive immediate or deferred retirement benefits. The amount of your **Credited Service** will be used to compute the amount of such benefits.

A. Actual State Service

Subject to the terms stated in this section, your Actual State Service includes all years and months of employment by the State for which you either pay or have paid any required Employee Contributions. Your Actual State Service began on your “Employment Commencement Date” or your “Reemployment Commencement Date.”

- Your “**Employment Commencement Date**” is the date you first work an hour in a pension-eligible position for which you are paid or entitled to pay by the State, and for which you have paid Employee Contributions.
- Your “**Reemployment Commencement Date**” is the date (i) on which you return to work after you terminate State employment, (ii) on which you first work an hour in a pension-eligible position for which you are paid or entitled to pay, and (iii) for which you have paid Employee Contributions.

Actual State Service continues building all the way to your “Severance from Service Date”—*i.e.*, the date your State employment ends.

Also counted as Actual State Service are (i) all periods of time when you were absent from State Service and receiving temporary workers' compensation benefits (but not specific indemnity awards) or benefits under Section 5-142 of the Connecticut General Statutes; and (ii) any unpaid leave you took as provided by the Voluntary Schedule Reduction Program pursuant to Section 5-248c of the Connecticut General Statutes. Periods of absence without pay for other reasons are **not** included in your Actual State Service.

Actual State Service **does not** include any “Break in Service” or any State Service that precedes a “Permanent Break in Service.” These rules are explained below, in the section entitled “Breaks in Service and Permanent Breaks in Service Rules.”

You earn credit for one year of Actual State Service when you work 12 calendar months for the State. If you are a teacher employed by the State, and if you work a full academic year, equivalent to at least 10 months of service, you will receive credit for the full calendar year.

B. Vesting Service

Actual State Service and Vesting Service Are Used to Establish Your Retirement Benefit Eligibility

Actual State Service is one of several different forms of service that qualify as Vesting Service. **Other** types of service and leaves that might qualify as Vesting Service include:

- Certain forms of military service performed before your employment with the State;
- Certain forms of full-time service to other states;
- Certain leaves of absence without pay:
 - for military service, or
 - for employee medical and family leaves, pursuant to Section 5-248a of the Connecticut General Statutes.
- If you terminated your State Service and then returned within 12 months, the period you were away will qualify as Vesting Service.
- If you terminated your State Service and then returned after more than 12 months, your previous period of employment might qualify as Vesting Service, if it was not followed by a “Permanent Break in Service.” A Permanent Break in Service occurs if (i) you leave State employment before having vested; (ii) you do not return within five years; and (iii) the length of time of your absence is greater than the length of the period of employment it followed. (For more about what constitutes a Permanent Breaks in Service, see the section entitled “Breaks in Service and Permanent Breaks in Service Rules.”)

For information about how to obtain credit for these additional forms of Vesting Service, go to the section below entitled “General Information on Obtaining Certain Actual State Service, Vesting Service and Credited Service.”

If you have completed 10 years of Vesting Service, you have “vested” in Tier IV. That means you have earned a nonforfeitable right to a benefit, and you may become eligible to receive retirement income under a “Normal Retirement,” an “Early Retirement,” or a “Deferred Vested Retirement.” The additional requirements for, and the terms of, those forms of retirement are explained below.

C. Credited Service

Credited Service is Used to Calculate the Amount of Your Retirement Benefit

Your Credited Service includes all your Vesting Service, **except**:

- any period between the time you leave State Service and the time you return to State Service (including periods of severance lasting less than 12 months) will **not** be included in your Credited Service.

In addition to Vesting Service, Credited Service may also include service you performed for a municipal government or authority while a member of the Connecticut Municipal Retirement System (CMERS). Your CMERS employment may be included in your Credited Service **only if**:

- You have completed at least 10 years of Vesting Service as a State employee in Tier IV; and
- You have not received and will not receive any retirement income from CMERS based on the service you wish to include in your Credited Service with SERS; and
- If appropriate contributions are paid for any period of your prior CMERS membership for which you are not entitled to a future benefit.

D. Breaks in Service and Permanent Breaks in Service Rules

A “**Break in Service**” occurs if you sever your State employment, and you do not return to State Service within one year. A Break in Service may not be included in your Actual State Service, your Vesting Service, or your Credited Service.

Suppose you leave your job and are rehired **before** 12 months elapse. In that case, because there has not been a Break in Service, the period between the time you leave and the time you return will count toward your total years of Vesting Service. In other words, it will help you satisfy the eligibility requirements for Normal Retirement, Early Retirement, and Deferred Vested Retirement.

On the other hand, that period will **not** count as Actual State Service and it will **not** be used as Credited Service when calculating the amount of your retirement benefit.

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 length of time between (i) the date you terminate your State employment and (ii) the date you return to State employment equals or exceeds the Tier IV Vesting Service you completed before the Break in Service. (For purposes of this calculation, your actual termination date is used, even if you received a lump-sum payment for accrued vacation.)

If you have had a Permanent Break in Service, then the service you performed **before** the Permanent Break will **not** be included in either your Actual State Service, your Vesting Service, or your Credited Service. In other words, you will not receive **any** retirement credit for service you performed before a Permanent Break in Service.

- **Example:** You worked as a SERS member for four years, left, and were rehired six years later. Since you were gone longer than five years, and for a period that was longer than your total years of prior Vesting Service, the service you performed before you were reemployed will **not** be counted for any retirement credit.

Alternatively, if you did **not** have a Permanent Break in Service, and if you did not withdraw your Employee Contributions (or if you did withdraw them, and you later restored them), then 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 Vesting Service. You leave State employment and, after four years, you are rehired. Since you were gone for a period of less than five years, your years of Vesting Service before and after reemployment are added together after you are rehired (provided that your Employee Contributions, if required, were retained or restored).
- **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 for a period that was shorter than your prior period of Vesting Service, your years of service before and after reemployment are added together after you are rehired (provided that your Employee Contributions, if required, were retained or restored).
- **Example 3:** Now, assume you are vested in Tier IV when your State employment ends, and you are later rehired. Your years of service, before and after reemployment, are automatically added together, regardless of how long you were away.

E. General Information on Obtaining Certain Actual State Service, Vesting Service, and Credited Service

If you have completed a form of service or leave that may qualify as additional Actual State Service, Vesting Service and/or Credited Service in Tier IV, you may apply for credit on the appropriate form provided by your employing agency's Human Resources or Payroll office. After that office submits the completed request form with all required documentation to the Retirement Services Division, you will be sent either: (i) a confirmation that you will receive credit for such service or leave; (ii) in cases where you are required to make a contribution before receiving credit, an invoice to complete the purchase of your retirement credit; or (iii) a letter explaining why you do not qualify.

If you receive an invoice, it will explain what payment options are available. In some cases, payroll deductions are permitted.

If you request credit for a period of service or leave for which a contribution is required, the fact that you made the request will not obligate you to pay the invoice; you can still change your mind. However, if a contribution is required, no credit is allowed for any purchase unless **all** required contributions and interest have been paid in full within the applicable time frame.

Note: Although the deadline to apply for some purchase opportunities is any time before retirement, the cost of the purchase may increase as you get farther away from your date of hire.

