CONNECTICUT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

SUMMARY PLAN DESCRIPTION (SPD)
Revised as of July 1, 2023

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YOUR RETIREMENT

RETIREMENT… IT'S NOT SO FAR AWAY

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. Your employer understands this, and, with the assistance of the State of Connecticut ("**State**"), it provides you with retirement benefits through the Connecticut Municipal Employees Retirement System ("**CMERS**" or the "**Plan**").

CMERS is a defined benefit plan, and it is intended to meet the requirements of both the Internal Revenue Code (the "**Code**") and the Connecticut General Statutes. CMERS is intended to be a governmental retirement plan, as defined in Section 414(d) of the Code. In many cases, the required employee contributions are designated as "picked up" by each member's employer, so as not to be included in the member's gross taxable income for purposes of federal income tax, as provided by Section 414(h)(2) of the Code.

We've described CMERS 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/rbsd/cmers/muniretire.htm, or
- contact your employer's Human Resources Office, or
- contact the Retirement Services Division as directed throughout this SPD.

Written requests for information may be sent to the CMERS Unit of the Retirement Services Division at the address below; you may also contact the CMERS Unit by email, at osc.generalinfocmers@ct.gov.

Important Note: **This SPD is designed to help you understand your retirement benefits. It summarizes the more important provisions of CMERS. 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 laws that govern CMERS and this SPD, the official wording of the law will govern.**

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I. YOUR PLAN MEMBERSHIP

A. WHO ADMINSTERS THE PLAN?

The State Employees Retirement Commission is responsible for the administration of CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

C.G.S. §§ 5-155a(c), 7-447.

B. MUNICIPAL EMPLOYERS CHOOSE WHETHER TO PARTICIPATE IN CMERS

A “**Participating Municipality**” is a Municipality that has agreed to participate in CMERS by accepting the terms of the CMERS statutes (Chapter 113, Part II, of the Connecticut General Statutes) for at least some of its employees.

A “**Non-Participating Municipality**” is a Municipality that has **not** agreed to participate in CMERS in any way.

C.G.S. §§ 7-425(1) and (2), 427.

C. AM I A MEMBER OF CMERS?

A Participating Municipality designates the **department or departments** whose employees will be covered by the Plan. In general, you are a member of CMERS if (i) you are a regular, full-time employee of a Participating Municipality, and (ii) you who work in a department that has been designated for coverage by CMERS. In addition, some Participating Municipalities cover certain elected positions, employees of free libraries that receive municipal funding, and housing authority employees.

C.G.S. §§ 7-425(5), 7-427, 7-434a.

Your employer’s Personnel office can tell you if your department has been designated for participation in CMERS.

Even if you work in a designated department of a Participating Municipality, you **may not** participate in CMERS if:

- You customarily work fewer than twenty hours a week;
- You work in a temporary or *per diem* position;
- You are a police officer or firefighter who, at the time you were hired, would reach the compulsory retirement age of 65 within fewer than five years of continuous service;
- You are a teacher eligible for membership in the Connecticut Teachers Retirement System;
- You are eligible for membership in a pension system established under the authority of a special act or municipal charter; or

- You hold a position that is funded, in whole or in part, by the federal government, as part of any public service employment program, on-the-job training program, or work experience program.

C.G.S. § 7-425(5).

D. WHEN DOES MY CMERS MEMBERSHIP BEGIN?

In most instances, you become a Plan member on the day you begin your employment. If your Municipality has a probationary period approved by the State Employees Retirement Commission, then your date of CMERS membership is the day after you complete the probationary period and begin contributing to the Plan.

II. CONTRIBUTIONS TO THE PLAN

A. YOU AND YOUR EMPLOYER SHARE THE COST OF YOUR RETIREMENT BENEFITS

1. Your Contributions

You must make contributions for membership in CMERS, and these contributions must be made in the form of deductions from the **"Pay"** you receive from your employer. The contributions you make to CMERS in this way are known as "**Employee Contributions**." The amount of your Employee Contributions is a percentage of the Pay you receive for your service in your CMERS-eligible position.

a. What is my Pay?

For this purpose, your "Pay" includes:

- Your salary, wages, or earnings, including wages for overtime;
- Any workers' compensation payments you receive; and
- The imputed value of certain non-cash benefits provided to you by your employer — such as board, lodging, fuel, or laundry—that are reported to the Internal Revenue Service as part of your taxable income.

Your Pay **does not** include any fees or allowances for expenses. It **does not** include lump sum payments that are not part of your regular earnings, such as payments for accumulated sick or vacation days. Nor does it include any financial incentive you receive from your employer for declining employer-based health insurance coverage.

C.G.S. § 7-425(6).

Furthermore, under federal law, your Pay above a certain limit may not be considered for purposes of determining the amount of your contribution to CMERS for any given calendar year. The limit is adjusted by the federal government every year. For 2023, the limit is $330,000. No contributions will be deducted from your Pay above this limit.

26 U.S.C. § 401(a)(17).

b. How much must I contribute?

i. If you are covered by Social Security

For purpose of your contribution to CMERS if you are covered by Social Security, your Pay may be divided into two parts. One part is any Pay you receive, up to the amount of each year's "**Federal Contribution and Benefit Base**." The Federal Contribution and Benefit Base is the amount of your income that is subject to taxation for purposes of the federal Social Security program. The federal government may adjust the amount of the Federal Contribution and Benefit Base each year.

The other part of your Pay is any Pay you receive in excess of the Federal Contribution and Benefit Base.

The percentage of your Pay that you contribute to CMERS depends on the fiscal year in which you receive that pay:

- For any Pay you received **before July 1, 2019**, you are required to contribute 2.25% of the Pay you received up to the Federal Contribution and Benefit Base, and 5% of your Pay in excess of the Federal Contribution and Benefit Base.
- For any Pay you received **between July 1, 2019, and June 30, 2020**, you are required to contribute 2.75% of the Pay you received up to the Federal Contribution and Benefit Base, and 5.5% of your Pay in excess of the Federal Contribution and Benefit Base.
- For any Pay you received **between July 1, 2020, and June 30, 2021**, you are required to contribute 3.25% of the Pay you received up to the Federal Contribution and Benefit Base, and 6% of your Pay in excess of the Federal Contribution and Benefit Base.
- For any Pay you received **between July 1, 2021, and June 30, 2022**, you are required to contribute 3.75% of the Pay you receive up to the Federal Contribution and Benefit Base, and 6.5% of your Pay in excess of the Federal Contribution and Benefit Base.
- For any Pay you received **between July 1, 2022, and June 30, 2023**, you are required to contribute 4.25% of the Pay you receive up to the Federal Contribution and Benefit Base, and 7% of your Pay in excess of the Federal Contribution and Benefit Base.
- For any Pay you receive **between July 1, 2023, and June 30, 2024**, you are required to contribute 4.75% of the Pay you receive up to the Federal Contribution and Benefit Base, and 7.5% of your Pay in excess of the Federal Contribution and Benefit Base.
- For any Pay you receive **on or after July 1, 2024,** you are required to contribute 5.25% of the Pay you receive up to the Federal Contribution and Benefit Base, and 8% of your Pay in excess of the Federal Contribution and Benefit Base.

C.G.S. § 7-440.

ii. If you are not covered by Social Security

If you are not covered by Social Security, the percentage of your Pay that you contribute to CMERS depends on the fiscal year in which you receive that pay:

- For any Pay you received **before July 1, 2019**, you are required to contribute 5% of your Pay.
- For any Pay you received **between July 1, 2019, and June 30, 2020**, you are required to contribute 5.5% of your Pay.
- For any Pay you received **between July 1, 2020, and June 30, 2021**, you are required to contribute 6% of your Pay.

- For any Pay you received **between July 1, 2021, and June 30, 2022**, you are required to contribute 6.5% of your Pay.

- For any Pay you received **between July 1, 2022, and June 30, 2023**, you are required to contribute 7% of your Pay.

- For any Pay you receive **between July 1, 2023, and June 30, 2024**, you are required to contribute 7.5% of your Pay.

- For any Pay you receive **on or after July 1, 2024,** you are required to contribute 8% of your Pay.

C.G.S. § 7-440.

2. Your Employer's Contributions

Your contributions pay only part of the cost of your retirement benefits. Your employer contributes the remaining cost, at rates set by the State Employees Retirement Commission. Your employer also contributes to the cost of administering the Plan.

C.G.S. § 7-441.

Your contributions for all Pay you received on or after January 1, 2002, may be "picked up" by your employer. This means they will be treated as employer contributions for purposes of federal income tax; the amount of the contributions will be subtracted from the amount of your Pay for purposes of determining the amount of the income on which you must pay taxes.

C.G.S. § 7-440a.

Federal law 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.

26 U.S.C. § 414(h)(1).

III. FORMS OF SERVICE THAT AFFECT YOUR RETIREMENT

A member of CMERS becomes eligible to receive a retirement income by meeting certain requirements of age and service. Those requirements are discussed in the "**Types of Retirement**" section of this SPD. They may be satisfied by several types of service: "**Active Service**," "**Continuous Service**," and/or "**Aggregate Service**."

The present portion of the SPD will explain how a member may receive credit for Active Service, Continuous Service, and/or Aggregate Service.

A. ACTIVE SERVICE

1. Active Employment by a Participating Municipality

You receive credit for **"Active Service"** for any period of time in which (i) you actively work for a Participating Municipality, and (ii) you contribute to CMERS.

C.G.S. § 7-425(9).

If you were employed by a Participating Municipality or a Non-Participating Municipality that has been merged or consolidated with a Participating Municipality, then the period of your prior employment with that municipality will also be included in your Active Service, *provided* that there is no Break in Service (as defined below, in the section entitled, "**Continuous Service**") during your combined service for the two municipalities.

C.G.S. §§ 7-425(8), 7-434.

If you terminated your employment as a member of CMERS without withdrawing your contributions to the plan, and if you later accept employment with another municipality, in a department that either (i) participates in CMERS or (ii) begins to participate in CMERS within two years of the date of your reemployment, then the entire period of your service in these positions will be included in your Active Service. (If you withdrew your contributions to CMERS following the termination of your first period of employment, you may still receive credit for your service, under the terms described below, in the "**Detailed Information on Purchase Opportunities**" section of this SPD.)

C.G.S. § 7-442a.

2. Active Service may include military leaves of absence

Subject to the following terms and conditions, your Active Service also includes the period of any leave of absence for purposes of active service in the Armed Forces, provided such leave of absence occurs while the United States is at war, or engaged in any hostilities, or during times of national emergency. For this purpose, the "Armed Forces" are any of the United States Army, Navy, Marine Corps, Coast Guard, or Air Force, or any reserve component of one of those forces.

