



STATE OF CONNECTICUT
BOARD OF TRUSTEES
FOR THE STATE COLLEGES

obsolete
see Personnel Policies of
BOT

P. O. Box 2008
NEW BRITAIN, CONNECTICUT 06050
827-7700
TEL. NEW BRITAIN: 203-~~XXXXXX~~ ~~XXXXXXXXXX~~ ~~XXXXXXXXXX~~ ~~XXXXXXXXXX~~

AUTHORIZING RESOLUTION

concerning

FRINGE BENEFITS

for

PERSONS IN UNCLASSIFIED MANAGEMENT POSITIONS

And For

PERSONS IN UNCLASSIFIED CONFIDENTIAL POSITIONS

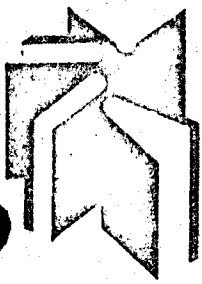
WHO ARE ASSIGNED TO CAMPUSES, EXCLUDING COLLEGE PRESIDENTS

June 11, 1982

RESOLVED, All persons in unclassified management positions or in unclassified confidential positions who are assigned to campuses, excluding college presidents, shall be entitled to vacation allowance, holidays, sick leave, personal leave days, and other fringe benefits inclusive of the provisions for longevity payments and retirement benefits as enumerated in the collective bargaining agreement between the Board of Trustees for the State Colleges and the Administrative Faculty.

A Certified True Copy:

James A. Frost
James A. Frost
Executive Director



THE
CONNECTICUT
STATE
COLLEGES

FOUNDED 1849

JAF
Office of the
Executive Director

P.O. BOX 2008 NEW BRITAIN, CONNECTICUT 06050

Telephone : (203) 827-7700

June 15, 1982

TO: MEMBERS OF THE BOARD OF TRUSTEES

Alvin B. Wood, Vice Chairman
Margaret Shapiro, Secretary
Robert J. Beckwith
Rocco Colatrella
Thomas Ford
Joanne Guttman
Francis E. Geissler

Luva M. Hoar
Nancy W. Kaplan
Ellen W. Long
William J. Marsh
John F. Morgan
A. Searle Pinney
Seymour M. Smith
Betty L. Tianti

Chairman Davidson has called a special meeting of the Board of Trustees at 2:30 p.m., on Wednesday, June 23 in the Central Office. The purpose of the special meeting is to consider a tentative agreement on pensions. You will recall that labor was represented in these negotiations by the Pension Coordinating Committee which represented 14 bargaining units. Management was represented by the Coalition State Management Team. Board Resolution #80-136, dated November 7, 1980, named Dr. Michael Pernal as the Trustees' representative on the Management Team.

Enclosed are a copy of Board Resolution #80-136, a draft Resolution approving the tentative agreement, a summary of the major provisions of the tentative agreement and a copy of the tentative agreement. The State authorities plan to bring the tentative agreement before the Legislature during the Trailer Session. It is for this reason that the Board has been asked to decide on its approval at a special meeting.

James A. Frost
James A. Frost
Executive Director

encl.

cc: L. J. Davidson

bc: College Presidents
C.O. Prof. Staff



STATE OF CONNECTICUT

BOARD OF TRUSTEES

FOR THE STATE COLLEGES

P. O. BOX 2008

NEW BRITAIN, CONNECTICUT 06050

327-7700
 TEL. NEW BRITAIN: 203-XXXXXXX XXXXXXXXXXXXXXXXXXXXXXX

RESOLUTION

concerning

NEGOTIATION OF PENSION PROVISIONS

November 7, 1980

- WHEREAS, The collective bargaining agreements for both the teaching faculty and the administrative faculty are reopened in this fiscal year, 1980-81, for the purpose of negotiating pensions, and
- WHEREAS, The Director of Labor Relations of the Department of Administrative Services has indicated that many unions, including those at the State Colleges, are forming a coalition to negotiate pensions, and
- WHEREAS, Under Section 5-278 of the General Statutes, the Board of Trustees has exclusive authority to bargain with the unclassified professional employees of the State Colleges; and
- WHEREAS, In an effort to meet the unions in coalition, the Director of Labor Relations of the Department of Administrative Services is seeking to assemble a management team consisting of negotiators from each effected management group, now therefore be it
- RESOLVED, That Dr. Michael Pernal, Dean of Personnel Administration at Eastern Connecticut State College, be designated as the negotiator for the State Colleges to serve on the coalition of management bargainers for the sole purpose of negotiating pension provisions.

A Certified True Copy:

James A. Frost
 Executive Director



STATE OF CONNECTICUT

BOARD OF TRUSTEES

FOR THE STATE COLLEGES

P. O. Box 2008

NEW BRITAIN, CONNECTICUT 06050

TEL. NEW BRITAIN: 203-229-1607

TEL. HARTFORD: 203-566-7373

RESOLUTION

concerning

PENSION BENEFITS FOR AAUP AND AFSCME

June 23, 1982

WHEREAS, The Pension Coordinating Committee selected by fourteen bargaining units for State employees and the Coalition State Management Team representing the Board of Trustees for the Connecticut State Colleges and other management elements of various State agencies have reached a tentative agreement concerning pensions and certain other benefits for State employees, and

WHEREAS, These pensions and other benefits have been considered by the Trustees, therefore, be it

RESOLVED, That the tentative agreement reached during June 1982 by the Pension Coordinating Committee and the Coalition State Management Team be and hereby is approved by the Trustees for the Connecticut State Colleges and may be submitted to the General Assembly for ratification.

A Certified True Copy:

James A. Frost
Executive Director

TO: Michael Adanti *MA*
 FROM: Michael Pernal, Management Pension Negotiator
 DATE: June 15, 1982

SUMMARY OF MAJOR COMPONENTS OF NEW PENSION AGREEMENT

Bob Finder intends to bring a new 6 year pension agreement to the Appropriations Committee of the Legislature on June 25, 1982 for those units represented by the Pension Coordinating Committee that have ratified by that date. This is to recommend that the Board of Trustees approve the tentative agreement for both of our instructional and administrative faculty bargaining units. The agreement will be presented by Mr. Finder as a contract agreement during the forthcoming trailer session. Actual legislative revision will be submitted for approval at the next scheduled session of the General Assembly. I will attempt to send you a revised copy as soon as possible.

SUMMARY OF MAJOR CHANGES (Effective 10/1/82)

1. Pension Investment Advisory Council to include equal union representation.
2. Language written to insure that teachers who retire after completing a full academic year get a full year's credit.
3. Retirement Commission to include equal union representation.
4. Valuation of retirement fund assets and liabilities to be conducted on an annual basis beginning 12/31/83.
5. Present employees have 15 months to convert from Plan C to Plan B or vice versa.
6. Transfers among the various retirement systems will continue to be permitted for one year.
7. Abuse of overtime to raise the "highest three-year's average" will be controlled.
8. Minimum retirement income set at \$300.00 per month for member with 25 years service.
9. Members married at least one year presumed to have elected a spouse option unless they designate to the contrary; such spouse option to be 50% of the member's benefit.
10. Refund with interest at 5% provided for members who leave State Service. Interest credited from 1/1/82 for present members and the first of the year following commencement of contributions for new members.