The following summarizes important information about how a member of Tier IV may be credited with additional Actual State Service, Vesting Service, and/or Credited Service.

1. **Prior Military Service**

- **What type of service counts?** Active duty served before your State employment began, and during a period of war or national emergency, in the United States Army, Navy, Marine Corps, Coast Guard, Air Force, or Space Force, *provided* (i) that you received an honorable discharge, and (ii) that you are not and never will be entitled to a pension from another source for the same period of service.³
- **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 Service and Credited Service for all service in wartime, plus three years national emergency service, to a maximum of ten years. Prior military service may not be used to satisfy the eligibility requirement for a Hazardous Duty Retirement.
- **Contributions:** Employee Contributions are required.

2. **Prior Service to Another State**

- **What type of service counts?** Full-time employment with another state before your State employment began, *provided* that the other state has similar retirement credit provisions for former Connecticut 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 may not purchase retirement credit in Tier IV for such service.
- **Documents required:** An official statement from the other state, specifying that you were a full-time employee, the actual dates of your service, and the retirement system to which you belonged, including confirmation that you will receive no retirement or pension from such other state.
- **Deadline to apply:** Any time before retirement, but Employee Contributions must be made within one year of your entry into Tier IV.
- **Credit allowed:** Vesting Service and Credited Service, to a maximum of ten years, but with no more than one year of out-of-state service allowable for each two

³ If you are entitled to a military pension for a combination of active and reserve military service, special rules may apply.

years of Connecticut State employment. Service to another state **may not** be used to satisfy the eligibility requirement for Hazardous Duty Retirement.

- **Contributions:** Employee Contributions plus five percent interest are required.

3. ***Service to a Connecticut Municipality as a Member of CMERS***

- ***What type of service counts?*** A period of employment by a Connecticut municipality, during which you were a member of the Connecticut Municipal Employees Retirement System (CMERS), *provided* either (i) that your retirement contributions are withdrawn from CMERS or (ii) that they are transferred to Tier IV in the manner described below.
- ***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 completed a minimum ten years of Vesting Service in Tier IV. Your municipal service may not be used to satisfy that 10-year vesting requirement, and it may not be included in your Vesting Service or your Actual State Service for any other purpose.
- ***Contributions:*** Employee Contributions are required. For this purpose, your prior contributions to CMERS may be transferred directly from CMERS, with interest, to Tier IV. If you previously withdrew your contributions to CMERS, then you must pay an amount equal to those CMERS contributions, plus five percent interest.

4. ***Qualifying Leaves of Absence without Pay Taken for Employee or Family Illness***

- ***What types of leave of absence count?*** Leaves that qualify under applicable law, collective bargaining agreements, or other regulations, and that were granted for any of the following reasons: the protection or improvement of the employee's health; the birth or adoption of a child; because of the serious illness of a child, spouse, or parent; or because the employee is seriously ill or serving as an organ or bone marrow donor.
- ***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:*** Credit for Vesting Service and Credited Service is awarded in monthly increments, to a maximum of fifteen months of credit in any five-year period. For purposes of this requirement, a month of leave consists of either (a) a block of 30 consecutive calendar days or (b) an increment of 22 scattered working days. This credit may be used to satisfy the eligibility requirement for Hazardous Duty Retirement **only if** the employee is employed in a Hazardous Duty position immediately before and immediately after the leave of absence.

- **Contributions:** Employee Contributions plus five percent interest are required for all employees. Hazardous Duty employees are required to make both the standard Employee Contributions and additional Hazardous Duty Contributions plus five percent interest (as defined above, under “Contributions to the Plan”).

5. ***Qualifying Leaves of Absences without Pay Taken for Military Service***

- ***What types of military leave count?*** Leaves of absence without pay taken for active duty in the United States Army, Navy, Marine Corps, Coast Guard, Air Force or Space Force, *provided* that the individual returns to State Service (i) within ninety days of honorable release or (ii) within two years after the end of the period necessary for recovery from certain illnesses or injuries incurred in, or aggravated during, such service.
- ***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 on Vesting Service. Credited Service may not be awarded for any period of service beyond the greater of either (i) the total period of the employee’s compulsory service (if any), plus three years, or (ii) the period of time allowed for an employee’s return to work under federal law. Additionally, this credit may be used to satisfy the eligibility requirement for Hazardous Duty Retirement **only if** the employee is employed in a Hazardous Duty position immediately before and immediately after the leave of absence.
- ***Contributions:*** Employee Contributions plus five percent interest are required for all employees. Depending on the circumstances, Hazardous Duty employees may be required to make both the standard Employee Contributions and additional Hazardous Duty Contributions plus five percent interest (as defined above, under “Contributions to the Plan”).

6. ***Qualifying Leaves of Absence without Pay (i) that were taken pursuant to the voluntary schedule reduction program authorized by Connecticut General Statutes, Section 5-248c***

- ***What voluntary schedule reductions count?*** Leaves that qualify under applicable law, collective bargaining agreements, or other regulations, and which were granted pursuant to your participation in the voluntary leave and/or voluntary schedule reduction program authorized by Conn. Gen. Stat. § 5-248c.
- ***Documents required:*** Upon request from the Retirement Services Division or at retirement, copies of the agreements between you and your agency, plus official personnel documents reflecting the type of leave and confirming its duration.
- ***Deadline to apply:*** Any time before retirement.

- **Credit allowed:** For time off taken pursuant to Section 5-248c, there is no limit to the amount of credit available, and such a leave may count for purposes of Actual State Service, Vesting Service, and/or Credited Service.
- **Contributions:** Employee Contributions are **not** required.

Special Rules for Hazardous Duty Retirement: As explained below, Hazardous Duty employees become eligible for Hazardous Duty Retirement after they complete 25 years of State Service in one or more Hazardous Duty positions. Some of the forms of service described above **may not** be used to establish such eligibility, but they **may** be used to calculate the amount of the benefit payable to an employee who satisfies the eligibility requirement. Some other forms of service **may** be used to establish eligibility, but **only** if the employee is employed in a Hazardous Duty position immediately before and immediately after the period of service or absence in question.

Reference Charts for Actual State Service, Vesting Service, and Credited Service: For more information regarding the various types of service credit listed above, and for information about whether each type qualifies as Actual State Service, Vesting Service, or Credited Service in Tier IV, a quick reference chart is attached as Appendix A to this SPD.

F. Credit for Part-Time Service

1. **Vesting Service for part-time employment.** Your eligibility for Normal Retirement, Early Retirement, Deferred Vested Retirement, or Non-Service-Connected Disability Retirement may depend on the amount of Vesting Service you have completed. To determine your Vesting Service, your part-time service will be treated as if it were full-time service.
 - For example, if you worked one year on a 50% schedule and a second year on a full-time schedule, you will have completed two years of Vesting Service. You will be eligible for a Normal, Early, or Deferred Vested Retirement when you have completed ten years of Vesting Service, regardless of your exact schedule.
2. **Credited Service for part-time employment.** If you are eligible to receive retirement income, then the *amount* of your retirement income will depend on the amount of Credited Service you have completed. The way you receive Credited Service for part-time State employment depends, in part, on the nature of your part-time schedule, and you will receive credit for the *portion* of the standard, full-time schedule that you completed while you were employed.
 - For example, if you worked one year on a 50% schedule and a second year on a full-time schedule, you will have completed one-and-a-half years of Credited Service.