- For a military leave of absence to qualify as Active Service in CMERS, the employee must return to active service with his or her employer within six months following the termination of the employee's military service, or within two years after the end of any period necessary for recovery from an illness or injury incurred in, or aggravated during, the performance of such military service.

- Subject to that condition, the employee will receive credit for Active Service as though he or she had been continuously employed by the Participating Municipality during such a military leave of absence.

If you leave your municipal employment to serve in the Armed Forces in a time of war, hostilities, or national emergency, your employer will pay your CMERS contributions, based on your Pay at the time you begin your military service.

C.G.S. § 7-434; 38 U.S.C. §§ 4312(a)

A Note about Part-Time Service: If your service to a participating Municipality consisted solely of part-time service without any variation in the number of hours you worked, you will receive retirement credit for such service as if it were full-time service. For example, if you worked on a 50% schedule for ten years, your service will be considered ten years of Active Service.

If your Municipal service consisted of both part-time and full-time service, or if it consisted of part-time service with variations in the number of hours you worked, then your years of service and Final Average Pay will be proportionately adjusted. For example, if you worked five years on a 50% schedule and another five years on a full-time schedule, that service will be considered seven-and-a-half years of Active Service.

C.G.S. § 7-436(d).

B. CONTINUOUS SERVICE

"Continuous Service" is Active Service that has not been interrupted by a "**Break in Service**."

C.G.S. § 7-425(8).

A "**Break in Service"** is any period of absence from active employment that lasts more than 90 days in a single calendar year, **except** that the following periods of absence **are not** Breaks in Service, regardless of how long they last:

- Leaves of absence granted by the appropriate authority of your employer;
- Leaves of absence due to a disability that requires regular treatment by a physician, or for which such treatment is unnecessary in the opinion of a qualified medical authority;
- Leaves of absence caused by a layoff.

Important Note: Although the leaves of absence listed above are not considered to be Breaks in Service, they will be excluded from your Active Service for purposes of the calculation of your retirement income.

C.G.S. § 7-434.

C. AGGREGATE SERVICE

"**Aggregate Service**" includes **both** (i) Active Service and (ii) any type of service that is *not* Active Service, but for which you have purchased credit under the terms set forth below, in the "**Detailed Information on Purchase Opportunities**" section of this SPD.

C.G.S. § 7-425(10).

D. DETAILED INFORMATION ON PURCHASE OPPORTUNITIES

For purposes either of satisfying the service requirements for certain types of retirement within CMERS or of calculating the amount of a CMERS retirement benefit, a member may purchase credit for certain types of Aggregate Service, including types that would not qualify as Active Service.

To purchase credit for such Aggregate Service, you must submit a written request, together with all required documentation, to the CMERS Unit of the Retirement Services Division. You will then receive either an invoice to complete the purchase or a letter explaining why you may not make such a purchase.

Your written purchase request will not obligate you to pay the invoice; you may change your mind and forego the purchase. If you do wish to make the purchase, however, you will receive no Aggregate Credit until all of the required contributions have been paid.

Important Note: No credit may be granted for any period of Aggregate Service for which any municipal or state government unit is or will be paying a retirement benefit, or if such credit would otherwise result in multiple service credit for the same period of service.

1. Restoring prior CMERS retirement credit

- Description: If you terminated your employment as a member of CMERS and received a refund of your CMERS contributions, and if you later accept municipal employment in a department that either (i) participates in CMERS or (ii) begins to participate in CMERS within two years of your first day of employment, you may be eligible to receive credit for all of your prior CMERS service.
- Documents required: A written request.
- Application deadline: Prior to retirement.
- Payment due: All withdrawn contributions, plus interest.
- Payment deadline: As outlined on the invoice you will receive from the CMERS Unit.
- Type of credit allowed: **Active Service**.

C.G.S. § 7-442a.

2. Prior military service

- Description: You may receive CMERS credit for active duty in time of war in any branch of the Armed Forces for which you received an honorable discharge, and which occurred before your employment as a member of CMERS by a Participating Municipality. (For this purpose, "in time of war" has the meaning set forth in Section 27-103 of the Connecticut General Statutes.)

- Service requirement: To receive credit in CMERS for prior service in the Armed Forces, the employee must have either (i) completed five years of Continuous Service, (ii) completed fifteen years of Aggregate Service, or (iii) retired under a Disability Retirement from CMERS. (For information about Disability Retirement, see the section of this SPD entitled "**Types of Retirement**.")

- Documents required: A written request; a DD-214 from the federal government; and a report from the Participating Municipality that employs you of the wages you received for your first 12 months of employment.

- Application deadline: Within one year of your employment by a Participating Municipality.

- Payment due: Two percent of the employee's first-year salary as a member of CMERS for the period of military service, plus five percent interest.

- Payment deadline: As outlined on the invoice you will receive from the CMERS Unit.

- Type of credit allowed: **Aggregate Service**.

C.G.S. § 7-436b.

3. Prior service with the State of Connecticut

If, before becoming a member of CMERS, you worked for the State of Connecticut, you may be eligible to receive credit in CMERS for that prior period of state employment. There are two sets of circumstances in which such credit is available.

a. Transfer of credit from State Employees Retirement System (SERS)

- Description: You may receive CMERS credit for periods of employment by the State of Connecticut during which you were a member of the State Employees Retirement System (SERS), and which occurred before your employment as a member of CMERS by a Participating Municipality.

- Documents required: A written request.

- Application deadline: Prior to retirement.

- Payment deadline: As outlined on the invoice you will receive from the CMERS Unit.

- **Please Note**: If you received a refund of your contributions to SERS, you may apply for CMERS credit only under the terms presented under subsection 3.b of this section.

- Type of credit allowed: **Aggregate Service**.

C.G.S. § 7-442b(a).

b. Restoration of contributions that were withdrawn from SERS

- Description: If (i) you were employed by the State of Connecticut and participated in SERS before your employment as a member of CMERS by a Participating Municipality, and (ii) you received a refund of the contributions you made to SERS during your period of state employment, you may receive credit for your prior state employment by paying CMERS the amount you withdrew from SERS, plus interest.

- Documents required: A written request.

- Application deadline: Within one year of your employment by a Participating Municipality.

- Payment deadline: As outlined on the invoice you will receive from the CMERS Unit.

- Type of credit allowed: **Aggregate Service**.

C.G.S. § 7-442b(b).

4. Prior service with a Non-Participating Municipality

- Description: If you were employed by a Non-Participating Municipality before you became a member of CMERS, and if you participated in that Non-Participating Municipality's retirement system, you may receive credit in CMERS for your period of prior employment. You may receive such credit in one of the following ways:

    - The Non-Participating Municipality may voluntarily transfer to CMERS all employer and employee contributions that were made in connection with your employment, together with interest; or

    - If the Non-Participating Municipality declines to transfer such contributions and interest, or if the member has withdrawn his or her contributions, then the member may pay CMERS directly for the full actuarial cost of credit in CMERS for such prior service; or

    - If you were covered by the Non-Participating Municipality's pension system, and if that Non-Participating Municipality became a Participating Municipality after you terminated your employment, then you may pay

CMERS directly for the full actuarial cost of the benefits that CMERS provides over and above the benefits of the municipal pension system.

- Documents required: A completed purchase application.
- Application deadline: Prior to retirement.
- Payment deadline: A transfer of contributions from the Non-Participating Municipality must occur before the member's retirement. A direct payment by the member must occur as outlined on the invoice the member will receive from the CMERS Unit.
- Type of credit allowed: **Aggregate Service**.

C.G.S. §§ 7-442b(a), 7-442a.

5. Prior service with a private industry council

- Description: If you were employed by a private industry council, and if you subsequently become an employee of a regional work force development board that has voted to participate in CMERS, you may receive credit in CMERS for the period of your employment with the private industry council, *provided* that you pay to CMERS the amount you would have contributed if you had been a member of CMERS during the period of your prior employment.
- Documents required: A written request.
- Application deadline: Within one year of the development board's first participation in CMERS.
- Payment deadline: As outlined on the invoice you will receive from the CMERS Unit.
- Type of credit allowed: **Active Service**.

C.G.S. § 7-427b.

IV. TYPES OF RETIREMENT

A. NORMAL RETIREMENT

A "**Normal Retirement**" is the form of retirement of a Member of CMERS who does any of the following:

- Complete **twenty-five or more years of Aggregate Service**, including Active Service in one or more designated departments of one or more Participating Municipalities.
- Reach the age of **fifty-five *and*** complete **five or more years of Continuous Service** in one or more designated departments of one or more Participating Municipalities.
- Reach the age of **fifty-five *and*** complete **fifteen or more years of Aggregate Service**, including Active Service in one or more designated departments of one or more Participating Municipalities.

C.G.S. § 7-428.

B. EARLY RETIREMENT

An "**Early Retirement**" is the form of retirement of a Member of CMERS who (i) completes five or more years of Continuous Service, but fewer than 25 years of Aggregate Service, and (ii) elects to begin receiving retirement benefits **before** reaching the age of fifty-five.

C.G.S. § 7-431.

C. VESTED RIGHTS RETIREMENT

A "**Vested Rights Retirement**" is the form of retirement of a Member of CMERS who (i) completes five or more years of Continuous Service, (ii) terminates his or her employment with a Participating Municipality before reaching the age of fifty-five, and (iii) elects **not** to receive a retirement benefit **until** on or after the date on which the Member reaches the age of fifty-five.

C.G.S. § 7-431.

D. DISABILITY RETIREMENT

A "**Disability Retirement**" is the retirement of a Member of CMERS who has become permanently and totally disabled from performing the job in which he or she was employed for by a Participating Municipality.

C.G.S. § 7-432.

Disability Retirement is subject to more detailed rules and procedures than the other types of retirement discussed in this Summary Plan Description. You will find a discussion of some of these rules and procedures below, in the separate "**Disability Retirement**" section of this SPD.

V. INCOME AT RETIREMENT

A. HOW THE AMOUNT OF YOUR RETIREMENT INCOME IS CALCULATED

The amount of the monthly income you will receive when you retire will be calculated under one of several different formulas. These formulas take account of three different amounts:

- Your years and months of **Active Service** and **Aggregate Service** in CMERS.
- Your "**Final Average Pay**," as that term defined below in this section.
- The "**Breakpoint**," as that term defined below in this section.