11. Disability retirement payments coordinated with workers' compensation and social security to eliminate abuses.
12. A one year period to purchase various credits for service after which such service credit ceases. New employees may purchase various credits within one year of date of employment.
13. Establishment of a new pension plan (tier II) for new employees hired on or after October 1, 1982. Plan shall be non-contributory with retirement at age 65 (with at least ten years) or 70 (with at least five years).

Monthly retirement income to be $1/12$ of $1\ 1/3\%$ of final average earnings plus $1/2$ of 1% of final average earnings in excess of retirement years breakpoint (Breakpoint= $\$10,700 + 6\%$ each year to the year 2000) times number of years of credited service.

Example of difference: Employee retires at $\$30,000$ in 1982 with 25 years service at age 65.

| | |
|---------------------------|-------------|
| Annual retirement tier I | \$15,000.00 |
| Annual retirement tier II | 12,162.50 |

Minimum monthly income: $\$200$ (escalates each year to $\$300$)

Early retirement: 55 with ten years service.

14. Employee health and life insurance subject to competitive bid process with joint committee established to investigate savings.
15. Establishment of computerized retirement data collection system at cost of $\$2$ million.

EARLY RETIREMENT (Cont.)

RETIREMENT TABLE FOR PERSONS NOW EMPLOYED

**Rates of Benefit (%) for Each Year of Service
According to Years of Service and Age of Employee**

For Employees who Retire on or before July 1, 1980

| Years of service | Age of Employee | | | | | | | | | | | |
|---------------------|-----------------|------|------|------|------|------|------|------|------|------|-------|--------------|
| | 50* | 51* | 52* | 53* | 54* | 55 | 56 | 57 | 58 | 59 | 60-64 | 65 & over |
| 5 to 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2.50 |
| 10 | 1.00 | 1.06 | 1.12 | 1.20 | 1.30 | 1.40 | 1.52 | 1.64 | 1.76 | 1.88 | 2.00 | 2.50 |
| 11 | 1.07 | 1.12 | 1.18 | 1.25 | 1.35 | 1.44 | 1.55 | 1.66 | 1.78 | 1.89 | 2.00 | 2.50 |
| 12 | 1.13 | 1.18 | 1.24 | 1.31 | 1.39 | 1.48 | 1.58 | 1.69 | 1.79 | 1.90 | 2.00 | 2.50 |
| 13 | 1.20 | 1.25 | 1.29 | 1.36 | 1.44 | 1.52 | 1.62 | 1.71 | 1.81 | 1.90 | 2.00 | 2.50 |
| 14 | 1.26 | 1.31 | 1.35 | 1.41 | 1.48 | 1.56 | 1.65 | 1.74 | 1.82 | 1.91 | 2.00 | 2.50 |
| 15 | 1.33 | 1.37 | 1.41 | 1.47 | 1.53 | 1.60 | 1.68 | 1.76 | 1.84 | 1.92 | 2.00 | 2.50 |
| 16 | 1.40 | 1.43 | 1.47 | 1.52 | 1.58 | 1.64 | 1.71 | 1.78 | 1.86 | 1.93 | 2.00 | 2.50 |
| 17 | 1.46 | 1.49 | 1.53 | 1.57 | 1.62 | 1.68 | 1.74 | 1.81 | 1.87 | 1.94 | 2.00 | 2.50 |
| 18 | 1.53 | 1.56 | 1.58 | 1.62 | 1.67 | 1.72 | 1.78 | 1.83 | 1.89 | 1.94 | 2.00 | 2.50 |
| 19 | 1.59 | 1.62 | 1.64 | 1.68 | 1.71 | 1.76 | 1.81 | 1.86 | 1.90 | 1.95 | 2.00 | 2.50 |
| 20 | 1.66 | 1.68 | 1.70 | 1.73 | 1.76 | 1.80 | 1.84 | 1.88 | 1.92 | 1.96 | 2.00 | 2.50 |
| 21 | 1.73 | 1.74 | 1.76 | 1.78 | 1.81 | 1.84 | 1.87 | 1.90 | 1.94 | 1.97 | 2.00 | ** |
| 22 | 1.79 | 1.80 | 1.82 | 1.84 | 1.85 | 1.88 | 1.90 | 1.93 | 1.95 | 1.98 | 2.00 | ** |
| 23 | 1.86 | 1.87 | 1.87 | 1.89 | 1.90 | 1.92 | 1.94 | 1.95 | 1.97 | 1.98 | 2.00 | ** |
| 24 | 1.93 | 1.93 | 1.93 | 1.94 | 1.94 | 1.96 | 1.97 | 1.98 | 1.98 | 1.99 | 2.00 | ** |
| 25 or over | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |

| Read up | Age of Employee | | | | | | | | | | | Read up |
|--|-----------------|-----|-----|-----|-----|----|----|----|----|----|-------|------------|
| | 55* | 56* | 57* | 58* | 59* | 60 | 61 | 62 | 63 | 64 | 65-69 | |
| For Employees who Retire after July 1, 1980 | | | | | | | | | | | | |

*There must be at least 10 years actual full-time state service
 **Use 2.50% for 20 years to a maximum of 50%.

PENSION AGREEMENT

Whereas since September, 1980, the State of Connecticut has been engaged in negotiations and fact-finding proceedings with representatives of its employees designated pursuant to C.G.S. 5-270 et seq. concerning state employees' retirement structure and benefits relating thereto; and

Whereas, the State of Connecticut and the employee representatives signatory hereto ("the parties") have reached agreement as to the retirement structure and benefits related thereto;

Now therefore in consideration of the mutual promises and obligations set out in the parties' collective bargaining agreements of which this Agreement is a part, and in consideration of the mutual promises and obligations set out in this Agreement, the parties hereby agree to and establish the following contract:

Section 1. Legislation:

The parties agree to submit to the General Assembly for approval, pursuant to C.G.S. 5-278(b), the following statutory changes. Upon legislative approval, this Section shall also constitute contractual obligations of the parties.

Sec. 3-13b. Investment advisory council established; chairman appointed, state treasurer, secretary; duties. (a) There is created an investment advisory council which shall consist of the following: (1) The secretary of the office of policy and management who shall serve as an ex-officio member of said council; (2) the state treasurer who shall serve as an