V. TYPES OF RETIREMENT

WHEN YOU MAY RETIRE AND RECEIVE BENEFITS

Please note that the following pertains only to your eligibility for a monetary retirement benefit from SERS. Other benefits (including health insurance) have separate and distinct rules that are not included in this Summary Plan Description.

A. Normal Retirement

A “Normal Retirement” is the retirement of a member of SERS who has completed 10 years of Vesting Service, and who retires on or after attaining “Normal Retirement Age.”

Normal Retirement Age: “Normal Retirement Age” for members of Tiers IV will be either (i) age 65, or (ii) age 63 with 25 or more years of Vesting Service.

B. Early Retirement

An “Early Retirement” is the retirement of a member of SERS who has completed at least 10 years of Vesting Service, and who voluntarily retires (a) after reaching the age of 58, but (S) before reaching Normal Retirement Age.

C. Hazardous Duty Retirement

A Hazardous Duty Retirement is the retirement of a member of Tier IV who has completed 25 years of date-to-date State Service in one or more hazardous duty positions.

Who is a Hazardous Duty Member? For purposes of Hazardous Duty Retirement, your position is considered a Hazardous Duty position if you are an employee working in a job class listed in the Hazardous Duty Appendix and you have paid the required Hazardous Duty Contributions.

The Hazardous Duty Appendix lists all state job classifications that have been designated as covered under the hazardous duty provisions of SERS. In some circumstances, the job classifications may be covered under hazardous duty provisions only when the job is performed at certain state agencies and facilities.

The Hazardous Duty Appendix is available on the OSC website at the following link: <http://www.osc.ct.gov/rbsd/hazduty/index.html>

Not All Forms of Service Count towards Hazardous Duty Retirement: As explained above (see “General Information on Obtaining Certain Actual State Service, Vesting Service, and Credited Service”), some forms of service other than Actual State Service, and some leaves of absence, may count toward your years of Credited Service in a hazardous duty position, **but only if:**

- you were employed by the State in a hazardous duty position immediately before the leave or non-State Service;
- you returned to your State hazardous duty position at the conclusion of your leave or non-State Service; and
- you make all required employee contributions.

As explained in detail above, certain forms of service and leaves of absence that may not be used to satisfy the eligibility requirement for Hazardous Duty Retirement may still be used for purposes of calculating the amount of the retirement benefit of an employee who is otherwise eligible.

Withdrawal of Hazardous Duty Contributions

If you are not eligible for any retirement benefits when you leave State Service, you may withdraw your Hazardous Duty Contributions. This withdrawal will include interest at 5% per year credited from the July 1st following the commencement of contributions to the July 1st coincident with or preceding the date you leave State Service.

If you leave State Service without qualifying for a Hazardous Duty Retirement you may, if eligible, receive benefits under an Early, Normal, or Deferred Vested Retirement. Your Hazardous Duty Contributions and awarded interest will be refunded to you following your Early, Normal, or Deferred Vested Retirement.

Upon written request, members who are eligible for an Early, Normal, or Deferred Vested retirement, and who have terminated State Service, may receive a refund of their Hazardous Duty Contributions and interest before their retirement benefits begin.

Hazardous Duty Members who retire on Disability Retirement are not entitled to a refund of their Hazardous Duty Contributions.

D. Deferred Vested Retirement

Some members of Tier IV leave State employment after having satisfied the service requirements for retirement, but without transitioning directly into retirement. For example, an employee who completed 10 years of Vesting Service, but who has not yet reached Normal Retirement Age, might wish to delay her receipt of retirement benefits until she is eligible for a full, Normal Retirement benefit.

If you leave State employment after having completed 10 or more years of Vesting Service, you will have a vested right to begin receiving retirement benefits, even if you choose not to begin receiving benefits at the time you leave State Service.

- If, at the time you leave State employment, (i) you have completed 10 or more years of Vesting Service, **but** (ii) you are not yet eligible for retirement, then you may elect to begin receiving a monthly retirement benefit on any day that is the first day of a month, and which occurs on or after the day you reach **age 58**.

As explained in the Section below entitled “How Your Deferred Vested Retirement Benefit is Calculated,” the age at which you elect to begin receiving your retirement benefits will affect the amount of those benefits.

Please Note: Leaving State employment without transitioning directly into retirement might affect your eligibility for retiree health insurance. This SPD does not address retiree health insurance. You can find information about health benefits at <https://carecompass.ct.gov>.

E. Disability Retirement

A “Disability Retirement” is the retirement of a member of Tier IV who has become permanently unable to perform the job in which he or she was employed by the State.

Disability Retirement is subject to more detailed rules and procedures than the other types of retirement discussed in this SPD. You will find a discussion of some of these rules and procedures below, in the section entitled, “**Disability Retirement Benefits.**”

VI. RETIREMENT BENEFIT CALCULATION FACTORS

Regardless of your type of retirement, your basic benefit is calculated by using a formula that takes into account your years of Credited Service and your “Average Salary.” What counts as Credited Service is explained above, in the section entitled, “Credited Service.” “Average Salary” is explained below.

A. Average Salary

To determine your Average Salary, use your five highest-paid years of service. Add together the salary you received from the State in these five years, then divide the total by five.

For this purpose, a year does not have to be a calendar year; for example, May 1 of Year 1 through April 30 of Year 2 may be one of your highest-paid years. Also, your five highest-paid years do not have to be consecutive; your five highest-paid years might be 12-month portions of Years 11-12, Years 14-15, Years 15-16, Years 18-19, and Years 22-23.

For purposes of determining your five highest-paid years, the following rules apply.

1. **130% Cap**: When calculating your Average Salary, no one year’s earnings may be greater than 130% of the average of the total compensation you received for the two years which immediately preceded that year. Mandatory overtime earnings are not subject to this limitation.
 2. **Overtime Cap**: For members with overtime earnings, the calculation of your average salary is broken into a two-step process. First, we calculate your 5 highest years without overtime earnings. Once the base 5-year average has been established, a second calculation is performed to include the annual average of the overtime hours you worked over the final 25 years of your career (or your total years of service, whichever is less).
 3. **Code Section 401(a) Earnings Limit**: Federal law places a limit on the amount of salary for any single year that may be taken into account when calculating your Average Salary. The Internal Revenue Service adjusts this limit each year. The limit that applies to any given year of your employment (for example, a year that begins on May 1) will be the limit for the calendar year in which the relevant year began. For 2023, the limit is \$330,000.
- If your salary in any of your five highest-paid years was greater than the 401(a) Limit for that year, then only the amount of that limit may be used for calculating your Average Salary.

B. Minimum Guarantee

If you retire with 25 or more years of Vesting Service, the Plan provides a minimum benefit. Your basic monthly benefit must equal *either* the result of the formula calculation *or* \$833.34, whichever is greater. This benefit will be pro-rated if your years of service include at least some part-time service.

C. Maximum Benefit under Federal Law

Section 415(b) of the Internal Revenue Code is a provision of federal law that limits the amount of retirement benefits a member of SERS may receive in any given year. The limit is set each year by the federal government. For 2023, the limit is \$265,000.