As explained below, the results of the formulas are subject to being increased or reduced, based on rules creating minimum and maximum retirement benefits.

1. Final Average Pay

Your "**Pay**" is defined in the "**Contributions to the Plan**" section of this SPD, under "**What is My Pay?**" It includes your salary, wages, or earnings; any workers' compensation payments you receive; and the imputed value of certain non-cash benefits—such as board, lodging, fuel, or laundry—that are reported to the Internal Revenue Service as part of your taxable income. Your Pay **does not** include fees or allowances for expenses or any lump-sum reimbursement you receive for accrued sick and vacation time.

C.G.S. § 7-425(6).

Your "**Final Average Pay**" is the average of the **Pay** you received for each of your three highest-paid years of service as a member of CMERS employed by a Participating Municipality. 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 three highest-paid years do not have to be consecutive; your three highest-paid years might be 12-month portions of Years 2-3, Years 4-5, and Years 11-12.

To determine your Final Average Pay, add up the total Pay you received in your three highest-paid years, then divide by three.

C.G.S. §§ 7-436(a) and (e).

A Note about Part-Time Service: If your Municipal service consisted solely of part-time service without any variation in the number of hours you worked, you will receive retirement credit for such service as if it were full-time service. For example, if you worked on a 50% schedule for ten years, then the Pay you actually received for your highest-paid 12-month periods of employment will be used to calculate your Final Average Pay.

If your Municipal service consisted of both part-time and full-time service, or if it consisted of part-time service with variations in the number of hours you worked, then your years of service and Final Average Pay will be proportionately adjusted. For example, if you worked five years on a 50% schedule and five more years on a full-time schedule, you will receive credit for seven-and-one-half years of Active Service, but your Pay for each year of that period will be the amount of Pay you would have received as a full-time employee.

C.G.S. § 7-436(d).

Important Note: Federal law places a limit on the amount of Pay for any single year that may be taken into account when calculating your Final Average Pay. 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 Pay in any of your three 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 Final Average Pay.

26 U.S.C. § 401(a).

2. Breakpoint

The "**Breakpoint**" is an amount assigned to each calendar year. The Breakpoint that will be used to calculate your retirement income is the Breakpoint for the calendar year during which you separate from municipal service for the last time. The Year's Breakpoint increases by six percent each year, rounded to the nearest multiple of one hundred dollars.

C.G.S. §§ 7-436(e), 5-192f.

3. Minimum and Maximum benefits

The section below, entitled "**Formulas Used to Calculate Your Retirement Benefit**," explains how most retirement benefits are calculated. In some cases, however, the amount produced by the applicable formula will be decreased or increased because of rules that set top and bottom limits to what CMERS may pay. These limits take account of any workers' compensation benefits the retired member receives, as well as any Social Security benefits arising out of the member's municipal service.

a. Minimum benefit

A retiree's CMERS benefit **may not be less** than the smallest amount necessary to make the **total** of (i) the retiree's CMERS benefit, (ii) his or her workers' compensation benefit, and/or (iii) his or her Social Security benefit equal to **$1,000 per year**.

C.G.S. § 7-436(a).

b. Maximum benefit

i. 100% Maximum

A retiree's CMERS benefit **may not be more than the smallest amount necessary** to make the **total** of the following four amounts equal to the retiree's **Final Average Pay:**

(i) the retiree's CMERS benefit,
(ii) his or her workers' compensation benefit, if any,
(iii) his or her Social Security benefit, if any, and/or
(iv) any benefits paid under a statutory provision relating to heart disease and hypertension (*see* the "**HEART AND HYPERTENSION BENEFITS FOR THOSE HIRED BEFORE JULY 1, 1996**" section of this SPD.)

C.G.S. § 7-436(a).

ii. Maximum benefit under federal law

Federal law limits the amount of retirement benefits a member of CMERS may receive in any given year. The limit is set each year by the federal government. For 2023, the limit is $265,000.

This benefit limit is typically adjusted downward for retirements that begin before age 62 and upward for retirements beginning at or after age 65. Special rules apply for certain "qualified police and firefighters."

26 U.S.C. § 415(b).

B. FORMULAS USED TO CALCULATE YOUR RETIREMENT BENEFIT

The choice of which formula will be used to calculate your retirement income depends on (i) the type of retirement you choose, (ii) your age at the time you retire, and (iii) whether you are eligible to begin receiving certain benefits from the federal government's Social Security system.

Please Note: Employees covered by Social Security become eligible to begin receiving retirement benefits from that program when they reach the age of 62, even though they may choose to defer their benefits and receive a larger amount at a later age.

1. Normal Retirement; no Social Security coverage

If you elect a Normal Retirement, and if your municipal position is **not covered** by the Social Security program, then your annual retirement benefit will be calculated in this way:

Two Percent (.02)	**X**	Final Average Pay	**X**	Years of Aggregate Service

To determine your monthly benefit, divide the result of this formula by 12.

C.G.S. § 7-436(a).

2. Normal Retirement; Social Security coverage; retirement before age 62 without Social Security benefits

If you elect a Normal Retirement; if your municipal position **is covered** by the Social Security program; if you **retire before age 62**; and if, at the time you retire, you are **not** receiving Social

Security Disability benefits; then your annual retirement benefit will be calculated in this way **until you reach age 62**:

Two Percent (.02)	**X**	Final Average Pay	**X**	Years of Aggregate Service

To determine your monthly benefit, divide the result of this formula by 12.

C.G.S. § 7-436(b).

3. Normal Retirement; Social Security coverage; change after reaching age 62

If you elect a Normal Retirement; if your municipal position **is covered** by the Social Security program; if you **retire before age 62**; and if, at the time you retire, you are **not** receiving Social Security Disability benefits; then your annual retirement benefit will begin to be calculated in the following way **once you have reached age 62**:

One and a Half Percent (.015)	**X**	Final Average Pay **Up to** Your Breakpoint	**X**	Years of Aggregate Service
		PLUS		
Two Percent (.02)	**X**	Final Average Pay **Above** Your Breakpoint	**X**	Years of Aggregate Service

To determine your monthly benefit, divide the result of this formula by 12.

C.G.S. § 7-436(c).

4. Normal Retirement; Social Security coverage; Retirement after age 62 or with Social Security Disability benefits

If (i) you elect a Normal Retirement; (ii) your municipal position **is covered** by the Social Security program; and (iii) your either retire **on or after** the date on which you reach the age of 62, or you retire after having been approved for Social Security Disability benefits; then your annual retirement benefit will be calculated in the following way:

One and a Half Percent (.015)	**X**	Final Average Pay **Up to** Your Breakpoint	**X**	Years of Aggregate Service
		PLUS		
Two Percent (.02)	**X**	Final Average Pay **Above** Your Breakpoint	**X**	Years of Aggregate Service

To determine your monthly benefit, divide the result of this formula by 12.

C.G.S. § 7-436(c).

5. Early Retirement

If you elect an **Early Retirement**, the calculation of your retirement income will **begin** with whichever of the Normal Retirement formulas set forth above applies to you. The result of that formula will then be **reduced** by an amount that the Commission determines to be the actuarial cost associated with your early retirement.

C.G.S. § 7-431.

6. Vested Rights Retirement

If you elect a **Vested Rights Retirement**, you may choose to begin receiving retirement income on the day you reach age 55 or on any day thereafter. The amount of your income will be calculated as if you had elected a Normal Retirement as of the date on which you elect to begin receiving your retirement benefit.

C.G.S. § 7-431.

7. Disability Retirement

The calculation of the retirement benefit payable to a CMERS member who is approved for a **Disability Retirement** is explained below, in the "**Disability Retirement**" section of this SPD.

C. ENHANCED FORMULAS FOR EXPERIENCED EMPLOYEES

For experienced CMERS members who are employed on or after July 1, 2025, the plan offers special incentives to defer retirement. One of these incentives makes additional years of service more valuable in the calculation of the retirement pension the member will ultimately receive.

The incentive works this way: Your retirement benefit will still be calculated by multiplying your Final Average Pay by the number of your years of Aggregate Service, and then multiplying the result by a percentage known as a "**multiplier**." Ordinarily, the multiplier is either 1.5% or 2%, depending on whether you are eligible for Social Security benefits. But if you have reached a certain threshold of age and service, your pension for each **additional** year you work will be calculated with a larger multiplier: either 1.7% or 2.2%.

In other words, the additional years you work at the end of your municipal career will increase the amount of your retirement pension at a faster rate than the years that preceded them.

1. No Social Security coverage

If you are in a position that is not covered by Social Security, and if you are actively employed on or after July 1, 2025, you will be eligible for an enhanced retirement benefit, if and when either of the following conditions applies to you:

- You are 60 years old, with at least 30 years of Aggregate Service; or
- You are 55 years old, with at least 27 years of Active Service in a paid municipal police department or fire department.

If you continue your municipal employment **after** you have satisfied one of these conditions, then, at the time of your retirement, your retirement benefit will be calculated in the following way:

Two Percent (.02)	**X**	Final Average Pay	**X**	30 Years, or 27 Years for Police and Fire
		PLUS		
Two and Two-Tenths Percent (.022)	**X**	Final Average Pay	**X**	Years of Aggregate Service over 30 Years, or 27 Years of Active Service for Police and Fire

To determine your monthly benefit, divide the result of this formula by 12.

C.G.S. § 7-436(g).

2. Social Security coverage; retirement before age 62 without Social Security benefits

If you are in a position that is *covered* by Social Security, and if you are actively employed on or after July 1, 2025, you will be eligible for an enhanced retirement benefit, if and when either of the following conditions applies to you:

- You are 60 years old, with at least 30 years of Aggregate Service; or
- You are 55 years old, with at least 27 years of Active Service in a paid municipal police department or fire department.

If you continue your municipal employment **after** you have satisfied one of these conditions, and if you retire **before** you either reach age 62 or qualify for a Social Security disability award, then, at the time of your retirement, your retirement benefit will be calculated in the following way **until you either reach age 62 or qualify for Social Security Disability benefits**:

Two Percent (.02)	**X**	Final Average Pay	**X**	30 Years, or 27 Years for Police and Fire
		PLUS		
Two and Two-Tenths Percent (.022)	**X**	Final Average Pay	**X**	Years of Aggregate Service over 30 Years, or 27 Years of Active Service for Police and Fire

To determine your monthly benefit, divide the result of this formula by 12.

C.G.S. § 7-436(h)(i).