ex-officio member of said council; (3) five members of the general public all of whom shall be experienced in matters relating to investments who shall be appointed by the governor, with the advice and consent of the senate. No such public member or such member's business organization or affiliate shall directly or indirectly contract with or provide any services for the investment of trust funds of the state of Connecticut during the time of such member's service on said council and for one year thereafter. Each of the public members shall be appointed for a term of five years; except that for the first appointments the terms shall be one, two, three, four and five years respectively. The governor shall fill all vacancies of the public members; (4) [one representative of the teachers' retirement board and one representative of the state employees' retirement commission who shall be appointed in the following manner: On or before June 15, 1973, the teachers' retirement board and the state employees' retirement commission shall each submit the names of three nominees to the state treasurer for membership on the said council. The names submitted by the teachers' retirement board shall be those of teachers as defined in section 10-183b and the names submitted by the state employees' retirement commission shall be those of full-time state employees. On or before July 1, 1973, the governor, after due consideration of the recommendations of the state treasurer, shall appoint one member to said council from those nominated by the teachers' retirement board and one from those nominated by the state employees' retirement commission. The term of the representative of the teachers' retirement board and the representative of the state employees' retirement commission shall be for two years. Any person appointed to fill a vacancy or to be a new member at the expiration of a given term whose predecessor in that position was a teacher, shall also be a teacher appointed from a list of three nominees submitted to the state treasurer by the teachers' retirement board within thirty days' notification by the treasurer of the existence of a vacancy or a prospective vacancy or the expiration or prospective expiration of a term.] THREE REPRESENTATIVES OF THE TEACHERS' UNIONS AND TWO REPRESENTATIVES OF THE STATE EMPLOYEES' UNIONS. ON OR BEFORE JULY 15, 1982, THE TEACHERS' UNIONS, SHALL JOINTLY SUBMIT TO THE STATE TREASURER A LIST OF THREE NOMINEES, AND THE STATE EMPLOYEES' UNIONS, OR A MAJORITY THEREOF WHO REPRESENT A MAJORITY OF STATE EMPLOYEES, SHALL JOINTLY SUBMIT TO THE TREASURER A LIST OF TWO NOMINEES. ON OR BEFORE JULY 30, 1982, THE GOVERNOR, SHALL APPOINT FIVE MEMBERS OF THE COUNCIL FROM SUCH LISTS, FOR TERMS OF TWO YEARS. ANY PERSON APPOINTED TO FILL A VACANCY OR TO BE A NEW MEMBER AT THE EXPIRATION OF A GIVEN TERM, WHOSE PREDECESSOR IN THAT POSITION WAS EITHER A REPRESENTATIVE OF ONE OF THE TEACHERS' UNIONS OR ONE OF THE STATE EMPLOYEES' UNIONS SHALL ALSO BE A REPRESENTATIVE OF SUCH RESPECTIVE UNION GROUP. ANY SUCH APPOINTEE SHALL BE APPOINTED BY THE GOVERNOR FROM A LIST OF NOMINEES SUBMITTED TO THE

TREASURER BY THE TEACHERS' UNIONS OR STATE EMPLOYEES' UNIONS, OR A MAJORITY THEREOF, AS THE CASE MAY BE, WITHIN THIRTY DAYS OF NOTIFICATION BY THE TREASURER OF THE EXISTENCE OF A VACANCY OR A PROSPECTIVE VACANCY, OR THE EXPIRATION OR PROSPECTIVE EXPIRATION OF A TERM. All member of the council shall serve until their respective successors are appointed and have qualified.

(b) The governor shall designate one of the members to be chairman of the council to serve as such as his pleasure. The treasurer shall serve as secretary of said council. A majority of the members of the council then in office will constitute a quorum for the transaction of any business, and action shall be by the vote of a majority of the members present at a meeting. Members of said council shall not be compensated for their services but shall be reimbursed for all necessary expenses incurred in the performance of their duties as members of said council.

(c) All investments by the state treasurer shall be reviewed by said investment advisory council [, provided the member representing the teachers' retirement board may participate only in those decisions which concern the teachers annuity, teachers pension or teachers' survivorship and dependency fund, and the member representing the state employees' retirement commission may participate only in those decisions which concern the state employees' retirement fund]. The council shall recommend to the state treasurer investment policies consistent with the law pertaining to the kind or nature of investment, including limitations, conditions or restrictions upon the methods, practices or procedures for investment, reinvestment, purchase, sale or exchange transactions. The governor may direct the treasurer to change any investments made by the treasurer when in the judgment of said council such action is for the best interest of the state. Said council shall, at the close of the fiscal year, make a complete examination of the security investments of the state and determine as of June thirtieth, the value of such investments in the custody of the treasurer and report thereon to the governor. With the approval of the treasurer and the council, said report may be included in the treasurer's annual report. The provisions of this section shall apply to all investments made by the treasurer for both trust and civil list funds.

(d) The investment advisory council shall be within the office of the state treasurer for administrative purposes only.

(e) FOR THE PURPOSES OF THIS SECTION, "TEACHERS' UNION" MEANS A REPRESENTATIVE ORGANIZATION FOR CERTIFIED PROFESSIONAL EMPLOYEES, AS DESIGNATED PURSUANT TO SECTION 10-153b, AND "STATE EMPLOYEES' UNION" MEANS AN ORGANIZATION CERTI-

FIED TO REPRESENT STATE EMPLOYEES, AS DESIGNATED PURSUANT TO SECTION 5-275.

Sec. 5-154. Definitions. For the purposes of this chapter.

(a) "Covered under social security" means, with regard to a state employee, that the state is required to make contributions for the employee under the social security agreement;

(b) "Federal Insurance Contributions Act" means the chapter of the Federal Internal Revenue Code officially cited by that name, 26 U.S.C. (I.R.C. 1939) Section 1400 et seq., 26 U.S.C. (I.R.C. 1954) Section 3101 et seq., as originally enacted and as amended from time to time;

(c) "For retirement purposes" means for the purposes of the state employees retirement system;

(d) "Member" means a member of the state employees retirement system;

(e) "Retirement commission" means the state employees retirement commission;

(f) "Retirement contributions" means contributions made by, or deducted from the salary of, a member in accordance with Part III or Part IV of this chapter;

(g) "Retirement system" means the state employees retirement system;

(h) "Salary" means (1) any payment, including longevity payments and payments for accrued vacation time under section 5-252, for state service made from a payroll submitted to the comptroller; and (2) the cash value of maintenance furnished by the state; and (3) fees received from the state in whole or in part in lieu of or in addition to item (1) above and established to the satisfaction of the retirement commission, to the extent that the employee has made retirement contributions on such fees; and (4) compensation paid by the United States to state employees who are employees of the United States Purchasing and Finance Office. NOTWITHSTANDING THE PROVISIONS OF SECTION 5-208a, ANY STATE EMPLOYEE WHO IS EMPLOYED BY MORE THAN ONE STATE AGENCY DURING ANY WEEK SHALL, FOR COMPENSATION EARNED ON AND AFTER JANUARY 1, 1983, HAVE ALL SUCH COMPENSATION RECOGNIZED FOR ALL PURPOSES OF THE RETIREMENT PROGRAM.