The benefit limit is typically adjusted downward for retirements beginning before age 62 and upward for retirements beginning on or after age 65. Special rules apply under Section 415(b) for certain "qualified police and firefighters."

Important Note: Many of the classifications designated as hazardous duty positions under SERS are not considered "qualified police and firefighters" for purposes of Section 415(b).

VII. RETIREMENT CALCULATION FORMULAS AND SPECIAL RULES

A. Normal Retirement Benefits

The income you will receive under a Normal Retirement is calculated under a formula (the “**Normal Retirement Formula**”). Under the Normal Retirement Formula, your income will be a multiple of your Average Salary and your years of Credited Service.

Your basic annual retirement benefit will equal:

one and three-tenths percent (.013)	X	Your Years of Credited Service
TIMES		
Your Average Salary		

Remember that 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 benefit by 12.

B. Early Retirement Benefits

The calculation of your retirement benefit under an Early Retirement **begins** with the Normal Retirement Formula presented above. It is a multiple of your Average Salary and your years of Credited Service.

If you are a Tier IV member who elected or elects to take an Early Retirement, the amount produced under the applicable Normal Retirement Formula will be **reduced** by one half of one percent (.005) for each month by which your retirement date precedes the date on which you reach Normal Retirement Age.

Please Note: This reduction is **permanent**. It will **not** be adjusted when you reach Normal Retirement Age.

Example: Suppose you retire at age 63, with at least 10—but fewer than 25—years of Vesting Service. Let's assume that you turn 63 on the date of your retirement, and that your basic monthly benefit under the Normal Retirement Formula would be \$600.

Because the Normal Retirement Age for members of Tier IV with fewer than 25 years of Vesting Service is age 65, you will be retiring early. For this reason, your benefit under the Normal Retirement Formula would be reduced by one half of one percent for each month you receive a benefit before your Normal Retirement Age:

Your basic monthly Normal Retirement benefit		\$600
	MINUS	
One half of one percent (.005) of \$600 X 24 (the number of months before your 65th birthday)		<u>(-) \$72</u>
Your monthly benefit in Early Retirement		\$528

Your basic Early Retirement benefit would be \$528.00 per month. That benefit will be subject to cost-of-living adjustments, but it would **not** adjust to a Normal Retirement benefit, even after you reach Normal Retirement Age.

C. Hazardous Duty Retirement Benefits

If you qualify for a Hazardous Duty Retirement, your basic annual benefit will be the sum of (A) plus (B) plus (C) below:

(A): 2.5% (0.025)	<input checked="" type="checkbox"/>	All Credited Service in hazardous duty positions, for the first 20 years of the 25-year hazardous duty service requirement	<input checked="" type="checkbox"/>	Average Salary
			PLUS	
(B): 2% (0.02)	<input checked="" type="checkbox"/>	All Credited Service in hazardous duty positions, for the next 5 years of the 25-year hazardous duty service requirement	<input checked="" type="checkbox"/>	Average Salary
			PLUS	
(C): 2% (0.02)	<input checked="" type="checkbox"/>	All years of Credited Service (whether in a hazardous duty position or otherwise) above the 25-year hazardous duty service requirement	<input checked="" type="checkbox"/>	Average Salary

To determine what your basic monthly income would be, divide your basic annual retirement income by 12.

D. Deferred Vested Retirement Benefits

For information about how benefits are calculated for members of Tier IV who elect a Deferred Vested Retirement, see the section below entitled "If You Leave Before Retirement."

E. Disability Retirement Rules and Benefits

The process of qualifying for Disability Retirement benefits involves more procedures and special rules than the other forms of retirement in Tier IV.

1. Deadline to Apply for Disability Retirement Benefits

Members must apply for Disability Retirement within 24 months of their last day of paid employment. Applications received after this date may not be accepted.

2. Types of Disability Retirement

There are two types of Disability Retirement available to eligible SERS members: a Service-Connected Disability Retirement and a Non-Service-Connected Disability Retirement.

- a. **Service-Connected Disability Retirement:** A member may apply for this retirement benefit if: (i) while on active payroll in State Service, he or she becomes permanently unable to do the job in which he or she was employed by the State; and (ii) this disability was the result of an 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 his or her age, and without regard to his or her years of Vesting Service.
- b. **Non-Service-Connected Disability Retirement:** A member is eligible for this benefit if: (i) he or she is permanently unable to do the job in which he or she was employed by the State, and (ii) he or she has completed at least 10 years of Vesting Service. In other words, employees with fewer than 10 years of Vesting Service may be eligible **only** for a Service-Connected Disability Retirement; they are **not** eligible to apply for a Non-Service-Connected Disability Retirement.

Note: Although Vesting Service and Credited Service may generally include a period of prior military service, such prior military service may not be used to establish either an employee's eligibility for a Non-Service-Connected Disability Retirement or the amount of a member's Disability Retirement benefit.

3. What Constitutes Disability?

At the time a member becomes unable to perform the responsibilities of his or her position, the member will be eligible to receive a Disability Retirement benefit **if** he or she is permanently unable to continue to render the service in which he or she has been employed. That is, the employee must be permanently unable to perform the duties of his or her specific position with the State.

After 24 months, the standard for Disability Retirement changes. A disabled member of Tier IV will continue to be eligible for Disability Retirement benefits after 24 months of retirement **only** if he or she is totally disabled for any **“suitable and comparable job.”**

Pursuant to an agreement between the State and the State Employees Bargaining Agent Coalition (“SEBAC”), a “suitable and comparable job” is a job (i) that pays a rate which is substantially equivalent to the salary range of the position the individual held at the time the individual’s disability occurred, and (ii) which is of a similar type to either the job he or she performed or the work for which he or she is qualified, in keeping with the individual’s prior work experience, education, or training received by the retiree while in State employment.

4. Disability Retirement Application Process

To apply for a Disability Retirement, you must contact the Human Resources or Payroll Office of your employing agency. Your agency will help you prepare the Application for Retirement Benefits and the other required retirement forms.

You will also need to submit: (i) a form entitled, "Disability Retirement Application Medical Report," which must be completed by your treating physician; (ii) any relevant accident/incident reports (WC-207) (especially if you are applying for a Service-Connected Disability Retirement); (iii) any narrative reports from the physician(s) who are treating you for the condition(s) that are the basis of your claim for Disability Retirement; (iv) any diagnostic test results and hospital summaries; and (v) any other relevant information of ongoing care for the condition on which your application is based.

The Retirement Services Division **does not** determine whether or not a member is disabled. The questions of whether a member is eligible for Disability Retirement benefits, and whether the disability is or is not service-connected, are decided by the **Medical Examining Board (MEB)**. The Retirement Services Division, on behalf of the MEB, *accepts* applications for disability retirement with appropriate medical documentation from the member’s agency. Medical records may be sent separately to the Division’s Disability Unit to preserve members’ privacy.

It is the member’s responsibility to demonstrate to the MEB that he or she is disabled under the legal standards 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.