3. Social Security coverage; change after reaching age 62

If you are in a position that is covered by Social Security, and if you are actively employed on or after July 1, 2025, you will be eligible for an enhanced retirement benefit, if and when either of the following conditions applies to you:

- You are 60 years old, with at least 30 years of Aggregate Service; or
- You are 55 years old, with at least 27 years of Active Service in a paid municipal police department or fire department.

If you continue your municipal employment **after** you have satisfied one of these conditions, then, at the time of your retirement, your retirement benefit will be calculated in the following way **after you either reach age 62 or qualify for Social Security Disability benefits**:

One and One-Half Percent (.015)	**X**	Final Average Pay **Up to** Your Breakpoint	**X**	Years of 30 Years, or 27 Years for Police and Fire
		PLUS		
Two Percent (0.02)	**X**	Final Average Pay **Above** Your Breakpoint	**X**	30 Years, or 27 Years for Police and Fire
		PLUS		
One and Seven-Tenths Percent (.017)	**X**	Final Average Pay **Up to** Your Breakpoint	**X**	Years of Aggregate Service over 30 Years, or 27 Years of Active Service for Police and Fire
		PLUS		
Two and Two-Tenths Percent (0.22)	**X**	Final Average Pay **Above** Your Breakpoint	**X**	Years of Aggregate Service over 30 Years, or 27 Years of Active Service for Police and Fire

To determine your monthly benefit, divide the result of this formula by 12.

C.G.S. § 7-436(h)(ii).

D. EXAMPLES OF HOW THE BENEFIT FORMULAS WORK

1. Example #1: Ms. A: Normal Retirement at Age 55; Covered by Social Security

Ms. A elected a **Normal Retirement** from a **position that is covered by Social Security** on December 1, 2016. Ms. A celebrated her 55th birthday on October 15, 2016. She receives **no Social Security Disability benefits**.

At the time of her retirement, Ms. A had completed 14 years of Active Service. She also completed 3 years of Aggregate Service by serving in the U.S. Armed Forces. Her Final Average Pay—the average amount of her Pay for each of her three highest-paid years of service—is $85,180.

a. Pension at the time of retirement

As of December 1, 2016, Ms. A's retirement benefit from CMERS was:

Two Percent (.02)	**X**	$85,180 (Ms. A's Final Average Pay)	**X**	17 (Ms. A's Years of Aggregate Service)

That comes to $28,961.20 per year, or $2,413.43 per month.

b. Pension at age 62

On October 15, 2023, Ms. A will be 62 years old. She will be eligible to begin receiving Social Security benefits, even if she elects not to do so. As of November 1, 2023, the formula used to calculate Ms. A's retirement benefit from CMERS will change. The formula that will apply for the rest of Ms. A's retirement adds two amounts, the second of which is a multiple of the portion of Ms. A's Final Average Pay that is greater than her **Breakpoint**. Because Ms. A terminated her service in 2016, the applicable Breakpoint is the one for calendar year 2016: $75,180.

As of November 1, 2023, Ms. A's retirement benefit will be:

One and a Half Percent (.015)	**X**	$75,180 (the Breakpoint for 2016)	**X**	17	**=**	$19,170.90
		PLUS				
Two Percent (.02)	**X**	$10,000 (Ms. A's Final Average Pay **above** the Breakpoint)	**X**	17	**=**	$3,400.00

That comes to $22,570.90 per year, or $1,880.91 per month.

2. Example # 2: Mr. B: Normal Retirement at Age 55; Covered by Social Security

Like Ms. A, Mr. B elected a **Normal Retirement** from a **position that is covered by Social Security** on December 1, 2016. Mr. B also celebrated his 55th birthday on October 15, 2016, and, like Ms. A, Mr. B receives **no Social Security Disability benefits**.

At the time of his retirement, Mr. B had completed 17 years of Active Service. But Mr. B's case differs from that of Ms. A, because **his Final Average Pay is smaller**: $60,000.

Even though Mr. B's Final Average Pay is smaller than the Breakpoint for the year he retired, his retirement benefit will still be reduced when he reaches age 62.

a. Pension at the time of retirement

As of December 1, 2016, Mr. B's retirement benefit from CMERS was:

Two Percent (.02)	**X**	$60,000 (Mr. B's Final Average Pay)	**X**	17 (Mr. B's Years of Aggregate Service)

That comes to $20,400 per year, or $1,700 per month.

b. Pension at age 62

On October 15, 2023, Mr. B will be 62 years old. As of November 1, 2023, the formula used to calculate Mr. B's retirement benefit from CMERS will change. As was the case with Ms. A, the formula will add two amounts, the second of which is a multiple of the portion of Mr. B's Final Average Pay that is greater than his Breakpoint. Unlike Ms. A, however, Mr. B has a Final Average Pay that is **less than** the applicable Breakpoint. For that reason, the second amount the formula considers will be zero.

As of November 1, 2023, Mr. B's retirement benefit will be:

One and a Half Percent (.015)	**X**	$60,000 (Mr. B's Final Average Pay **below** the Breakpoint for 2016)	**X**	17	**=**	$15,300.00
		PLUS				
Two Percent (.02)	**X**	$0 (Mr. B's Final Average Pay **above** the Breakpoint)	**X**	17	**=**	$0.00

That comes to $15,300.00, per year, or $1,275.00 per month.

3. Example #3: Ms. C: Normal Retirement at Age 55; Receives Social Security Disability Benefits

Ms. C elected a **Normal Retirement** from a **position that is covered by Social Security** on July 1, 2020. Ms. C turned 55 on April 20, 2020. At the time of her retirement, Ms. C received **no Social Security Disability benefits**. But Ms. C **began to receive Social Security Disability benefits** *after* she retired.

At the time of her retirement, Ms. C had completed 19 years of Active Service. Her Final Average Pay—the average amount of her Pay for each of her three highest-paid years of service—is $96,057.00.

a. Pension at the time of retirement

As of July 1, 2020, Ms. C's retirement benefit from CMERS was:

Two Percent (.02)	**X**	$96,057 (Ms. C's Final Average Pay)	**X**	19 (Ms. C's Years of Aggregate Service)

That comes to $36,501.66 per year, or $3,041.81 per month.

b. Pension with Social Security Disability benefits

In October 2022, Ms. C began to receive Social Security Disability benefits from the federal government. Even though she was only 57 years old, the formula used to calculate Ms. C's retirement benefit from CMERS changed as of October 1, 2022. The formula that will apply for the rest of Ms. C's retirement adds two amounts, the second of which is a multiple of the portion of Ms. C's Final Average Pay that is greater than her **Breakpoint**. Because Ms. C terminated her service in 2020, the applicable Breakpoint is the one for calendar year 2020: $86,057.

As of October 1, 2022, Ms. C's retirement benefit was:

One and a Half Percent (.015)	**X**	$86,057 (the Breakpoint for 2020)	**X**	19	**=**	$24,526.25
		PLUS				
Two Percent (.02)	**X**	$10,000.00 (Ms. C's Final Average Pay **above** the Breakpoint)	**X**	19	**=**	$3,800.00

That comes to $28,326.25 per year, or $2,360.52 per month.

4. Example #4: Officer D: Normal Retirement at Age 55; Not Covered by Social Security

Officer D is police officer whose position is ***not* covered by Social Security**. He elected a **Normal Retirement** as of February 1, 2023. He turned 55 on January 12, 2023. His Final Average Pay is $78,000. He has 18 years of Active Service, plus another 3 years of service in the Armed Forces. He does **not** receive Social Security Disability benefits.

As of February 1, 2023, Officer D's retirement benefit is:

Two Percent (.02)	**X**	$78,000 (Officer D's Final Average Pay)	**X**	21 (Officer D's Years of Aggregate Service)

That comes to $32,760.00 per year, or $2,730.00 per month.

Because Officer D is not covered by Social Security, this amount will not change when he reaches age 62.

5. Example #5: Dr. E: Normal Retirement at Age 70; Covered by Social Security

Dr. E elected a **Normal Retirement** as of October 1, 2022, from a position that was **covered by Social Security**. She celebrated her 70th birthday on May 19, 2022. Her Final Average Pay was $111,886, and she had 38 years of Active Service.

Because Dr. E was **more than 62 years old** at the time of her retirement, her retirement benefit was calculated under the formula that takes account of her Breakpoint. In this case, because she left municipal service in 2022, the formula uses the Breakpoint for that year: $91,886.

As of October 1, 2022, Dr. E's retirement benefit is:

One and a Half Percent (.015)	**X**	$91,886 (the Breakpoint for 2022)	**X**	38	**=**	$52,375.02
		PLUS				
Two Percent (.02)	**X**	$20,000.00 (Dr. E's Final Average Pay **above** the Breakpoint)	**X**	38	**=**	$15,200.00

That comes to $67,575.02 per year, or $5,631.25 per month.

6. Example #6: Mr. F: Early Retirement; Covered by Social Security

Mr. F plans to retire from a **position that is covered by Social Security** on December 1, 2023. He receives **no Social Security Disability benefits**, and he will have completed 17 years of Aggregate Service. His Final Average Pay is $105,177.

Unlike the subjects of the previous examples, Mr. F elected an **Early Retirement**: he will be 52 years old on the day he retired; his 52nd birthday will fall on August 18, 2023. That means Mr. F's retirement benefit will be calculated under the same formulas that were used for Ms. A—**but** the results of those formulas will be reduced by the **actuarial cost** of Mr. F's early retirement. **The amount of that reduction will be calculated at the time he retires**. **The reduction is permanent—it will remain in effect for the entire length of Mr. F's retirement**.

a. Pension at the time of retirement

As of December 1, 2023, Mr. F's retirement benefit from CMERS will be:

Two Percent (.02)	**X**	$105,177 (Mr. F's Final Average Pay)	**X**	17 (Mr. F's Years of Aggregate Service)
		MINUS		
		The actuarial cost of Mr. F's Early Retirement		

That comes to an amount that will be **less than** $35,760.18 per year, or $2,980.02 per month.

b. Pension at age 62

On August 18, 2033, Mr. F will be 62 years old. As of September 1, 2033, the formula used to calculate Mr. F's retirement benefit from CMERS will change. The formula that will apply for the rest of Mr. F's retirement will take account of the Breakpoint for the year of his retirement, 2023: $95,177.

As of September 1, 2023, Mr. F's retirement benefit will be:

One and a Half Percent (.015)	**X**	$95,177 (The Breakpoint for 2023)	**X**	17	**=**	$24,270.14
		PLUS				
Two Percent (.02)	**X**	$10,000 (Mr. F's Final Average pay **above** the Breakpoint)	**X**	17	**=**	$3,400.00
		MINUS				
		The actuarial cost of Mr. F's Early Retirement				

That comes to **less than** $27,670.14 per year, or $2,305.84 per month.

