



# State of Connecticut

## RETIREMENT PLAN COMPARISON

*Retirement plan election must be made by first day of employment, or you will be placed in a default plan*

| RETIREMENT PLAN                                   | SERS TIER IV  | SERS TIER IV HYBRID  | ALTERNATE RETIREMENT PROGRAM   | TEACHERS' RETIREMENT SYSTEM  |
|---|---|--|--|--|
| Type of Plan                                      | Defined benefit and Defined contribution                              | Defined benefit with a "Cash Out" option and Defined contribution  | Defined contribution 401(a)  | Defined benefit  |
| Eligibility                                       | All state employees in retirement eligible positions                  | Teachers and professional staff members within the CT higher education system and central office staff of Department of Higher Education | Teachers and professional staff members within the CT higher education system and central office staff of Department of Higher Education | Municipal/State employees in a position that requires State Department of Education certification, or State employees of the CT Higher Education system in an educational role |
| Employee Contribution (% of pre-tax compensation) | 5% - defined benefit<br>1% - defined contribution                     | 8% - defined benefit<br>1% - defined contribution  | 6.5% (default) or option to elect 5% - new ARP<br>5% - legacy ARP (entry date prior to 9/1/2017)   | 8.25%<br>Excludes earnings from coaching, summer school, or non-teaching positions   |
| Employer Contribution (% of pre-tax compensation) | Actuarially determined - defined benefit<br>1% - defined contribution | Actuarially determined - defined benefit<br>1% - defined contribution  | 6.5% - new ARP<br>7% - legacy ARP (entry date prior to 9/1/2017)   | Actuarially determined   |



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| Benefit Calculation          | Formula based in part on average of 5 highest years' earnings & years of service. See Summary Plan Description      | Formula based in part on average of 5 highest years' earnings & years of service. See Summary Plan Description      | Based solely on contributions and investment performance of account  | Formula based in part on average of 3 highest years' earnings & years of service |
| Investment Method            | Professionally managed  | Professionally managed  | Employee directed  | Professionally managed   |
| Investment Risk              | Defined benefit: Employer<br>Defined contribution: Employee   | Defined benefit: Employer<br>Defined contribution: Employee   | Employee   | Employer   |
| Earliest Benefit Eligibility | Age 58 + 10 years   | Age 58 + 10 years   | Age 55 + 10 years of participation<br>Under 55 + less than 10 years: rollover only   | Age 55: 20 years (15 in CT)<br>Any age: 25 years (20 in CT)                      |
| Normal Retirement Age        | Age 63 + 25 years<br>Age 65 + 10 years  | Age 63 + 25 years<br>Age 65 + 10 years  | Age 65   | Age 60 + 20 years of CT service<br>Any Age + 35 years of service (25 in CT)      |
| Disability Retirement        | Yes, at any time for service-related disability<br>Need 10 years vesting service for non-service-related disability | Yes, at any time for service-related disability<br>Need 10 years vesting service for non-service-related disability | No, employer-provided disability insurance policies may continue 13% contributions to plan during disability (depending on employing agency) | Yes, disability allowance available  |



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| Minimum Vesting                                | 10 years vesting service   | 10 years vesting service   | Immediate vesting   | 10 years of CT service  |
| Benefit Form                                   | Lifetime monthly benefit payment   | Lifetime monthly benefit payment <b>OR</b> one-time lump sum "cash out" option   | Flexible (lump sum, periodic, or monthly payment)   | Lifetime monthly benefit payment  |
| Cost of Living Adjustments                     | Yes  | Yes, if retiree elects lifetime monthly benefit payment  | Not Applicable  | Yes   |
| Can an employee make additional contributions? | No   | No   | No  | Yes, into Voluntary Account (via payroll after-tax contributions only)  |
| Purchase of Service Credit                     | Allowed (restrictions apply)<br>See Summary Plan Description   | Allowed (restrictions apply)<br>See Summary Plan Description   | Not Allowed   | Allowed (restrictions apply)  |
| Pre-Retirement Death Benefit                   | Spousal benefit if employee met age and service required for immediate retirement or completed 25 years service (at any age); otherwise contributions are refunded | Spousal benefit if employee met age and service required for immediate retirement or completed 25 years service (at any age); otherwise contributions are refunded | Account balance payable to spouse or named beneficiary, as applicable<br><br>Retiree health benefits – must meet eligibility requirements | Yes, spousal benefit payable if employee met age and service requirements for retirement; otherwise, survivorship benefits will be paid |



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|---|---|---|---|---|
| Rollovers from Other Retirement Plans               | <p>Defined benefit: Not Allowed</p> <p>Defined contribution: accepts rollovers of pre-tax dollars from other eligible retirement plans and IRAs</p> | <p>Defined benefit: Not Allowed</p> <p>Defined contribution: accepts rollovers of pre-tax dollars from other eligible retirement plans and IRAs</p> | Accepts rollovers of pre-tax dollars from other eligible retirement plans and IRAs  | Allowed, only within 2 months prior to retirement effective date for the purposes of annuitization (pre-tax only) |
| 2023 Limit on Wages Used to Calculate Contributions | \$330,000   | \$330,000   | <p>Hired after January 1, 1996: 401(a)(17) compensation limit: \$330,000</p> <p>Hired prior to January 1, 1996: 415(c) contribution limit: \$66,000</p> | \$330,000   |
| Employee Social Security & Medicare Participation   | Both  | Both  | Both  | Medicare Only   |
| For More Information                                | <a href="https://osc.ct.gov/rbsd/stateretire.htm">osc.ct.gov/rbsd/stateretire.htm</a>   | <a href="https://osc.ct.gov/rbsd/stateretire.htm">osc.ct.gov/rbsd/stateretire.htm</a>   | <a href="https://CTDCP.com">CTDCP.com</a>   | Teachers Retirement Board <a href="https://ct.gov/trb">ct.gov/trb</a>   |