5. Review of Eligibility After Approval

a. Re-Examinations:

The MEB may conduct re-examinations at any time to determine whether a member continues to be eligible for Disability Retirement benefits. 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. Findings and determinations made by the MEB may be made without holding a hearing and solely on the basis of a "record review."

b. 24-Month Reviews

Assuming your application for Disability Retirement is approved, your entitlement to a continued disability benefit will be reviewed for a second time after you have received benefits for 24 months. The MEB will require updated medical records and review continued eligibility under the "suitable and comparable job" 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 by experience and training. You must submit proof of continuing disability at the request of the Retirement Services Division.

Note: The MEB may request additional information from an applicant before approving an application for Disability Retirement or the continued entitlement to benefits. In that case, the member will have no more than one year to supply the additional information.

6. Reconsideration After Denial

If the MEB denies an application, the applicant may apply for reconsideration within one year. The application for reconsideration must include any records requested by the MEB; additional facts concerning the applicant's medical condition at the time he or she terminated State employment; and a written explanation of why that material information was not available to the applicant at the time of his or her original application.

7. Important Note Concerning Social Security Disability Benefits

If you are approved for a Disability Retirement, you are required to apply for a disability benefit from the federal government's Social Security Administration within two years of your initial receipt of a Disability Retirement benefit from SERS. If your application for Social Security disability benefits is denied, the Retirement Division may, at its discretion, also require you to appeal your denial.

You will **not** be required to incur any costs when applying for Social Security disability benefits. At your request, the Retirement Services Division will provide assistance in the filing of an application or appeal at no cost to you.

If a member has been approved for Social Security disability benefits, that approval will be deemed to be a finding that the member is unable to perform "suitable and comparable" work.

The four types of income that count for purposes of this rule are:

- (i) workers' compensation benefits;
- (ii) Social Security benefits (including, but not limited to, old age retirement benefits);
- (iii) benefits under Section 5-142 of the Connecticut General Statutes; and
- (iv) the retiree's Statutory Benefit from SERS.

If the combined amount of these four types of benefit is less than the retiree's 60% Minimum, then the member's SERS benefit will be greater than his or her Statutory Benefit. The amount of the retiree's SERS benefit will be equal to the amount necessary to make his or her *total income from all four sources* equal to his or her 60% Minimum.

Important Note: If, during the course of your Disability Retirement, there is a change to any benefits you receive from workers' compensation or Social Security—for example, if such benefits begin or end, or if the amount of your benefit changes—then **you must immediately report that change to the Retirement Services Division**. If necessary, your SERS benefit will be adjusted (increased or decreased) to reflect the change you report.

Please Note: If the amount of your SERS benefit is equal to your 60% Minimum, and if you begin to receive outside benefits, such as workers' compensation or Social Security benefits, your SERS benefit might have to be reduced. Even if that happens, however, your **total** income will still be equal to **or greater than** your 60% Minimum.

c. *The "80% Maximum" Rule*

Some disability retirees receive a benefit from SERS that is *less* than their Statutory Benefit, under the 80% Maximum rule. Under that rule, the SERS benefit paid to a disability retiree may not be greater than the **smallest amount necessary** to make the retiree's **combined income** from four different sources equal to an amount known as the "**80% Maximum**." A member's 80% Maximum is the *larger* of either (i) 80% of the member's Average Salary or (ii) 80% of the base salary the member received at the time of retirement.

The four types of income that count for purposes of this rule are:

- (i) workers' compensation benefits;
- (ii) Social Security *Disability* benefits (including family benefits, but **not** including old age retirement benefits);
- (iii) benefits under Section 5-142 of the Connecticut General Statutes; and
- (iv) the retiree's Statutory Benefit from SERS.

If the combined amount of these four types of benefit is more than the retiree's 80% Maximum, then his or her SERS benefit will be less than his or her Statutory Benefit. The amount of the retiree's SERS benefit will be equal to the minimum amount necessary to make his or her *total*

income from all four sources equal to his or her 80% Maximum. If the member's total income from sources other than SERS is equal to or greater than the member's 80% Maximum, then the member's SERS benefit will be suspended.

Important Note: If, during the course of your Disability Retirement, there is a change to any benefits you receive from workers' compensation or Social Security—for example, if such benefits begin or end, or if the amount of your benefit changes—then **you must immediately report that change to the Retirement Services Division**. If necessary, your SERS benefit will be adjusted (increased or decreased) to reflect the change you report.

Please Note: If you receive certain outside benefits, such as workers' compensation or Social Security Disability benefits, your SERS benefit might be reduced to an amount below your Statutory Benefit. Even if that happens, however, your **total** income from SERS, workers' compensation, Section 5-142, and/or Social Security will still be equal to **or greater than** your 60% Minimum.

d. The "100% Maximum" Rule

There is a second rule that can cause a disability retiree to receive a benefit from SERS that is *less* than his or her Statutory Benefit. Under the 100% Maximum rule, a disability retiree's benefit from SERS must be the smallest amount necessary to make the retiree's **combined income** from **five** different sources equal to an amount known as the "100% Maximum." A member's 100% Maximum is the *larger* of either (i) 100% of the member's Average Salary or (ii) 100% of the base salary the member received at the time of retirement.

The five types of income that count for purposes of this rule are:

- (i) workers' compensation benefits;
- (ii) Social Security *Disability* benefits (including family benefits, but **not** including old age retirement benefits);
- (iii) benefits under Section 5-142 of the Connecticut General Statutes;
- (iv) income from salary or wages, or income in the form of profits from a business the retiree owns (excluding any salary or wages earned in connection with a program of rehabilitation approved by the Retirement Commission); and
- (v) the retiree's Statutory Benefit from SERS.

If the combined amount of these five types of benefit is more than the retiree's 100% Maximum, then his or her SERS benefit will be less than his or her Statutory Benefit. The amount of the retiree's SERS benefit will be equal to the minimum amount necessary to make his or her *total income from all five sources* equal to his or her 100% Maximum. If the member's total income from sources other than SERS is equal to or greater than the member's 100% Maximum, then the member's SERS benefit will be suspended.

In some cases, the combination of a retiree's Statutory Benefit, workers' compensation benefit, Section 5-142 benefit, and/or Social Security Disability benefit will be greater than the retiree's 80% Maximum. The combination of those benefits, along with the retiree's earned income, will also be greater than the retiree's 100% Maximum. In those cases, the member's SERS benefit will be calculated under whichever of those two rules produces the **smaller** benefit.

Important Note: If, during the course of your Disability Retirement, there is a change to any benefits you receive from workers' compensation or Social Security, or if you receive any wage or salary income or income from a business you own, then **you must immediately report that change or that income to the Retirement Services Division**. If necessary, your SERS benefit will be adjusted (increased or decreased) to reflect the change you report.

Please Note: If you receive certain outside benefits, such as workers' compensation benefits, Social Security Disability benefits, or outside earned income, your SERS benefit might be reduced to an amount below your Statutory Benefit. Even if that happens, however, **your total income from SERS, workers' compensation, Section 5-142, and/or Social Security will still be equal to or greater than your 60% Minimum**.

10. If You Recover

If you recover from your condition and are no longer disabled before you reach Normal or Early Retirement Age, you will stop receiving retirement benefits. For purposes of Normal or Early Retirement, your Vesting Service and Credited Service will include **both** the period of your active State employment **and** the period of time in which you were receiving Tier IV Disability Retirement benefits, up to a maximum of *either* 30 years *or* your years of active State Service, whichever is greater.