7. Example #7: Ms. G: Vested Rights Retirement; Covered by Social Security

Ms. G's situation is almost identical to that of Mr. F. She plans to terminate her employment in a **position that is covered by Social Security** on December 1, 2023. She receives **no Social Security Disability benefits**, and she will have completed 17 years of Aggregate Service. Her Final Average Pay is $105,177.

Unlike Mr. F, however, Ms. G has elected a **Vested Rights Retirement**. That is, she has elected to receive **no** retirement benefits **until** she has reached the age of 55, on August 18, 2026. That means Ms. G's retirement benefit will be calculated under the same formulas that will be used for Mr. F—but **without** the reduction for an Early Retirement.

a. Pension at the time of retirement

As of September 1, 2026, Ms. G's retirement benefit from CMERS will be:

Two Percent (.02)	**X**	$105,177 (Ms. G's Final Average Pay)	**X**	17 (Ms. G's Years of Aggregate Service)

Since there will be no actuarial reduction, that comes to **exactly** $35,760.18 per year, or $2,980.02 per month.

b. Pension at age 62

Like Mr. F, Ms. G will be 62 years old on August 18, 2033. As of September 1, 2033, the formula used to calculate Ms. G's retirement benefit from CMERS will change. The formula that will apply for the rest of Ms. G's retirement will take account of the Breakpoint for **the year of her last separation from municipal service**, 2023: $95,177.

As of September 1, 2023, Ms. G's retirement benefit will be:

One and a Half Percent (.015)	**X**	$95,177 (The Breakpoint for 2023)	**X**	17	**=**	$24,270.14
		PLUS				
Two Percent (.02)	**X**	$10,000 (Ms. G's Final Average Pay **above** the Breakpoint)	**X**	17	**=**	$3,400.00

Since there will be no actuarial reduction, that comes to **exactly** $27,670.14 per year, or $2,305.84 per month.

8. **Example #8: Mr. H; Enhanced Formula; Not Covered by Social Security**

Mr. H completed 25 years of Aggregate Service and turned 55 on July 1, 2019. Although he was eligible to retire at that time, he decided to continue working. Mr. H will be 60 years old, with 30 years of Aggregate Service, on July 1, 2024. At that time, if he chooses to work for an additional 3 years, his retirement date will be July 1, 2027, at which point he will be 63 years old and will have completed 33 years of service. His retirement benefit will be calculated under the Enhanced Formula as follows:

Two Percent (.02)	**X**	$65,000 (Mr. H's Final Average Pay)	**X**	30 Years	**=**	$39,000.00
			PLUS			
Two and Two-Tenths Percent (.022)	**X**	$65,000 (Mr. H's Final Average Pay)	**X**	3 Years	**=**	$4,290.00

That comes to **$43,290** per year, or **$3,607.50** per month.

9. **Example #9: Dr. I; Enhanced Formula; Covered by Social Security; Retirement at Age 61**

Dr. I is in a position that is covered by Social Security. She will turn 56 years old on July 1, 2024, and, on that date, she will have completed 30 years of Aggregate Service. Although she will be eligible for a Normal Retirement at that time, Dr. I has decided she will work an additional five years, until July 1, 2029.

a. **Pension at the time of retirement**

In other words, Dr. I will retire at age 61, with 35 years of Aggregate Service. When she does so, her retirement benefit will be calculated under the Enhanced Formula as follows:

Two Percent (.02)	**X**	$147,400 (Dr. I's Final Average Pay)	**X**	30 Years	**=**	$88,440.00
			PLUS			
Two and Two-Tenths Percent (.022)	**X**	$147,400 (Dr. I's Final Average Pay)	**X**	5 Years	**=**	$16,214.00

That comes to **$104,654.00** per year, or **$8,721.17** per month.

b. Pension at age 62

On July 1, 2030, Dr. I will be 62 years old and eligible to begin receiving Social Security retirement benefits. At that time, given her 35 years of Aggregate Service, her CMERS retirement benefit will begin to be calculated in the following way:

One and One-Half Percent (.015)	**X**	$127,400 (**estimated** Breakpoint for 2028)	**X**	30 Years	**=**	$57,330.00
			PLUS			
Two Percent (0.02)	**X**	$20,000 (Dr. I's Final Average Pay **Above** His Breakpoint)	**X**	30 Years	**=**	$12,000.00
			PLUS			
One and Seven-Tenths Percent (.017)	**X**	$127,400 (**estimated** Breakpoint for 2028)	**X**	5 Years	**=**	$10,829.00
			PLUS			
Two and Two-Tenths Percent (0.22)	**X**	$20,000 (Dr. I's Final Average Pay **Above** His Breakpoint)	**X**	5 Years	**=**	$2,200.00

That comes to **$82,359.00** per year, or **$6,863.25** per month.

E. DEFERRED RETIREMENT OPTION PLAN (DROP)

A deferred retirement Option Plan, or "DROP," provides an additional benefit to employees who are eligible to retire but decide to defer their retirement. Eligible employees may continue working at full salary. During this period of continued employment, the employees also receive their full pension benefit, which is paid into an interest-bearing account. When the employee finally retires, the account balance is paid to the employee in a lump sum or, if the employee chooses, rolled over into another tax-deferred account.

The Retirement Commission is in the process of creating a DROP for CMERS members. The DROP will be offered on or after July 1, 2025.

C.G.S. § 7-459b.

VI. DISABILITY RETIREMENT

A. DEADLINE TO APPLY FOR DISABILITY RETIREMENT BENEFITS

Members of CMERS must apply for Disability Retirement within one year after incurring the disability. Applications received after that date may not be accepted.

C.G.S. § 7-432(b).

B. TYPES OF DISABILITY RETIREMENT

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

1. ***Service-Connected Disability Retirement*:** A member may apply for this retirement benefit if: (i) while on active payroll in municipal service, he or she becomes permanently unable to do the job in which he or she was employed by the Participating Municipality; and (ii) this disability arose out of, and in the course of, the member's employment by the Participating Municipality. The member may be eligible for Service-Connected Disability Retirement without regard to his or her years of Active Service, Continuous Service, or Aggregate Service.

    - **Note for Police Officers and Firefighters**: If you are a uniformed member of a paid municipal fire department or a regular member of a paid municipal police force; if you began your employment **before July 1, 1996**; if, at the time you were hired, you successfully passed a physical examination that failed to show evidence of heart disease or hypertension; and if you later suffer death or disability as a result of heart disease or hypertension; then it will be **presumed** that such heart disease or hypertension arose out of, and in the course of, your employment as a police officer or firefighter.

C.G.S. §§ 7-432(c), 7-433c.

2. ***Non-Service-Connected Disability Retirement*:** A member is eligible for this benefit if: while on active payroll in municipal service, he or she becomes permanently unable to do the job in which he or she was employed by the Participating Municipality; and (ii) he or she has completed at least ten years of Continuous Service.

Employees with fewer than 10 years of Continuous Service may be eligible **only** for a Service-Connected Disability Retirement; they are **not** eligible to apply for a Non-Service-Connected Disability Retirement.

C.G.S. § 7-432(a).

C. WHAT CONSTITUTES DISABILITY?

A member of CMERS will be eligible to receive a Disability Retirement benefit **if** he or she is permanently and totally disabled from performing service in the position in which he or she has been employed. That is, the employee must be permanently and totally unable to perform the duties of his or her specific position with the Participating Municipality.

C.G.S. § 7-432(a).

D. DISABILITY RETIREMENT APPLICATION PROCESS

To apply for a Disability Retirement, you must contact the Human Resources or Personnel Office of your Municipality. Your employer 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 Municipality. 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.

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

E. REVIEW OF ELIGIBILITY AFTER APPROVAL

1. 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."

C.G.S. § 7-432(h).

2. 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. For this review, the MEB will require updated medical records showing that you remain totally disabled from performing service in the position in which you were employed by your municipal employer.

C.G.S. § 7-432(d).

F. 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 municipal 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.

C.G.S. § 7-432(g); Reg. Conn. State Agencies § 5-155a-2(f).

G. DISABILITY RETIREMENT BENEFITS

The amount of your Disability Retirement benefit from CMERS is calculated in stages. The first stage determines the amount of your benefit under one of the four formulas for Normal Retirement that are found in the "**Formulas Used to Calculate Your Retirement Benefit**" section of this SPD. For some retirees, that formula determines the amount they will receive.

For other disability retirees, the result of the formula must be modified under one of three different rules that impose upper and lower limits on the amount CMERS may pay. Under these rules, the amount of your CMERS benefit is affected by income you receive from certain other sources.

1. Applying the Normal Retirement formula

Subject to the terms in this section of the SPD, the retirement benefit of a CMERS member who has been approved for either a Service-Connected or a Non-Service-Connected Disability Retirement may be calculated under one of the four formulas for Normal Retirement that are found in the "**Formulas Used to Calculate Your Retirement Benefit**" section of this SPD.

As with a Normal Retirement, the formula to be used for any given member will be selected on the basis of (i) whether the member was in a position covered by Social Security and (ii) whether the member has reached age 62 or begun to receive Social Security Disability benefits.

Even if the member has not yet reached age 55 at the time he or she retires, the actuarial reduction applicable to an Early Retirement **will not** apply.

C.G.S. § 7-436(a).

2. The 80% Maximum Rule for all Disability Retirees

Some disability retirees receive a benefit from CMERS that is *less* than the amount calculated under the Normal Retirement Formula. Under the 80% Maximum rule, the CMERS benefit paid to a disability retiree **may not be greater** than the **smallest amount necessary** to make the retiree's **combined income** from three 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 Final Average Pay or (ii) 80% of the base salary the member received at the time of his or her retirement.

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

(i) Temporary Total or Temporary Partial workers' compensation benefits;
(ii) Social Security Disability benefits, including payments to the member's spouse and children; and
(iii) The retiree's Normal Retirement benefit from CMERS.

If the combined amount of these three sources of income is more than the retiree's 80% Maximum, then his or her CMERS benefit will be equal to the minimum amount necessary to make his or her *total income from workers' compensation, Social Security, and CMERS* equal to his or her 80% Maximum. If the member's total income from workers' compensation and/or Social Security is equal to or greater than the member's 80% Maximum, then the member's CMERS 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 CMERS benefit will be adjusted (increased or decreased) to reflect the change you report.