(i) "Social security" means the old age and survivors insurance system under Title II of the Social Security Act;

(j) "Social Security Act" means the federal act officially cited by that name, 42 U.S.C. Section 301 et seq., as originally enacted and as amended from time to time;

(k) "Social security agreement" means the agreement between the state and the secretary of health, education and welfare, as modified from time to time, entered into under the terms of section 218 of the Social Security Act;

(l) "State employee" means a person in state service, either appointive or elective;

(m) "State service: is service with the state, either appointive or elective, for which a salary is paid, subject to the following rules: (1) "State service" includes time lost from state service because of a disability incurred in the performance of state service; (2) "state service" includes service before September 1, 1939, of a member who began to make his retirement contributions before September 1, 1941, and has made contributions for all his salary received from September 1, 1939, to his retirement date; (3) "state service: includes service as an employee of the general assembly or either branch thereof, or of any officer or committee thereof; (4) "state service" excludes any month of otherwise eligible service on or after September 1, 1939, for which the full required retirement contribution, including any required interest thereon, has not been made by or for the member; (5) "state service" excludes all periods of otherwise eligible service before the date on which a member elects to receive a return of his retirement contributions, unless the member has thereafter returned such contributions with interest, as provided in section 5-167(a); (6) "state service" includes a period equivalent to accrued vacation time for which payment is made under section 5-252; (7) ANY TEACHER (AS DEFINED IN SECTION 10-183b(25)) IN STATE SERVICE WHO IS EMPLOYED FOR A FULL ACADEMIC YEAR, EQUIVALENT TO AT LEAST 10 MONTHS CREDITED SERVICE, SHALL BE DEEMED TO BE EMPLOYED FOR THE ENTIRE YEAR. ANY SUCH TEACHER WHO HAS COMPLETED THE WORK OBLIGATIONS OF HIS/HER APPOINTMENT PERIOD AND WHO RETIRES AFTER MAY 1, BUT BEFORE SEPTEMBER 1, SHALL RECEIVE, UPON RETIREMENT, CREDIT FOR THE ENTIRE APPOINTMENT YEAR AND THE REMAINING BI-WEEKLY PAYMENTS DUE FOR THE ENTIRE APPOINTMENT YEAR, TOGETHER WITH ANY AMOUNTS HELD BACK PREVIOUSLY.

(n) "Year of state service" means any period of twelve consecutive calendar months of state service, but no month shall be counted in more than one such year.

(o) "Actuarial reserve basis" means a basis under which the liabilities of the retirement system are determined using actuarial assumptions, tables

and methods and under which assets are accumulated under a program designed to achieve a balance between the accumulated assets and the liabilities of the system;

(p) "Funding" means the accumulation of assets in advance of the payment of retirement allowances in accordance with a definite actuarial program;

(q) "Normal cost" means the amount of contribution which the state is required to make into the retirement fund in order to meet the actuarial cost of current service;

(r) "Unfunded liability" means the actuarially determined value of the liability for service before the date of the actuarial valuation less the accumulated assets in the retirement fund;

(s) "Amortization of unfunded liabilities" means a systematic program of payment for the unfunded liabilities over a period of years in lieu of a payment in one sum;

(t) "Current service: means service rendered in the current fiscal year;

(u) "Alternate retirement program" means any retirement program authorized by the board of higher education as provided in subsection (d) of section 10-323e, subject to approval by the state employees' retirement commission;

(v) "Participant" means eligible employees in higher education employed on or after October 1, 1975, who elect to participate in an alternate retirement program.

A citation in this chapter to a specific provision of the Social Security Act or other federal law includes a citation, where appropriate, to the same or similar provision as appearing in prior or successor law.

Sec. 5-155. Retirement commission. THE GENERAL ADMINISTRATION AND RESPONSIBILITY FOR THE PROPER OPERATION OF THE STATE EMPLOYEES RETIREMENT SYSTEM IS VESTED IN A SINGLE BOARD OF TRUSTEES TO BE KNOWN AS THE CONNECTICUT STATE EMPLOYEES RETIREMENT COMMISSION.

(a) [The retirement commission shall consist of seven retirement commissioners, appointed by the governor subject to the provisions of section 4-9a. One commissioner shall be the executive head of a state institution, one commissioner shall be the executive head of a state department, provided such executive head may designate his statutory deputy to represent him at

any commissioner meeting he is unable to attend, and one commissioner shall be a subordinate employee in state service.] MEMBERSHIP. THE COMMISSION SHALL CONSIST OF THE FOLLOWING MEMBERS: (1) TWO TRUSTEES REPRESENTING EMPLOYEES WHO SHALL BE ELECTED BY THE EXCLUSIVE BARGAINING AGENTS, AS CERTIFIED PURSUANT TO C.G.S. 5-270 ET SEQ. THE STATE BOARD OF LABOR RELATIONS SHALL CONDUCT THE ELECTION OF SAID TRUSTEES TO REPRESENT EMPLOYEES. ANY CERTIFIED BARGAINING AGENT MAY MAKE ONE NOMINATION FOR TRUSTEES TO REPRESENT EMPLOYEES AND SHALL CAST A PER CAPITA VOTE EQUAL TO THE NUMBER OF EMPLOYEES IN THE STATE EMPLOYEE BARGAINING UNITS REPRESENTED BY SAID AGENT. AN EMPLOYEE TRUSTEE MUST RECEIVE A MAJORITY OF THE PER CAPITA VOTES CAST TO BE ELECTED. ANY TRUSTEES SO ELECTED MAY BE RECALLED DURING HIS/HER TERM BY PETITION OF THIRTY PERCENT OF STATE EMPLOYEES. THE TRUSTEES REPRESENTING EMPLOYEES SHALL NOT BE MEMBERS OF THE SAME BARGAINING UNIT. THE TRUSTEES REPRESENTING EMPLOYEES SHALL SERVE THREE-YEAR TERMS. (2) TWO MANAGEMENT TRUSTEES WHO ARE MEMBERS OF THE STATE EMPLOYEES RETIREMENT SYSTEM, WHO SHALL SERVE THREE-YEAR TERMS. THE MANAGEMENT TRUSTEES SHALL BE APPOINTED BY THE GOVERNOR. (3) TWO ACTUARIAL TRUSTEES WHO ARE ENROLLED ACTUARIES AND FELLOWS OF THE SOCIETY OF ACTUARIES. ONE ACTUARIAL TRUSTEE SHALL BE NOMINATED BY THE TWO MANAGEMENT TRUSTEES AND ONE SHALL BE NOMINATED BY THE TWO TRUSTEES REPRESENTING EMPLOYEES. THE GOVERNOR SHALL APPOINT THE ACTUARIAL TRUSTEES FOR THREE-YEAR TERMS. (4) ONE NEUTRAL TRUSTEE WHO SHALL BE CHAIRMAN OF THE STATE EMPLOYEES RETIREMENT COMMISSION. SUCH NEUTRAL TRUSTEE SHALL BE ENROLLED IN THE NATIONAL ACADEMY OF ARBITRATORS AND SHALL BE NOMINATED BY THE EMPLOYEE AND MANAGEMENT TRUSTEES AND APPOINTED BY THE GOVERNOR. THE NEUTRAL TRUSTEE SHALL SERVE A TWO-YEAR TERM.

IF A VACANCY OCCURS IN THE OFFICE OF A TRUSTEE, THE VACANCY SHALL BE FILLED FOR THE UNEXPIRED TERM IN THE SAME MANNER AS THE OFFICE AS PREVIOUSLY FILLED.

THE TRUSTEES, WITH THE EXCEPTION OF THE CHAIRMAN AND THE ACTUARIAL TRUSTEES, SHALL SERVE WITHOUT COMPENSATION BUT THEY SHALL BE REIMBURSED IN ACCORDANCE WITH THE STANDARD TRAVEL REGULATIONS FOR ALL NECESSARY EXPENSES THAT THEY MAY INCUR THROUGH SERVICE ON THE COMMISSION. THE CHAIRMAN AND THE ACTUARIAL TRUSTEES SHALL BE COMPENSATED FOR THEIR NORMAL AND USUAL PER DIEM FEE, PLUS TRAVEL EXPENSES, FROM THE FUNDS OF THE RETIREMENT SYSTEM FOR EACH DAY OF SERVICE TO THE COMMISSION.