If, after recovering from disability, a member is not reemployed by the State, he or she will be deemed to have retired under a Normal Retirement or an Early Retirement, provided he or she has satisfied the relevant age and service requirements. (For this purpose, the period of the member's Disability Retirement will be included in the member's Vesting Service and Credited Service.) If the member is otherwise eligible for a Normal or Early Retirement, but has not yet reached the minimum age, he or she will retain the right to a Deferred Vested Retirement.

11. Special Note

If the MEB determines that you are not eligible to receive Disability Retirement benefits, the agency in which you were last actively employed will be required to return you to employment if you wish to return. This assumes there are no other employment-related reasons for your separation.

This provision does not apply if you are found to have recovered from disability after having received Disability Retirement payments.

VIII. RETIREMENT BENEFIT PAYMENT OPTIONS

YOU MAY CHOOSE TO HAVE BENEFITS CONTINUE AFTER YOUR DEATH FOR A PERSON YOU DESIGNATE

Your Contingent Annuitant or Optionee

When you apply to retire, you must choose one of four benefit payment "options." You should review your option choices with care and select the one that is best suited to your personal needs.

Under some of the available options, a monthly retirement benefit will be paid after your death to a person or persons whom you name. The person you select is known as a "**Contingent Annuitant**" or "**Optionee**." If you select an option that pays benefits after you die, then the benefit **you** receive during retirement will be **smaller** than it would be if you made no provision for an Optionee. The amount of this reduction to your benefit will be based on several factors, including your age and the age of your Optionee.

Please Note: At the time of your retirement, you may also designate a "Beneficiary." A Beneficiary has different rights from the rights of your Contingent Annuitant or Optionee. See the section below, entitled "Your Beneficiary."

A. Benefit Options

The optional forms of payment available are:

1. **Option A - 50% Spouse.** This option provides a reduced monthly benefit to you for life. If you are married at the time of your retirement, and if your spouse is alive at the time of your death, 50% of that reduced benefit will continue to be paid to your spouse for the balance of his or her life.
2. **Option B - 50% or 100% Survivor.** This option provides a reduced monthly benefit to you for life. The option also allows you to name any one person as your "Contingent Annuitant" at the time you retire. If your Contingent Annuitant is alive at the time of your death, then either 50% or 100% of that reduced benefit (whichever you selected at retirement) will continue to be paid for the remaining lifetime of your Contingent Annuitant. Your Contingent Annuitant may be any one person, including your spouse.
 - **Note:** If you choose the 100% Contingent Annuitant option, if your Contingent Annuitant is *not* your spouse, and if your Contingent Annuitant is ten or more years younger than you are, then federal law requires an additional reduction to the Contingent Annuitant's income.

- 3. Option C - 10-Year or 20-Year Period Certain.** This option provides a reduced monthly benefit to you for life, along with a guarantee that payments will continue for the full period of 10 or 20 years (whichever you selected at retirement) following your retirement date. The option also allows you to name one or more persons as your “Contingent Annuitant” at the time you retire.

Option C is the only option that allows you to name more than one Contingent Annuitant(s), each of whom would share each remaining monthly payment equally.

- If you should die within either 10 years (120 payments) or 20 years (240 payments) from your date of retirement (whichever you have chosen), the remaining payments, in accordance with your selection, will be made to your Contingent Annuitant(s).
- If your Contingent Annuitant(s) should die before the end of the 10- or 20-year period you selected, and if you also die within that period, without having named a new Contingent Annuitant, then the remaining payments will be made to your estate.

- 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.

B. Important Information to Consider When Making Your Option Election

If you have been married for at least one year before you begin to receive retirement benefits, and if you wish to choose an option that **does not** provide a lifetime benefit to your surviving spouse (*i.e.*, an option other than Option A or Option B, with your spouse as Contingent Annuitant), then you must obtain your spouse’s written consent to your choice, and you must submit it at the time of your retirement.

Regardless of your option choice or marital status, you must submit proof and/or attest to what your marital status has been for the one year immediately preceding the date your retirement benefits are to begin. Failure to submit the required waiver and documentation before your effective date of retirement may result in a delay of your retirement income payments.

If you retire without having selected a benefit payment option by submitting a signed and completed retirement application and election form to the Retirement Services Division; **or** if you are required to submit your spouse’s consent to your selection and have failed to do so at the time of your retirement; then, in either case, your benefit will be paid according to your marital status when payment begins. If you are married at that time, and if you have been married for at least one year, your benefit will be paid under Option A. If not, your benefit will be paid under Option D.

Your choice of benefit payment option may not be changed after you retire. This is true, even if you are later divorced from your Contingent Annuitant, or if your Contingent Annuitant should die before you do. Therefore, it is very important that you carefully review all the available choices before you elect your “option.”

C. The 90-Day Protection Window: What if You Select an Option but Die Before Your Benefits Begin?

Suppose you have satisfied the requirements for a Normal, Early, Hazardous Duty, or Disability Retirement. You apply for retirement and select Option B or Option C. If you die before your date of retirement (that is, before you begin to receive retirement income), but within 90 days after you first elect one of these options, then the person you named as your Contingent Annuitant may still receive payments in accordance with your selection.

The survivor benefit will begin on the first day of the month after the month of the employee’s death (or, if the employee dies on the first day of a month, on that day). Monthly payments will then continue for the lifetime of the Contingent Annuitant under Option B, or for the 10- or 20-year period the employee selected under Option C. The amount of the survivor benefit will be equal to the amount that would have been paid, if the employee had retired on the date of his or her death, and if the employee’s benefit had been paid under the option he or she selected.

Note: The 90-Day Protection Window applies **only once**, to the **first time** you apply for retirement. If you rescind your first application for retirement and then apply for retirement at a later date, this rule will not protect your Contingent Annuitant in the event of your death before the date you selected.

IX. SURVIVOR BENEFITS PAYABLE WHEN YOU HAVE NOT SELECTED A PAYMENT OPTION

Unless you select Payment Option D, you will have to designate a “**Contingent Annuitant**” or “**Optionee**” at the time you retire. You may also designate a “**Beneficiary**” or “**Beneficiaries**,” either before you retire or at the time of your retirement.

- Unlike your choice of a Contingent Annuitant, your choice of a Beneficiary may be changed at any time you wish. To name or change your Beneficiary, contact your agency’s Human Resources Department for the proper forms.

Even if you have **not** named a Contingent Annuitant, there are some circumstances in which your **spouse** might still be entitled to a monthly retirement benefit after your death.

In other cases, your Beneficiary may receive a payment after your death. There are **no** circumstances in which your **Beneficiary** will be eligible to receive a monthly retirement benefit, but your Beneficiary will receive a lump-sum payment if no monthly benefit payments are due to you and/or to any Contingent Annuitant(s). As explained below, the lump-sum payment to your Beneficiary will be based on any Employee Contributions that remain in your account, plus interest.

A. Benefits Payable Before You Retire

If you should die before you begin to receive your Retirement Benefit, and if you have not selected Option A, B, or C, then either your surviving spouse or your Beneficiary may receive some form of payment: either a monthly retirement income, or a refund of your contributions to SERS. If you suffer a fatal injury while performing a State job, your family may be entitled to certain cash benefits. This section will explain the circumstances in which such benefits may be paid.