C.G.S. § 7-432.

3. The 100% Maximum for Disability Retirees who are employed

There is a second reason that some disability retirees receive a benefit from CMERS that is less than the amount calculated under the Normal Retirement Formula. Under the 100% Maximum rule, the CMERS benefit paid to certain disability retirees **may not be greater** than the **smallest amount necessary** to make each retiree's **combined income** from **four** different sources equal to an amount known as the "**100% Maximum**." A member's 100% Maximum is the *larger* of either (i) the member's Final Average Pay or (ii) the base salary the member received at the time of his or her retirement.

Please Note: The 100% Maximum rule applies *only* to disability retirees who are employed after their retirement.

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

(i) Temporary Total or Temporary Partial workers' compensation benefits;
(ii) Social Security Disability benefits, including payments to the member's spouse and children;
(iii) The gross income a disability retiree receives as wages, salary, or income from a business he or she operates; and
(iv) The retiree's Normal Retirement benefit from CMERS.

If the combined amount of these four sources of income is more than the retiree's 100% Maximum, then his or her CMERS benefit will be equal to the minimum amount necessary to make his or her *total income from all workers' compensation, Social Security, outside employment, and CMERS* equal to his or her 100% Maximum. If the member's total income from workers' compensation, Social Security, and/or outside employment is equal to or greater than the member's 100% Maximum, then the member's CMERS 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—of if there is a change to any income you receive from outside employment, then **you must immediately report that change to the Retirement Services Division**. If necessary, your CMERS benefit will be adjusted (increased or decreased) to reflect the change you report.

C.G.S. § 7-432(f).

4. The 50% Minimum

Some disability retirees receive a benefit from CMERS that is *more* than the benefit calculated under the Normal Retirement formula. Under the 50% Minimum rule, a disability retiree's **combined income** from two different sources **may not be less** than an amount equal to 50% of the base salary the member received at the time of his or her retirement (the "**50% Minimum**").

Please Note: The 50% Minimum Rule applies *only* to retirees who have been approved for a Service-Connected Disability retirement. Members who receive benefits for a Non-Service-Connected Disability are *not* subject to the 50% Minimum rule.

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

(i) Workers' compensation benefits, other than benefits paid as a specific indemnity award under Sections 31-307 or 31-308 of the Connecticut General Statutes; and
(ii) The retiree's Normal Retirement benefit from CMERS.

If the combined amount of these two types of benefit is less than the retiree's 50% Minimum, then the member's CMERS benefit will be larger than his or her Normal Retirement benefit. It will be equal to the smallest amount necessary to make the member's *total income from Workers' Compensation and CMERS* equal to his or her 50% 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 CMERS benefit will be adjusted (increased or decreased) to reflect the change you report.

Please Note: If the amount of your CMERS benefit is equal to your 50% Minimum, and if you begin to receive such as workers' compensation benefits, your CMERS benefit might have to be reduced. Even if that happens, however, your **total** income will still be equal to **or greater than** your 50% Minimum.

C.G.S. § 7-436(a).

H. RETIREMENT IF YOU RECOVER

If the MEB and the Commission determine that a member who has been approved for a Disability Retirement is no longer disabled, then the member will stop receiving a Disability Retirement benefit. The member must then elect, if eligible, from among a Normal Retirement, an Early Retirement, or a Vested Rights Retirement.

C.G.S. § 7-432(h).

VII. BENEFIT PAYMENT OPTIONS

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

A. YOUR CONTINGENT ANNUITANT

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

C.G.S. § 7-439(a).

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**." If you select an option that pays benefits after you die, then the benefit **you** receive during your retirement will be **smaller** than it would be if you made no provision for a Contingent Annuitant. The amount of this reduction to your retirement benefit will be based on several factors, including your age and the age of your Contingent Annuitant.

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. See the section below, entitled "**Contingent Annuitants and Beneficiaries**."

B. 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 remainder 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 percentage 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.

   <u>Note</u>: 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.

   Option C is the only option that allows you to name more than one Contingent Annuitant, 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 predecease you before the end of the 10- or 20-year period you selected, you may name a new Contingent Annuitant. If you also die within that period, and if you die 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.

C.G.S. § 7-439g(a).

C. 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 either (i) Option A or (ii) Option B with your spouse as Contingent Annuitant), then you must obtain a notarized form of 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 notarized proof of, 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/or 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.

Except for Option C, each payment option also requires you to name a Beneficiary. If, after your death and the death of your Contingent Annuitant, the amount that has been paid as retirement income is less than the amount of your Employee Contributions, with interest, then the excess amount of your contributions and interest will be paid in a lump sum to your Beneficiary. For more information about the rights of Beneficiaries, see the “**Paying Survivor Benefits**” section of this SPD.

Important Note: 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.G.S. § 7-439(a).

VIII. PAYING SURVIVOR BENEFITS

A. CONTINGENT ANNUITANTS AND BENEFICIARIES

Unless you select Payment Option D, you will have to designate a "**Contingent Annuitant**" 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 employer'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 may receive a lump-sum payment, if and when 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.

B. SURVIVOR BENEFITS PAYABLE IF YOU SHOULD DIE BEFORE RETIREMENT

If you should die before you begin to receive a retirement pension, 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 CMERS. This section will explain the circumstances in which such benefits may be paid.

As a CMERS member, you have the ability, in some circumstances, to influence the type and amount of benefits that will be available to your survivor(s). If you become seriously ill or injured, or if you have a life-threatening condition, you (or someone acting on your behalf, including your personnel office) should notify the CMERS Unit as soon as possible.

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 Disability Retirement; or
- At the time of your death, you have completed 25 years of Aggregate 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 municipality by which 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 day after your death. Monthly payments will then continue for his or her lifetime. The amount of these payments will be equal to **50% of the average** of:

- The retirement benefit you would have received if you had retired on the day you died, and if your retirement benefit were paid under Option D (Straight Life Annuity), and
- The retirement benefit you would have received if you had retired on the day you died, and if your retirement benefit were paid under Option A (50% Spouse).

If you had not reached age 55 at the time of your death, the benefit would be calculated as if you had reached age 55 on that date.

Notice of a member's death should be provided to **both** the CMERS Unit and the municipality by which the member was employed at the time of his or her death as quickly as possible.

C.G.S. § 7-439g(b).

2. Spousal benefits if an employee leaves municipal service and dies before receiving any retirement benefits

Suppose you leave municipal employment with a minimum of 25 years of Aggregate Service, but 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 day after your death. Monthly payments will then continue for his or her lifetime. The amount of these payment will be equal to **50% of the average** of:

- The retirement benefit you would have received if you had retired on the day you died, and if your retirement benefit were paid under Option D (Straight Life Annuity), and
- The retirement benefit you would have received if you had retired on the day you died, and if your retirement benefit were paid under Option A (50% Spouse).

If you had not reached age 55 at the time of your death, the benefit would be calculated as if you had reached age 55 on that date.

Notice of a member's death should be provided to **both** the CMERS Unit and the Municipality by which the member was employed at the time of his or her death as quickly as possible.

C.G.S. § 7-439g(c).

3. Survivor benefits if a spousal benefit is not payable

Suppose you die under any of the following circumstances:

- You are actively employed, or on an approved leave of absence, and you have either (i) completed the service and age requirements for a Normal, Early, or Disability Retirement or (ii) completed 25 years of Aggregate Service; or

- You have left municipal employment without retiring, and you have either (i) completed the service and age requirements for a Normal, Early, or Disability Retirement or (ii) completed 25 years of Aggregate Service; or

- You retired under a Normal, Early, or Disability Retirement, but you have not yet begun to receive retirement benefits, and you have not designated a Contingent Annuitant.

If, at the time of your death, you are **not married**, or you are currently married but have been married to your current spouse for less than twelve months, then your **designated Beneficiary** (who could be your spouse) will receive a lump-sum payment. The amount of the payment will equal the total amount of your Employee Contributions, plus 5% interest credited annually from the later of either (i) the July 1st immediately following your first day of participation in CMERS or (ii) July 1, 1983.

Notice of a member's death should be provided to **both** the CMERS Unit and the municipality by which the member was employed at the time of his or her death as quickly as possible.

C.G.S. § 7-440(h).

4. The 90-Day Protection Window: What if a member selects an option but dies before benefits begin?

Suppose you have satisfied the requirements for a Normal, Early, Vested Rights, or Disability Retirement. You apply for retirement and select **Option B** (50% or 100% Survivor) or **Option C** (10-Year or 20-Year Period Certain). 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 will receive the same retirement payments that would have been paid if you had retired on the day of your death. That is, your Contingent Annuitant will be paid in accordance with the option you selected.

Notice of a member's death should be provided to **both** the CMERS Unit and the municipality by which the member was employed at the time of his or her death as quickly as possible.

A Note about Timing: If you die before your date of retirement, but **more than 90 days** after you **first** elect a payment option, this benefit will **not** be available. 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 retirement date you selected.

C.G.S. § 7-439(d).

C. SURVIVOR BENEFITS PAYABLE IF YOU SHOULD DIE AFTER RETIREMENT

1. If You designated a Contingent Annuitant

If a member of CMERS dies after he or she has begun receiving retirement benefits; if the member elected a payment option that provides benefits to a Contingent Annuitant; and if the member's designated Contingent Annuitant is eligible to receive retirement benefits; then the Contingent Annuitant will receive such benefits in accordance with the payment option the member selected.

The CMERS Unit and the member's municipality should be notified immediately of the member's death to prevent any delay in the payment of benefits to the contingent annuitant.

C.G.S. § 7-439g(a).

2. What if Your Contingent Annuitant is Ineligible or Unavailable?

If a member of CMERS dies after he or she has begun receiving retirement benefits; if the member elected a payment option that provides benefits to a Contingent Annuitant; but if the member's designated Contingent Annuitant has also died, then payments may be made in one of the following ways:

- If the total amount of the benefits that were paid after the member retired (whether to the member, the Contingent Annuitant, or both) is **less** than the total amount of the member's Employee Contributions, plus interest, then the member's **Beneficiary** will receive a lump-sum payment of the remaining portion of the Employee Contributions and interest. If the member did not designate a Beneficiary, then the lump-sum payment will be made to the member's estate.

C.G.S. § 7-440(h).

- If the member elected **Option C** (the 10-Year or 20-Year Period Certain), and if both the member and the Contingent Annuitant or Annuitants die **before** the 10-year or 20-year period has expired, then any unpaid benefits for the remainder of the unexpired period will be paid in a lump sum to the member's estate.