EACH TRUSTEE SHALL, WITHIN TEN (10) DAYS AFTER HIS/HER APPOINTMENT OR ELECTION, TAKE AN OATH OF OFFICE THAT SO FAR AS IT DEVOLVES UPON HIM HE/SHE WILL DILIGENTLY AND HONESTLY ADMINISTER THE AFFAIRS OF THE COMMISSION, AND THAT HE/SHE WILL NOT KNOWINGLY VIOLATE OR WILLINGLY PERMIT TO BE VIOLATED ANY OF THE PROVISIONS OF LAW APPLICABLE TO STATE RETIREMENT SYSTEM.

EACH TRUSTEE SHALL BE ENTITLED TO ONE VOTE ON THE COMMISSION. A MAJORITY OF THE BOARD SHALL CONSTITUTE A QUORUM FOR THE TRANSACTION OF ANY BUSINESS, THE EXERCISE OF ANY POWER, OR THE PERFORMANCE OF ANY DUTY AUTHORIZED OR IMPOSED BY LAW.

FOR ADMINISTRATIVE PURPOSES ONLY THE RETIREMENT COMMISSION SHALL HAVE ITS OFFICES WITHIN THE RETIREMENT DIVISION OF THE OFFICE OF THE COMPTROLLER. THE COMPTROLLER, EX-OFFICIO, SHALL BE THE NON-VOTING SECRETARY OF THE COMMISSION AND SHALL PROVIDE SECRETARIAT SUPPORT TO THE COMMISSION.

(b) MEETINGS The retirement commission shall meet at least [quarterly] MONTHLY and shall report to the governor as provided in section 4-60 .

(c) POWERS AND DUTIES The retirement commission shall administer this retirement system, the municipal employees' retirement system established by chapter 113, part II, and all other state retirement and pension plans except the teachers' retirement fund.

THE RETIREMENT COMMISSION SHALL HAVE GENERAL SUPERVISION OF THE OPERATION OF THIS RETIREMENT SYSTEM, SHALL CONDUCT THE BUSINESS AND ACTIVITIES OF THE SYSTEM, IN ACCORDANCE WITH THIS AGREEMENT AND APPLICABLE LAW AND SHALL CONSTITUTE FIDUCIARIES WITH RESPECT TO THE PLAN; THE RETIREMENT COMMISSION MAY AUTHORIZE THE PARTICIPATION IN AN ALTERNATE RETIREMENT PROGRAM OF THE ELIGIBLE UNCLASSIFIED EMPLOYEES OF THE CONSTITUENT UNITS OF THE STATE SYSTEM OF HIGHER EDUCATION, AND THE CENTRAL OFFICE STAFF OF THE BOARD OF HIGHER EDUCATION. ANY SUCH PROGRAM MAY BE UNDERWRITTEN BY A LIFE INSURANCE COMPANY LICENSED TO DO BUSINESS IN THIS STATE.

IN CONDUCTING THE BUSINESS OF THE SYSTEM, INCLUDING ITS OVERSIGHT FUNCTIONS, THE RETIREMENT COMMISSION SHALL ACT:

(1) WITH THE CARE, SKILL, PRUDENCE, AND DILIGENCE UNDER THE CIRCUMSTANCES THEN PREVAILING THAT A PRUDENT PERSON ACTING IN A LIKE CAPACITY AND FAMILIAR WITH SUCH MATTERS WOULD USE IN THE CONDUCT OF AN ENTERPRISE OF A LIKE CHARACTER AND WITH THE LIKE AIMS;

(2) IN ACCORDANCE WITH STRICT FIDUCIARY STANDARDS AND RESPONSIBILITIES; AND

(3) IN ACCORDANCE WITH PROVISIONS OF THE SYSTEM AS ENACTED INTO LAW AND CONTAINED IN APPROPRIATE COLLECTIVE BARGAINING AGREEMENTS.

(d) SOCIAL SECURITY The retirement commission shall act as agent for the state in all matters relating to the social security agreement. The retirement commission may make regulations as to maintaining membership under social security AND/OR CONDUCT REFERENDA AS APPROPRIATE TO SECURE SOCIAL SECURITY COVERAGE FOR STATE EMPLOYEES TO THE EXTENT PERMITTED BY SECTION 213 OF THE SOCIAL SECURITY ACT.

(e) RULES AND REGULATIONS The retirement commission may adopt regulations in accordance with the provisions of chapter 54 as are necessary to carry out the provisions of this chapter AND IS HEREBY EMPOWERED AND AUTHORIZED TO ESTABLISH ANY AND ALL NECESSARY RULES AND REGULATIONS WHICH THEY DEEM NECESSARY OR DESIRABLE TO FACILITATE THE PROPER ADMINISTRATION OF THE SYSTEM, PROVIDED THE SAME ARE NOT INCONSISTENT WITH THE TERMS OF THIS STATUTE. ALL RULES AND REGULATIONS ESTABLISHED BY THE COMMISSION SHALL BE BINDING UPON ALL PARTIES DEALING WITH THE RETIREMENT COMMISSION AND ALL PERSONS CLAIMING ANY BENEFITS HEREUNDER PROVIDED THAT NO REGULATION, RULE, ACTION OR DETERMINATION MADE OR ADOPTED BY THE RETIREMENT COMMISSION SHALL IN ANY MANNER CONFLICT OR BE INCONSISTENT WITH ANY PROVISION OF THE APPLICABLE CURRENT COLLECTIVE BARGAINING AGREEMENT IN EFFECT, OR WHICH MAY BE MADE, BETWEEN ANY STATE EMPLOYER AND THE UNIONS REPRESENTING EMPLOYEES.

(f) ALLOCATION AND DELEGATION OF FIDUCIARY RESPONSIBILITIES. THE RETIREMENT COMMISSION MAY, BY RESOLUTION OR REGULATION, ALLOCATE FIDUCIARY RESPONSIBILITIES AND VARIOUS ADMINISTRATIVE DUTIES TO COMMITTEES OR SUBCOMMITTEES OF THE RETIREMENT COMMISSION, AND THEY MAY DELEGATE SUCH RESPONSIBILITIES AND DUTIES TO OTHER INDIVI-

DUALS AS THEY DEEM APPROPRIATE OR NECESSARY IN THEIR SOLE DISCRETION AND CONSISTENT WITH THIS STATUTE.

(g) HEARINGS THE COMMISSION MAY HOLD HEARINGS WHEN DEEMED NECESSARY IN THE PERFORMANCE OF ITS DUTY. THE HEARINGS SHALL BE GOVERNED BY RULES AND REGULATIONS OF THE COMMISSION AND THE COMMISSION SHALL NOT BE BOUND BY TECHNICAL RULES OF EVIDENCE.

(h) LEGAL ADVISOR THE COMMISSION MAY SELECT AND APPOINT AN ASSISTANT ATTORNEY GENERAL TO PROVIDE IT LEGAL ASSISTANCE AND ADVICE. SAID PERSON SHALL SERVE AT THE PLEASURE OF THE COMMISSION, SHALL HAVE OFFICES IN THE RETIREMENT DIVISION AND SHALL PERFORM DUTIES AS DIRECTED BY THE COMMISSION. THE COMMISSION MAY OBTAIN SUCH ADDITIONAL LEGAL ADVICE AS IT DEEMS ADVISABLE.