If you become seriously ill or injured, or if you have a life-threatening condition, you (or someone acting on your behalf) should notify your employing agency’s Human Resources Office as soon as possible.

Important Note: If a member of SERS is unable to execute documents relating to SERS retirement benefits, someone may do so on behalf of the member, using a Pre-Retirement Limited Durable Power of Attorney form that the Retirement Services Division has created. (If appropriate, the Division may also accept other forms of Power of Attorney.)

The form is available on the website of the Office of the State Comptroller (**OSC**) at the following link: <http://www.osc.ct.gov/agencies/forms/pdf/CO-1049.pdf>.

1. Spousal Benefits if an Employee Dies during Active Employment

If you die while actively employed, or if you die while on an approved leave of absence, and you have not applied for retirement, your spouse will receive a monthly benefit, **if**:

- At the time of your death, you have completed the service and age requirements for a Normal, Early, or Hazardous Duty Retirement;

OR

- At the time of your death, you have completed 25 years of Vesting Service, regardless of your age.

For your spouse to receive these benefits, you must have been married for at least the 12-month period immediately preceding your death. The agency where you were employed should be notified of your death as soon as possible.

If these requirements have been satisfied, your spouse's benefits will begin on the first day of the month after the month of your death (or, if you die on the first day of a month, on that day). Monthly payments will then continue for his or her lifetime. The amount will equal 50% of the payment you would have received under Option A (50% Spouse), if you had retired on the day of your death and if payments had started on that day. If you had not reached age 58 at the time of your death, the benefit would be determined as if you had reached age 58 on that date.

2. Spousal Benefits If an Employee Leaves State Service and Dies Before Receiving any Retirement Benefits

Suppose you leave State employment with a minimum of 25 years of Vesting Service and you die before receiving any retirement benefits. Your spouse will receive retirement benefits, provided you had been married to each other for at least the 12 months preceding your death.

If these requirements have been satisfied, your spouse's benefits will begin on the first day of the month after the month of your death (or, if you die on the first day of a month, on that day). Monthly payments will then continue for his or her lifetime. The amount will equal 50% of the payment you would have received under Option A (50% Spouse) if you had retired on the day of your death, and if payments had started on that day. If you had not reached age 58 at the time of your death, the benefit would be determined as if had reached age 58 on that date.

3. Refund of Contributions to Beneficiary if Employee Dies Before Retirement

IF:

- you should die while in active service or before you begin receiving retirement benefits; and
- your spouse and/or your Contingent Annuitant is ineligible to receive retirement benefits under any of the rules discussed above;

THEN your designated Beneficiary (who could be your spouse) will receive a lump-sum payment. The amount of the payment will equal the total of the contributions you made to SERS during your active State employment, plus 5% annual interest credited from the July 1st following your first contribution.

4. Benefits for Families of Employees who Suffer a Job-Related Death

If you suffer a fatal injury while performing your State job, the Tier IV Plan might provide a benefit to your family. 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 spouse \$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 (payable to your spouse or to each child's legal guardian) until his or her 18th birthday.

If you are survived by your spouse only, or if all your children are over the age of 18 at the time of your death, the Plan pays \$50,000 to your 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 one or both of your parents is dependent on 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.

B. Benefits Payable After You Retire

1. Refund of Contributions to Beneficiary if There is No Contingent Annuitant

IF:

- a member of Tier IV dies after he or she has begun receiving retirement benefits;
- the member has not elected a Payment Option with benefits to a Contingent Annuitant; and
- the total amount of the member's contributions to Tier IV, plus interest, have not been exhausted over the course of the member's retirement;

THEN the member's Beneficiary or Beneficiaries will receive a lump-sum payment, based on the amount of that excess.

2. Refund of Contributions to Beneficiary if the Member Named a Contingent Annuitant

IF:

- a member of Tier IV dies after he or she has begun receiving retirement benefits;
- the member either (i) elected Option A or B, and the Contingent Annuitant has died, or (ii) elected Option C, and the 10-year or 20-year period has expired;
- the total amount that has been paid as retirement benefits to the member and/or the member's Contingent Annuitant(s) is less than the total amount of the member's contributions to Tier IV, plus interest;

THEN the member's Beneficiary will receive a lump-sum payment, based on the amount of that excess.

X. YOUR RIGHTS IF YOU LEAVE BEFORE RETIREMENT

A. How Your Deferred Vested Retirement Benefit is Calculated

If, at the time you leave State employment, you have completed at least 10 years of Vesting Service, then you may:

- Elect to begin receiving a monthly retirement benefit on any day that is the first day of a month, and which occurs on or after the day you reach **age 65**.
 - Refer to the section entitled "Normal Retirement Benefits" to determine how the benefit will be calculated.
- Elect to begin receiving a monthly retirement benefit on any day that is the first day of a month, and which occurs on or after the date on which you reach **age 58**.
 - If you have not yet reached Normal Retirement Age when you begin to receive your retirement benefit, then your benefit will be calculated in the manner described above, in the section entitled "Early Retirement Benefits." ("Normal Retirement Age" is defined in the section with that name.)
 - If you elect to begin receiving your monthly benefit on a day that is the first day of a month, and which occurs on or after the date on which you reach Normal Retirement Age, then your benefit will be calculated in the manner described above, in the section entitled "Normal Retirement Benefits." ("Normal Retirement Age" is defined in the section with that name.)

If, at the time you left State employment, you had completed at least 25 years of Vesting Service, then you may:

- Elect to begin receiving a monthly retirement benefit on any day that is the first day of a month, and which occurs on or after the day you reach **age 63**.
 - Refer to the section entitled "Normal Retirement Benefits" to determine how the benefit will be calculated.

B. Applying for Benefits

Even if you do not intend to begin receiving retirement income until sometime in the future, you should begin the process of applying for benefits at the time you leave State employment, by completing a "Vested Rights Retirement Application" form. To begin the process, contact the Human Resources Office of your last employing agency. Ask the office to prepare an application for Vested Rights retirement benefits. After you leave State employment, remember to advise the Retirement Services Division, in writing, of any change to your address.

C. Employees Ineligible for Retirement Benefits May Withdraw their Contributions upon Leaving State Employment

If you leave State employment before you become eligible for retirement benefits—for example, if you leave with fewer than 10 years of Vesting Service—you may withdraw the contributions you made to SERS during your active employment. When you withdraw your contributions, you will also receive interest at 5% per year for the period from the July 1st following the commencement of your contributions to the July 1st coincident with or preceding the date you leave State Service.

Please Note: For Hazardous Duty employees, interest will be credited from the July 1st following the commencement of contributions to the July 1st coincident with or preceding the date you leave Hazardous Duty service.

You should contact your last employing agency's Human Resources Office to complete the appropriate refund application at the time of your termination.

If you do not withdraw your contributions when you leave State employment, and if you do not return to State Service within five years, we will assume that you want a refund.

Important Note: If you are eligible for any form of retirement—including, but not limited to, a Deferred Vested Retirement—then you may not withdraw your contributions to SERS under any circumstances—even in lieu of receiving retirement income.