C.G.S. § 7-439g(a).

IX. YOUR RIGHTS IF YOU LEAVE BEFORE RETIREMENT

A. LEAVING EMPLOYMENT WITH VESTED RIGHTS

You have a vested right to retirement benefits if you have completed at least five years of Continuous Service or fifteen years of Aggregate Service. If you leave municipal employment with vested rights, you may choose to receive retirement benefits in the following ways:

1. Begin benefits at age 55: a Vested Rights Retirement

If you completed at least five years of Continuous Service or fifteen years of Aggregate Service, and you are not yet 55 years old when you terminate your municipal employment, you may elect to defer your retirement benefits until you reach age 55. At that time, the amount of your retirement benefits will be calculated under the applicable formula for Normal Retirement that appears in the "**Formulas Used to Calculate Your Retirement Benefit**" section of this SPD.

You should ask your employer's personnel office to prepare an application for a Vested Rights Retirement at the time you separate from municipal service if you plan to defer your retirement benefits until you reach age 55. Your employer should forward your application and other required documents to the CMERS Unit as soon as they have been completed. If you change your retirement plans or your address after the termination of your employment, you should notify the CMERS Unit in writing.

C.G.S. §§ 7-431, 7-428.

2. Begin benefits immediately: an Early Retirement

If you completed at least five years of Continuous Service or fifteen years of Aggregate Service, and you are not yet 55 years old when you terminate your municipal employment, you may elect to begin receiving retirement benefits at the time your employment ends, or at any other time before your reach age 55. If you do so, the calculation of your retirement income will **begin** with the applicable Normal Retirement formula that appears in the "**Formulas Used to Calculate Your Retirement Benefit**" section of this SPD. The result of that formula will then be **reduced** by an amount that the Commission determines to be the actuarial cost associated with your early retirement.

Please Note: If you elect an Early Retirement, the reduction to your Normal Retirement benefit is **permanent**: you will continue to receive a reduced benefit, even after you reach age 55.

If you choose an Early Retirement, you should ask your employer's personnel office for an Early Retirement application. Your employer should forward your application and other required documents to the CMERS Unit as soon as they have been completed and before your proposed termination date. For more information, please see the "**When You Are Ready to Retire**" section of this SPD.

C.G.S. §§ 7-431, 7-428.

B. LEAVING EMPLOYMENT WITHOUT VESTED RIGHTS

1. Withdrawal of Employee Contributions

If you leave municipal employment without having completed either five years of Continuous Service or fifteen years of Aggregate Service, you may withdraw the Employee Contributions you made to CMERS during your active employment. When you withdraw your contributions, you will also receive a payment of interest at 5% a year for the period that begins on the July 1 following your first Employee Contribution and ends on the July 1 that occurs on or before the date you leave municipal service.

Important Note: If you **do not** ask to withdraw your Employee Contributions within 10 years of the termination of your municipal employment, **your contributions and interest will revert to the Municipal Employees Retirement Fund**.

C.G.S. § 7-440(h).

2. Resuming participation in CMERS

If, at the time you left municipal employment, you **did not** withdraw your Employee Contributions; and if you thereafter **resume** your participation in CMERS by accepting employment with a Participating Municipality; then you will receive full credit for your prior period of municipal service.

If, at the time you left municipal employment, you **withdrew** your Employee Contributions; and if you thereafter **resume** your participation in CMERS by accepting employment with a Participating Municipality; then you will **not** receive credit for your prior service, **unless** you **repay** your withdrawn contributions and interest, with additional interest at a rate to be determined by the Commission.

C.G.S. § 7-442a.

X. COST-OF-LIVING ADJUSTMENTS (COLAs)

YOUR CMERS RETIREMENT BENEFITS ARE ADJUSTED ANNUALLY TO OFFSET THE RISING COSTS OF LIVING

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

The rules that govern your COLA vary, depending on (i) your type of retirement and (ii) the date on which you retire.

C.G.S. § 7-439b.

A. COLAS FOR NORMAL, EARLY, AND VESTED RIGHTS RETIREES; RETIREMENT ON OR BEFORE JUNE 30, 2025

If, on or before June 30, 2025, you retired or will retire under a Normal Retirement, an Early Retirement, or a Vested Rights Retirement, or if you are the Contingent Annuitant of such a Normal, Early, or Vested Rights Retiree, each COLA will increase your retirement benefit by a percentage of the benefit you are receiving at the time the COLA is awarded. The amount of the increase will be calculated under a formula that includes the annual increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12-month period that ends on the day before the COLA is awarded.

Each COLA will fall within a range between a **minimum of 2.5%** and a **maximum of 6%**. Within that range, the COLA will be calculated under this formula:

60% of the increase in the CPI-W **up to** 6% **PLUS** 75% of the increase in the CPI-W **above** 6%

You will receive your first COLA on the first July 1 that falls after the date of your retirement. You will receive an additional COLA on July 1 every year thereafter.

C.G.S. § 7-439b(b).

B. COLAS FOR NORMAL, EARLY, AND VESTED RIGHTS RETIREES; RETIREMENT BETWEEN JULY 1, 2025, AND JUNE 30, 2026

If, at any time from July 1, 2025, and June 30, 2026, you retire under a Normal Retirement, an Early Retirement, or a Vested Rights Retirement, or if you are the Contingent Annuitant of such a Normal, Early, or Vested Rights Retiree, each COLA will increase your retirement benefit by a percentage of the benefit you are receiving at the time the COLA is awarded. The amount of the increase will be calculated under a formula that includes the annual increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12-month period that ends on the day before the COLA is awarded.

Each COLA will fall within a range between a **minimum of 2.0%** and a **maximum of 7.5%**. Within that range, the COLA will be calculated under this formula:

60% of the increase in the CPI-W **up to** 6% **PLUS** 75% of the increase in the CPI-W **above** 6%

You will receive your first COLA on the first July 1 that falls after you have been retired for at least 12 months. You will receive an additional COLA on July 1 every year thereafter.

C.G.S. § 7-439b(c).

C. COLAS FOR NORMAL, EARLY, AND VESTED RIGHTS RETIREES; RETIREMENT BETWEEN JULY 1, 2026, AND JUNE 30, 2027

If, at any time from July 1, 2026, and June 30, 2027, you retire under a Normal Retirement, an Early Retirement, or a Vested Rights Retirement, or if you are the Contingent Annuitant of such a Normal, Early, or Vested Rights Retiree, each COLA will increase your retirement benefit by a percentage of the benefit you are receiving at the time the COLA is awarded. The amount of the increase will be calculated under a formula that includes the annual increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12-month period that ends on the day before the COLA is awarded.

If the CPI-W increases by 2% or less, then the amount of the COLA will equal the **greater** of either (i) **1.5%** or (ii) the amount of the increase to the CPI-W.

If the CPI-W increases by more than 2%, each COLA will fall within a range between 2% and 7.5%. Within that range, the COLA will be calculated under this formula:

60% of the increase in the CPI-W **up to** 6% **PLUS** 75% of the increase in the CPI-W **above** 6%

You will receive your first COLA on the first July 1 that falls after you have been retired for at least 12 months. You will receive an additional COLA on July 1 every year thereafter.

C.G.S. § 7-439b(e).

D. COLAS FOR NORMAL, EARLY, AND VESTED RIGHTS RETIREES; RETIREMENT BETWEEN JULY 1, 2027, AND JUNE 30, 2028

If, at any time from July 1, 2027, and June 30, 2028, you retire under a Normal Retirement, an Early Retirement, or a Vested Rights Retirement, or if you are the Contingent Annuitant of such a Normal, Early, or Vested Rights Retiree, each COLA will increase your retirement benefit by a percentage of the benefit you are receiving at the time the COLA is awarded. The amount of the increase will be calculated under a formula that includes the annual increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12-month period that ends on the day before the COLA is awarded.

If the CPI-W increases by 2% or less, then the amount of the COLA will equal the **greater** of either (i) **1.0%** or (ii) the amount of the increase to the CPI-W.

If the CPI-W increases by more than 2%, each COLA will fall within a range between 2% and 7.5%. Within that range, the COLA will be calculated under this formula:

60% of the increase in the CPI-W **up to** 6%
PLUS
75% of the increase in the CPI-W **above** 6%

You will receive your first COLA on the first July 1 that falls after you have been retired for at least 12 months. You will receive an additional COLA on July 1 every year thereafter.

C.G.S. § 7-439b(f).

E. COLAS FOR NORMAL, EARLY, AND VESTED RIGHTS RETIREES; RETIREMENT BETWEEN JULY 1, 2028, AND JUNE 30, 2029

If, at any time from July 1, 2028, and June 30, 2029, you retire under a Normal Retirement, an Early Retirement, or a Vested Rights Retirement, or if you are the Contingent Annuitant of such a Normal, Early, or Vested Rights Retiree, each COLA will increase your retirement benefit by a percentage of the benefit you are receiving at the time the COLA is awarded. The amount of the increase will be calculated under a formula that includes the annual increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12-month period that ends on the day before the COLA is awarded.

If the CPI-W increases by 2% or less, then the amount of the COLA will equal the **greater** of either (i) **0.5%** or (ii) the amount of the increase to the CPI-W.

If the CPI-W increases by more than 2%, each COLA will fall within a range between 2% and 7.5%. Within that range, the COLA will be calculated under this formula:

60% of the increase in the CPI-W **up to** 6%
PLUS
75% of the increase in the CPI-W **above** 6%

You will receive your first COLA on the first July 1 that falls after you have been retired for at least 12 months. You will receive an additional COLA on July 1 every year thereafter.

C.G.S. § 7-439b(g).

F. COLAS FOR NORMAL, EARLY, AND VESTED RIGHTS RETIREES; RETIREMENT ON OR AFTER JULY 1, 2029

If, at any time on or after July 1, 2029, you retire under a Normal Retirement, an Early Retirement, or a Vested Rights Retirement, or if you are the Contingent Annuitant of such a Normal, Early, or Vested Rights Retiree, each COLA will increase your retirement benefit by a percentage of the benefit you are receiving at the time the COLA is awarded. The amount of the increase will be calculated under a formula that includes the annual increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12-month period that ends on the day before the COLA is awarded.

If the CPI-W increases by 2% or less, then the amount of the COLA will equal the amount of the increase to the CPI-W.

If the CPI-W increases by more than 2%, each COLA will fall within a range between 2% and 7.5%. Within that range, the COLA will be calculated under this formula:

60% of the increase in the CPI-W **up to** 6%
PLUS
75% of the increase in the CPI-W **above** 6%

You will receive your first COLA on the first July 1 that falls after you have been retired for at least 12 months. You will receive an additional COLA on July 1 every year thereafter.