(i) REPORTING AND DISCLOSURE ALL PLANS, DESCRIPTIONS AND REPORTS AND ALL LEGAL, FINANCIAL AND ACTUARIAL DOCUMENTS DEALING WITH THE GENERAL OPERATIONS OF THE PENSION PLAN SHALL BE AVAILABLE FOR INSPECTION AND COPYING BY PLAN MEMBERS AND THEIR REPRESENTATIVES. THE COST OF ANY COPYING SHALL BE BORN BY THE EMPLOYEE(S) OR REPRESENTATIVE, NOT TO EXCEED TWENTY-FIVE CENTS (\$.25) PER PAGE.

EACH YEAR THE STATE TREASURER SHALL PUBLISH AND FORWARD TO THE COMMISSION A CONSOLIDATED REPORT THAT SHOWS THE FISCAL TRANSACTIONS OF THE SYSTEM FOR THE PRECEDING FISCAL YEAR (INCLUDING GAIN OR LOSS BY CATEGORY OF SECURITY), A RECONCILIATION OF ASSETS SHOWING THE PROGRESSION OF THE PENSION FUND FROM ONE YEAR TO THE NEXT, THE AMOUNT OF THE ACCUMULATED CASH AND SECURITIES OF THE SYSTEM AND THE LAST BALANCE SHEET SHOWING THE FINANCIAL CONDITION OF THE SYSTEM BY MEANS OF AN ACTUARIAL VALUATION OF ITS ASSETS AND LIABILITIES. ASSETS SHALL BE SHOWN AT BOOK AND MARKET VALUE AND BY TYPE OR TERM OF INVESTMENT. GAIN OR LOSS SHALL BE REPORTED BY CATEGORY OF SECURITY TYPE. THIS REQUIREMENT SHALL BE SATISFIED IF A FORM 5500 IS COMPLETED AND SUBMITTED TO THE COMMISSION PROVIDED THAT THE INFORMATION INCLUDED THEREIN IS SUFFICIENT TO ALLOW THE COMPUTATION OF THE INVESTMENT YIELD OF THE FUND ON AN ANNUAL BASIS.

EACH EMPLOYEE SHALL RECEIVE A SUMMARY PLAN DESCRIPTION WITHIN NINETY DAYS OF EMPLOYMENT AND AT LEAST ONCE IN EVERY FOUR YEARS THEREAFTER. PLAN MEMBERS WILL BE NOTIFIED OF SUBSTANTIAL STATUTORY PLAN AMENDMENTS, IF ANY, AS DETER-

MINED BY THE COMMISSION WITHIN 210 DAYS OF THEIR EFFECTIVE DATE.

EFFECTIVE JULY 1, 1985, AND EACH YEAR THEREAFTER, THE COMMISSION SHALL PROVIDE EACH MEMBER WITH A STATEMENT THAT SHOWS THE INDIVIDUAL'S VESTED BENEFITS OR THE BENEFITS THE MEMBER MAY BE ENTITLED TO ON VESTING AND THE DATE ON WHICH THE MEMBER WILL BE VESTED, SHOWS THE AMOUNT OF THE MEMBER'S ACCRUED BENEFITS, SHOWS THE NAME OF THE BENEFICIARY, IF ANY, OF THE PLAN PARTICIPANT IN CASE OF DEATH, SHOWS THE TOTAL AMOUNT OF CONTRIBUTIONS PAID BY THE PARTICIPANT AND THE INTEREST ACCRUED, IF ANY.

(j) CLAIMS PROCEDURE ANY CLAIM FOR A PENSION OR ANY OTHER BENEFIT WHICH MAY BECOME AVAILABLE IN ACCORDANCE WITH THE PROVISIONS OF THIS CHAPTER MAY BE SUBMITTED TO THE COMMISSION PROVIDED IT IS SUBMITTED IN WRITING. ANY SUCH CLAIM WILL BE REVIEWED AND DECIDED BY THE COMMISSION. THE CLAIMANT SHALL BE ADVISED OF THE PROCESSING STATUS OF THE SUBMITTED CLAIM UPON REASONABLE REQUEST.

(k) CLAIMS REVIEW AND APPEAL PROCEDURE IF ANY CLAIM IS DENIED, A CLAIMANT MAY REQUEST THAT THE DECISION BE REVIEWED AND RECONSIDERED BY THE COMMISSION. THEREAFTER, ANY CONTESTED CASE SHALL BE DECIDED IN ACCORDANCE WITH THE UNIFORM ADMINISTRATIVE PROCEDURES ACT.

Sec. 5-156a. Funding of retirement system on actuarial reserve basis.

(a) The state employees' retirement system shall be funded on an actuarial reserve basis. The retirement commission shall, on or before March first, annually certify to the general assembly the amount necessary on the basis of an actuarial determination to gradually establish and subsequently maintain the retirement fund on such determined actuarial reserve basis, and make such other recommendations with regard to such fund and its administration as the commission deems appropriate. The retirement commission shall, at least once every two years, prepare a valuation of the assets and liabilities of the system. On the basis of each such valuation, it shall redetermine the normal rate of contribution and, until it is amortized, the unfunded past service liability. The general assembly shall review the commission's recommendations and certification and shall appropriate to the retirement fund the amount certified by the retirement commission as necessary provided said certification is in compliance with this section at the time of certification, and the amount so certified shall not be reduced or used for other than the purposes of this section.

(b) The retirement commission shall determine on an actuarial basis (1) a normal rate of contribution which the state shall be required to make into the retirement fund in order to meet the actuarial cost of current service and (2) the unfunded past service liability. For the first sixteen years, the funding program for the actuarial reserve basis shall consist of the following percentages of the sum of normal cost and the amount required for a forty-year amortization of unfunded liabilities:

| Fiscal year | Percentage to be paid of normal cost plus full 40-year amortization from the beginning of such fiscal year |
|-----------------|--|
| Beginning | |
| " 7-1-72 | 35 |
| " 7-1-73 | 40 |
| " 7-1-74 | 45 |
| " 7-1-75 | 45 |
| " 7-1-76 | 50 |
| " 7-1-77 | 55 |
| " 7-1-78 | 60 |
| " 7-1-79 | 65 |
| " 7-1-80 | 70 |
| " 7-1-81 | 75 |
| " 7-1-82 | 80 |
| " 7-1-83 | 85 |
| " 7-1-84 | 90 |
| " 7-1-85 | 95 |
| " 7-1-86 | 100 |
| " <u>7-1-87</u> | <u>100</u> |
| " <u>7-1-88</u> | <u>100</u> |

[provided the state payments shall not be less than seventy-five per cent of the total retirement income payments for each fiscal year commencing July 1, 1973: and for each of the fiscal years ending June 30, 1972, and June 30, 1973, respectively, shall be seventy per cent of the total retirement income payments; and] provided [further] said state payments shall not be reduced or diverted to any purpose other than the payment into the retirement fund until for foregoing schedule of payments has been completed and said fund is determined to be actuarially sound.

(c) Transfer of appropriated amounts from the general fund to the retirement fund shall be made in equal monthly payments during the fiscal year.