XI. REEMPLOYMENT AFTER RETIREMENT

A. Reemployment In a Temporary Position

If you have begun receiving retirement benefits from SERS, and if you are reemployed by the State in a temporary position, you may work (i) up to 120 days in any calendar year, or (ii) if you are a retiree reemployed in higher education, up to twelve credits per 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 up to 900 hours; if the position is a 7.75-hour, full-time position you may work up to 930 hours; and if the position is an 8-hour, full-time position, you may work up to 960 hours in a calendar year.

B. Reemployment In a Permanent Position

If you have begun receiving retirement benefits from SERS, and if you are reemployed by the State in a permanent position, either on a part-time or a full-time basis, your pension payments and benefits must be suspended. It is your responsibility to notify the Retirement Services Division of your reemployment. You will resume membership in the Tier IV Plan and receive credit for service during such reemployment.

XII. COST OF LIVING ADJUSTMENT (COLA)

BENEFITS ARE ADJUSTED TO OFFSET RISING COSTS OF LIVING

Each member of Tier IV who is eligible for a retirement benefit, and each spouse or Contingent Annuitant who receives a retirement benefit as the survivor of a Tier IV member, is also eligible to have the amount of his or her benefit increased by periodic cost-of-living adjustments (COLAs).

- You or your survivor will be eligible to receive your **first** COLA on the first day of the month that occurs 30 months after your retirement.
- You or your survivor will be eligible to receive additional COLAs every year, on the anniversary of your first COLA.

Each COLA will be calculated under a formula that uses the annual increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12-month period immediately preceding the date on which the COLA is awarded.

The annual COLA shall be in an amount equal to the CPI-W for any year in which the CPI-W is 2% or less. For all other years, the annual COLA shall be in the range from 2% to 7.5% of the member's or survivor's retirement benefit. Within that range, the COLA shall equal (i) 60% of the increase in CPI-W up to 6%, plus (ii) 75% of the increase in CPI-W over 6%.

- If the CPI-W increases at an annual rate of more than 5.5% during the first 18 months after the member's retirement date, then the **first** COLA paid to the member or the member's survivor will be supplemented by an additional payment. This additional payment shall be calculated in the following way: (i) add 60% of the increase in CPI-W up to 6% and 75% of the increase over 6%; (ii) from that sum, subtract 2.5%; then (iii) multiply the result by 1.5.

XIII. WHEN YOU ARE READY TO RETIRE

A. The Application Process

To apply for retirement benefits, you must contact the Human Resources or Payroll Office of your employing agency. (If you are no longer a State employee, contact your last employing agency.) Ask the office to prepare your "Application for Retirement Benefits" and other, related retirement forms. You should allow a reasonable amount of notice time for this process--generally, 90 days before your intended date of retirement. (However, to take advantage of the 90-day protection window explained in the section entitled "Survivor Benefits," you should not **sign** your retirement forms more than 90 days before your targeted retirement date.)

The Retirement Services Division must receive your retirement application and all accompanying documentation before the effective date of your retirement. Your retirement date must be the first day of a month.

You will need to provide to your agency with copies of:

- Your birth certificate
- The birth certificate of your Contingent Annuitant or Annuitants, if any
- If you are married, your marriage certificate.

You will need to make several choices, including:

- Your Benefit Payment Option (*e.g.*, 50% Spouse Option or Straight Life Annuity)
 - If you have been married at least 12 months before your date of retirement, and if you select an option that does not provide your surviving spouse with a lifetime benefit after your death (*i.e.*, any option other than either Option A or Option B with your spouse as Contingent Annuitant), then you will have to submit a form entitled, "Spouse Waiver of Monthly Survivor Benefits." This form must have been executed by your spouse and notarized.
- Choice of your retiree health benefit, if you are eligible. If you or your dependent(s) are over the age of 65 and are covered by Medicare Part B, you must provide a copy of your identification card(s), indicating Medicare Part B enrollment.

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

If you are applying for a Disability Retirement, you must provide, in addition to the foregoing forms, a form entitled "Disability Retirement Application Medical Report." This form must be completed by your treating physician. You must also submit the supporting documentation described in the section entitled, "Disability Retirement."

B. Counseling Services

The Retirement Services Division provides retirement counseling workshops and benefit estimators on the OSC website. These workshops provide informative “self-help” retirement counseling with the same information that was formerly 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>.

XIV. OTHER INFORMATION

A. Assignment of Benefits

You may not use your rights under Tier IV as collateral or security for a loan. Any assignment to a creditor or to another person of any amount payable by Tier IV to a member, to a Contingent Annuitant, or to a Beneficiary shall be null and void. Retirement payments are for the support of the member, Contingent Annuitant, or Beneficiary, and they are exempt from the claims of creditors, with the exception of: (i) claims under a court-ordered, plan-approved, qualified domestic relations order issued in connection with a member's divorce; (ii) claims for the recovery of costs of incarceration; and (iii) claims for the recovery of damages by a victim of crime, as specifically described in Conn. Gen. Stat. Sec. 52-321a(b), and as determined or entered by a court of competent jurisdiction.

B. Divorce – (For Alternate Payee Under a Qualified Domestic Relations Order)

Tier IV is a governmental retirement plan, and, as such, it is exempt under United States Code, Title 29, Section 1003, from the federal requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and the Retirement Equity Act. However, the Plan does provide for the division of a member's benefit in the manner directed in a qualified domestic relations order approved by the Plan Administrator.

A copy of the Guidelines which contain the procedures and provisions with regard to such orders is available on-line, at:

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

C. Reporting And Disclosure

The Retirement Services Division has published this Tier IV SPD online. A hard copy may be obtained by selecting "printable version" at the beginning of this SPD or by asking your employing agency's 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.

I. APPENDIX A – Reference Chart for Actual State, Vesting, and Credited Service

TIER IV ACTUAL STATE, VESTING, AND CREDITED SERVICE			
Type of Service or Absence	Actual State Service	Vesting Service	Credited Service
Paid State Service, provided period is not followed by a Permanent Break in Service	Yes	Yes	Yes
Period of qualifying Workers' Compensation or Disability Compensation	Yes	Yes	Yes
Period of severance of less than 12 months	No	Yes	No
Qualifying military leave without pay	Yes	Yes	Yes
Personal medical or family leave without pay granted pursuant to Section 5-248a or terms of a collective bargaining agreement	No	Yes, in increments of calendar months or periods of 22 scattered working days; maximum of 15 months in any 5-year period	Yes, in increments of calendar months or periods of 22 scattered working days; maximum of 15 months in any 5-year period
Educational leave without pay	No	No	No
Any other leave without pay	No	No	No
Full-time service to other states where reciprocity exists	No	Yes, maximum of 10 years, with no more than 1 year for every 2 years of State Service	Yes, maximum of 10 years with no more than 1 year for every 2 years of State Service
Prior eligible military service	No	Yes, maximum of 10 years total: war service plus 3 years national emergency service	Yes, maximum of 10 years total: war service plus 3 years national emergency service
Prior eligible CT Municipal service if in CT Municipal Employee Retirement System (CMERS)	No	No	Yes – provided 10 years Vesting Service
Voluntary schedule reduction program granted pursuant to Section 5-248c effective 6/9/94	Yes	Yes	Yes