C.G.S. § 7-439b(h).

G. COLAS FOR DISABILITY RETIREES

If you retired under a Disability Retirement, or if you are the Contingent Annuitant of a Disability retiree, each COLA will increase your retirement benefit by a percentage of the benefit you are receiving at the time the COLA is awarded. The amount of the increase will be based on the investment performance of the plan's assets for the 12-month period that ends on the day before the COLA is awarded.

Each COLA will fall within a range between a **minimum of 3%** and a **maximum of 5%**. Within that range, the COLA will equal the portion of the yield on the plan's assets that is greater than 6%.

C.G.S. § 7-439b(c).

XI. REMPLOYMENT AFTER RETIREMENT

A member of CMERS who retires after having satisfied the age and service requirements for retirement benefits is free to accept any form of employment. If your new employer is a Connecticut municipality, however, your employment might affect your retirement benefits.

A. REEMPLOYMENT BY A PARTICIPATING MUNICIPALITY

If a CMERS retiree accepts **employment by a Participating Municipality** (including, but not limited to, the Participating Municipality from which he or she retired), the retiree may participate in CMERS and earn additional service credit for the period of such employment.

1. Suspension of retirement income for Normal Retirees

With the exception of certain fire and police personnel discussed below, the retiree **may not collect his or her CMERS retirement benefits** during the period of his or her reemployment, **unless** the retiree **either**:

- is employed for fewer than twenty hours per week,
- is employed for not more than ninety days in any one calendar year, **or**
- is employed in a department that does not participate in CMERS, and the retiree does not otherwise participate in CMERS.

If a reemployed retiree collects his or her CMERS retirement benefits without satisfying one of the conditions listed above, then the retiree must **reimburse CMERS** for the retirement benefits he or she received during the period of reemployment.

C.G.S. § 7-438(b); Reg. Conn. State Agencies § 7-438-1.

2. Suspension of retirement income for Early and Disability Retirees

If the reemployed retiree has retired **before reaching age 55** under either an Early Retirement or a Disability Retirement, then he or she **may not collect CMERS retirement benefits** during the period of reemployment, **unless**:

- the retiree has reached the age of **59½**, ***and*** **the retiree either**:
- is employed for fewer than twenty hours per week,
- is employed for not more than ninety days in any one calendar year, **or**
- is employed in a department that does not participate in CMERS, and the retiree does not otherwise participate in CMERS.

If a reemployed Early or Disability retiree collects his or her CMERS retirement benefits before reaching age 59½, and/or without satisfying one of the other conditions listed above, then the retiree must **reimburse CMERS** for the retirement benefits he or she received during the period of reemployment.

C.G.S. § 7-438(b); Reg. Conn. State Agencies § 7-438-1.

3. Exceptions for certain police officers and firefighters

If, after retirement, (i) a uniformed member of a paid municipal fire department or (ii) a regular member of a paid municipal police force accepts employment in a public safety position from a Participating Municipality that is a school district or a regional school district, the retiree may continue to collect his or her CMERS retirement benefit, but the retiree may not participate or receive additional service credit in CMERS for the period of such employment.

If the reemployed employee has retired **before age 55** under either an Early Retirement or a Disability Retirement, then he or she **may not** collect CMERS retirement benefits during the period of employment by a school district or regional school district before he or she reaches the age of 59½.

C.G.S. § 7-438(c); Reg. Conn. State Agencies § 7-438-1.

B. REEMPLOYMENT BY A NON-PARTICIPATING MUNICIPALITY

If a CMERS retiree accepts **employment by a Non-Participating Municipality**, the retiree may collect his or her CMERS retirement benefits while employed by the Municipality, but the retiree **may not** participate in any **other** municipal retirement system during the period of such employment.

C.G.S. § 7-438(a).

C. ADDITIONAL RULES FOR DISABILITY RETIREES

If you were awarded a **Disability Retirement** from CMERS, then the income you earn from your subsequent employment—**including, but not limited to, non-municipal employment**—might affect the amount of your CMERS retirement benefit. For details, *see* the discussion of the "**100% Maximum**" in the "**Disability Retirement**" section of this SPD.

XII. SPECIAL BENEFITS FOR POLICE OFFICERS AND FIREFIGHTERS

A. HEART AND HYPERTENSION BENEFITS FOR THOSE HIRED BEFORE JULY 1, 1996

If you are a uniformed member of a paid municipal fire department or a regular member of a paid municipal police force; if you began your employment before July 1, 1996; if, at the time you were hired, you successfully passed a physical examination that failed to show evidence of heart disease or hypertension; and if you later suffer death or disability as a result of heart disease or hypertension; then it will be presumed that such heart disease or hypertension was incurred in the course of your employment.

C.G.S. § 7-433c.

B. ADDITIONAL DEATH BENEFITS FOR POLICE OFFICERS AND FIREFIGHTERS

Participating Municipalities in CMERS have the option of also participating in the **Policemen and Firemen Survivors' Benefit Fund** (the **"Survivors' Fund"**). Not all Participating Municipalities participate in the Survivors' Fund.

Police officers and firefighters who are covered by the Survivors' Fund must contribute 1% of their compensation to the fund. This contribution is over and above any Employee Contributions to CMERS. Municipalities that participate in the Survivors' Fund must also contribute to the fund.

C.G.S. § 7-323c.

1. Benefit to a surviving spouse

When any full-time paid police officer or firefighter who was covered by the Survivors' Fund dies, his or her surviving spouse will receive a monthly benefit equal to thirty percent of the deceased employee's compensation.

- During any period after the employee's death in which the spouse has one dependent child who (i) is under the age of eighteen and (ii) was dependent on the deceased employee at the time of his or her death, the spouse will receive an additional benefit of fifteen percent of the deceased employee's compensation.

- During any period after the employee's death in which the spouse has two or more dependent children who (i) are under the age of eighteen and (ii) were dependent on the deceased employee at the time of his or her death, the spouse will receive an additional benefit of thirty percent of the deceased employee's compensation.

This benefit will be paid, regardless of whether the police officer or firefighter died before or after retirement.

Please Note: These benefits will terminate upon the death or remarriage of the spouse.

C.G.S. §§ 7-323e(b) and (c).

2. Benefit to dependent children

If a full-time paid police officer or firefighter who was covered by the Survivors' Fund dies; if, at the time of death, the police officer or firefighter had one or more dependent children under the age of eighteen; and if no spouse survives the employee, or if the spouse has died or remarried after the employee's death; then the Retirement Commission will pay a monthly benefit to the legal guardian of such children for the children's sole use and support. At its discretion, the Retirement Commission may pay the benefits to the remarried spouse.

- If there is one such dependent child, the monthly benefit will equal thirty percent of the deceased employee's compensation.
- If there are two or more such dependent children, the monthly benefit will equal forty-five percent of the deceased employee's compensation.
- Payments for each such child will terminate when the child reaches the age of eighteen.

C.G.S. § 7-323e(d).

3. Benefit to dependent parents

If a full-time paid police officer or firefighter who was covered by the Survivors' Fund dies; if, at the time of death, the police officer or firefighter had no spouse and no dependent children under the age of eighteen; and if the deceased employee is survived by a dependent father or mother, then such parent will receive a monthly benefit equal to thirty percent of the deceased employee's compensation.

C.G.S. § 7-323e(e).

4. Refund of contributions to designated beneficiary

If a full-time paid police officer or firefighter who was covered by the Survivors' Fund dies; if, at the time of death, the police officer or firefighter had no spouse, no dependent children under the age of eighteen, and no dependent father or mother; and if the deceased employee is survived by a Beneficiary whom the employee designated on a form prescribed by the Retirement Commission; then the Beneficiary will receive a lump-sum payment in an amount equal to the deceased employees contributions to the Survivors' Fund.

C.G.S. § 7-323e(f).

XIII. WHEN YOU ARE READY TO RETIRE

A. THE APPLICATION PROCESS

1. Starting the process

To apply for retirement benefits, you must contact the personnel office of your employing municipality. Ask the office to prepare your "Application for Retirement Benefits" (Form CO-1200) 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.)

If the CMERS Unit receives your application **after** your intended date of retirement, your retirement will be deemed to be effective on the date the application is received.

2. Required documents

You will need to provide your employing municipality with copies of:

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

If you would like to have your retirement benefits deposited electronically into your account at a financial institution, you will need to complete a "Retirement – Direct Deposit Authorization and Input Form." A representative of your financial institution will help you complete that form.

3. Survivor options

You will need to select a Benefit Payment Option (*e.g.*, 50% Spouse Option or Straight Life Annuity).

- If you are married on your date of retirement, if you have been married to your current spouse for at least 12 months as of that date, 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 (i) Option A or (ii) 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.

4. Disability Retirement

If you wish to apply for a Disability Retirement, you must submit the documents described in the "**Disability Retirement Application Process**" section of this SPD.

B. Counseling Services

You can obtain information about your CMERS retirement from the personnel office of your employing municipality. Additional information is available at the website of the Retirement Services Division of the Office of the State Comptroller. There you will find general information about the CMERS plan and its benefits, an online workshop, and answers to Frequently Asked Questions, among other resources.

Links to these resources can be found at https://www.osc.ct.gov/rbsd/cmers/muniretire.htm.

XIV. OTHER INFORMATION

A. ASSIGNMENT OF BENEFITS PROHIBITED

You may not use your rights under CMERS as collateral or security for a loan. Any assignment to a creditor or to another person of any amount payable by CMERS 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.

C.G.S. § 7-446.

B. DIVORCE – (FOR ALTERNATE PAYEE UNDER A QUALIFIED DOMESTIC RELATIONS ORDER)

CMERS 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

You or your representative have the right to inspect and obtain copies of all plan documents. You must pay a reasonable charge for such copies.

The Retirement Services Division has published this CMERS SPD online. A hard copy may be obtained by selecting "printable version" at the beginning of this SPD or by asking your employing municipality's personnel office to provide you with a printed copy.

You will be advised of any significant changes or modifications to this plan, either by online notification, through your employing municipality, or through a manner to be determined by the State Employees Retirement Commission as an appropriate means of dissemination.

XV. A FINAL NOTE

This SPD is designed to help you understand your retirement benefits. It summarizes the more important provisions of CMERS. It is not intended to give you complete details on all plan provisions. If there is any conflict in wording between the law and this booklet, the official wording of the law will govern.