(d) No act liberalizing the benefits of the plan shall be enacted by the general assembly until the assembly has requested and received from the retirement commission a certification of the cost of such change under the actuarial funding basis adopted by section 5-154 and this section using full normal cost plus forty-year amortization.

(e) THERE SHALL BE AN ANNUAL VALUATION OF THE ASSETS AND LIABILITIES AS OF DECEMBER 31, 1983 AND CONTINUING THROUGH 1986. THE VALUATION OF THE ASSETS AND LIABILITIES OF THE SYSTEM AS OF DECEMBER 31, 1983, SHALL (TO THE GREATEST EXTENT POSSIBLE) REFLECT ANY TRANSFERS MADE PURSUANT TO SECTION 5-158(h) AND ANY SERVICE CREDITS PURCHASED BY THE DATE OF THE VALUATION.

(F) FOR THE ANNUAL RETIREMENT COMMISSION CERTIFICATION OF THE AMOUNT NECESSARY TO FUND THE SYSTEM PRIOR TO THE DECEMBER 31, 1983 VALUATION, THE SAME ACTUARIAL COST METHOD AND ASSUMPTIONS AS WERE EMPLOYED IN DETERMINING THE CERTIFICATION FOR THE FISCAL YEAR BEGINNING JULY 1, 1982 SHALL BE UTILIZED (BUT SHALL REFLECT THE INCREASES IN PERCENTAGES INDICATED IN SUBSECTION (b)). THE CERTIFICATION RESULTING FROM THE DECEMBER 31, 1982 VALUATION SHALL NOT ESTIMATE OR OTHERWISE REFLECT THE EFFECT OF THE STATUTORY CHANGES OF WHICH THIS SECTION 5-156a(f) IS A PART.

(G) FOR ANY APPROPRIATION BASED ON AN ACTUARIAL VALUATION UNDERTAKEN ON OR AFTER DECEMBER 31, 1983, THE RETIREMENT COMMISSION SHALL SEPARATELY INDICATE THE ACTUARIAL COST OF CURRENT SERVICE FOR THE MEMBERS OF TIER II. SUCH CURRENT SERVICE COST FOR TIER II MEMBERS SHALL BE 100% FUNDED. ALL OTHER FUNDING SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTIONS (a) AND (b).

Sec. 5-156b. Employment of actuaries. The retirement commission shall employ the services of one or more actuaries, each of which shall be an individual or firm having on its staff a fellow of the society of actuaries, to carry out the actuarial duties of sections 5-156, 5-156a and subsection (b) of section 5-168 and for such related purposes as the retirement commission deems advisable. The cost of such services shall be charged to the retirement fund.

THE ACTUARY SHALL MAKE SUCH INVESTIGATION OF THE MORTALITY, SERVICE AND COMPENSATION EXPERIENCE OF THE MEMBERS OF THE SYSTEM AS THE COMMISSION SHALL RECOMMEND AND AUTHORIZE, AND ON THE BASIS OF THE INVESTIGATIONS HE SHALL RECOMMEND FOR ADOPTION BY THE COMMISSION SUCH TABLES AND RATES

AS ARE REQUIRED. HAVING REGARD TO THE INVESTIGATIONS AND RECOMMENDATIONS, THE COMMISSION SHALL ADOPT SUCH TABLES AS SHALL BE DEEMED NECESSARY AND SHALL CERTIFY THE RATES OF CONTRIBUTION NECESSARY TO FUND THE SYSTEM.

AT LEAST ONCE IN EACH 5-YEAR PERIOD, THE ACTUARY SHALL MAKE ACTUARIAL INVESTIGATIONS INTO THE MORTALITY, SERVICE, AND COMPENSATION EXPERIENCE OF THE MEMBERS AND BENEFICIARIES OF THE SYSTEM AND SHALL AT LEAST ONCE EACH 2-YEARS MAKE A VALUATION OF THE ASSETS AND LIABILITIES OF THE FUNDS OF THE SYSTEM, AND TAKING INTO ACCOUNT THE RESULTS OF SUCH INVESTIGATIONS AND VALUATIONS, THE COMMISSION SHALL ADOPT FOR THE SYSTEM MORTALITY, SERVICE, AND OTHER TABLES AS SHALL BE DEEMED NECESSARY AND SHALL CERTIFY THE RATES OF ANNUAL CONTRIBUTION PAYABLE UNDER THE APPLICABLE PROVISIONS OF THIS ARTICLE.

Sec. 5-158h [new] (a) ~~NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART II TO THE CONTRARY, EACH (STATE EMPLOYEE) WHO IS COVERED UNDER THIS STATE EMPLOYEES RETIREMENT SYSTEM AND ALSO UNDER SOCIAL SECURITY SHALL HAVE THE RIGHT TO DETERMINE WHETHER TO BE RETROACTIVELY COVERED UNDER THE FULL PART A PROVISION (COMMONLY REFERRED TO AS "PLAN C") OR UNDER THE PART B PROVISION UNTIL FIFTEEN MONTHS AFTER THE EFFECTIVE DATE OF TIER II OR JANUARY 2, 1984 WHICHEVER COMES FIRST. AFTER SUCH DATE, NO EMPLOYEE MAY TRANSFER BETWEEN PART A AND PART B. IF A MEMBER TERMINATES AND IS REEMPLOYED AFTER SUCH DATE, SUCH MEMBER SHALL AUTOMATICALLY BE COVERED UNDER WHICHEVER PART HE WAS COVERED AT THE TIME OF THE PRIOR TERMINATION.~~ *Member*

(b) IF A MEMBER COVERED UNDER PART B ELECTS TO TRANSFER TO FULL PART A PRIOR TO SUCH DATE, SUCH MEMBER SHALL NOTIFY THE RETIRMENT COMMISSION NO LATER THAN JANUARY 1, 1984, ON THE FORM PROVIDED BY IT AND SHALL PAY (IN A LUMP SUM) THE EXTRA CONTRIBUTIONS THAT WOULD HAVE BEEN PAYABLE, WITHOUT INTEREST, HAD SUCH PART A ELECTION BEEN MADE AS OF HIS DATE OF ENTRY INTO THE SYSTEM. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO MAKE SUCH LUMP SUM PAYMENT, THE EMPLOYEE AND THE RETIREMENT COMMISSION MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 131). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT A YEAR, AND THE TRANSFER TO PART A SHALL NOT BE EFFECTIVE UNTIL ALL SUCH INSTALLMENTS HAVE BEEN PAID. IF A MEMBER SEVERS EMPLOYMENT FOR ANY REASON BEFORE ALL SUCH INSTALLMENTS ARE PAID, THE BALANCE

OUTSTANDING SHALL BE PAYABLE IN A LUMP SUM WITHIN 90 DAYS (OR A LONGER PERIOD IF APPROVED BY THE RETIREMENT COMMISSION). IF SUCH AMOUNT IS NOT PAID, THE MEMBER SHALL BE ENTITLED TO THE REFUND OF PRIOR INSTALLMENTS, BUT WITHOUT ANY ADDITIONAL INTEREST.

(c) IF A MEMBER COVERED UNDER FULL PART A PROVISIONS ELECTS TO TRANSFER TO PART B PRIOR TO SUCH DATE, SUCH MEMBER SHALL NOTIFY THE RETIREMENT COMMISSION NO LATER THAN JANUARY 1, 1984, ON THE FORM PROVIDED BY IT. SUCH MEMBER SHALL BE REFUNDED, FROM THE RETIREMENT FUND, THE CONTRIBUTIONS THAT HAD BEEN PAID BY HIM, INCLUDING ANY INTEREST PAID BY SUCH MEMBER, BUT EXCLUDING ANY OTHER INTEREST ADJUSTMENT, BEYOND THOSE THAT WOULD HAVE BEEN PAYABLE HAD SUCH PART B ELECTION BEEN MADE AS THE LATER OF HIS DATE OF ENTRY INTO THE SYSTEM OF JANUARY 1, 1956.

(d) IF A MEMBER DOES NOT WISH TO CHANGE HIS COVERAGE, NO ACTION OF HIS PART SHALL BE REQUIRED.

Sec. 5-160. Eligibility. (a) Each state employee appointed to the classified service shall become a member on the first day of the pay period following the date he receives a permanent appointment in the classified service except that membership shall not be required of such employees in positions funded in whole or in part by the federal government as part of the public service employment program, on-the-job training program or work experience program.

(b) Each office elected by the people and each appointee of such officer exempt from the classified service may elect to become a member, effective on the first day of the pay period following the date his election is received by the retirement commission.

(c) Except for such members as elected to remain or be reinstated as members of the state employees retirement system under section 5-166a, members of the judiciary eligible for retirement under the provisions of section 51-50 or 51-50a and members of the teachers' retirement association not in state service are not eligible for membership in the state retirement system.

(d) Each other state employee appointed to a position exempt from the classified service, except positions 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, shall become a member on the first day of the pay period following the date he has completed six months in such position, provided he has elected no other Connecticut retirement plan.

(e) Each person who has been in state service since September 1, 1939, and who is not a member may elect to become a member, effective on the first day of the pay period following the date his election is received by the retirement commission.

(f) A temporary, emergency or provisional employee may elect to become a member, effective on the first day of the pay period following the date his election is received by the retirement commission. At any time not later than the date six months after his membership becomes mandatory under subsection (a) or (d), such employee may elect to make retirement contributions for his salary received during the period, not in excess of twelve months, prior to the effective date of his membership, without interest. Such contributions shall be paid within six months after his membership becomes mandatory.

(g) Any teacher in state service required as a condition of his employment to hold an appropriate certificate of qualification issued by the state board of education under the provisions of section 10-145a and any teacher or professional staff member employed by the board of higher education or any of its constituent units shall elect membership either in the retirement system or the teachers' retirement system subject to the provisions of section 10-183p, provided on or after October 1, 1975, any such employee who is appointed to a position which makes him eligible for membership in an alternate retirement program as authorized by subsections (u) and (v) of section 5-154, sections 5-156 and 5-158f, this subsection and subsection (d) of section 10-323e, and who elects such membership, shall not be required to become a member of the state employees' retirement system or the teachers' retirement association. Each such teacher shall be notified of the above option when he accepts his employment. If any such teacher shall not have made an election within one month after employment, he shall be deemed to have elected membership in the state employees retirement system. In the administration of this section, the board of trustees of the institution or unit employing the teacher and said board shall each perform, for the persons employed by it, the duties prescribed by chapter 167a for boards of education and the chief administrative officer of such institution, unit or board shall perform those prescribed in said chapter for the superintendent of schools.

(h) SUBJECT TO THE OTHER PROVISIONS OF THE STATE EMPLOYEES RETIREMENT SYSTEM, AND THE TEACHERS' RETIREMENT ASSOCIATION, OR THE ALTERNATE RETIREMENT PROGRAM, TRANSFERS BETWEEN SUCH SYSTEMS WILL CONTINUE TO BE PERMITTED UNTIL ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. NOTWITHSTANDING ANY OTHER PROVISIONS OF PART II OR PART III TO THE CONTRARY, NO TRANSFERS BETWEEN THE STATE EMPLOYEES RETIREMENT SYSTEM, AND EITHER THE TEACHERS' RETIREMENT ASSOCIA-

TION, OR THE ALTERNATE RETIREMENT PROGRAM SHALL BE PERMITTED AFTER SUCH DATE, EXCEPT FOR AN EMPLOYEE WHO HAS HAD A BONA FIDE CHANGE IN EMPLOYMENT. SUCH EMPLOYEE SHALL BE ELIGIBLE TO TRANSFER BETWEEN SYSTEMS IF, AND ONLY IF, SUCH CHANGE IS EITHER (1) TO A POSITION WHERE PARTICIPATION IN THE TEACHERS' RETIREMENT ASSOCIATION OR THE ALTERNATE RETIREMENT PROGRAM IS PERMITTED AND SUCH EMPLOYEE HAD NOT PREVIOUSLY HAD SUCH AN ELECTION OR (2) TO A POSITION WHERE PARTICIPATION IN THE TEACHERS' RETIREMENT ASSOCIATION OR THE ALTERNATE RETIREMENT PROGRAM IS NOT PERMITTED AND SUCH EMPLOYEE WAS PARTICIPATING IN ONE OF THOSE SYSTEMS.

(i) EACH STATE EMPLOYEE WHO FIRST JOINS THE STATE EMPLOYEES RETIREMENT SYSTEM ON OR AFTER THE EFFECTIVE DATE OF TIER II SHALL HAVE HIS ELIGIBILITY AND MEMBERSHIP DETERMINED UNDER SECTION 5-192e THROUGH SECTION 5-192w. A STATE EMPLOYEE WHO REJOINS THE STATE EMPLOYEES RETIREMENT SYSTEM ON OR AFTER THE EFFECTIVE DATE OF TIER II SHALL BECOME A MEMBER OF TIER II IF SECTION 5-192e SO INDICATES; OTHERWISE SUCH EMPLOYEE SHALL BECOME A MEMBER OF TIER I. FOR PURPOSES OF PARTS II, II, AND IV HEREOF, THE "EFFECTIVE DATE OF TIER II" SHALL MEAN THE FIRST DAY OF THE MONTH COINCIDENT WITH OR, OTHERWISE, IMMEDIATELY FOLLOWING 90 DAYS AFTER APPROVAL PURSUANT TO C.G.S. 5-278(b), OF SECTION 5-192e THROUGH 5-192w BY THE STATE LEGISLATURE.

Sec. 5-162. *Retirement date and retirement income. (a) The retirement income for which a member is eligible shall be determined from his retirement date, years of state service and base salary, in accordance with the schedule in subsection (c) or (d) below, whichever is appropriate.

(b) As used in this section: "Base salary" means the average annual regular salary, including longevity payments, (AS DEFINED IN SECTION 5-154(h)) received by a member for his three highest-paid years of state service, disregarding any general temporary reduction or any reduction or nonpayment for illness or other temporary absence; "retirement date" means the date on which a member is retired from state service; "social security earnings" means that portion of the member's base salary up to and including the sum of forty-eight hundred dollars on which the state made contributions under the social security agreement, or would have made contributions had the member been covered under social security by the state during the years used in determining his base salary; "excess earnings" means that portion of the member's annual base salary in excess of his social security earnings, provided, if the member has no social security earnings because the state has made no social security contributions for him, his excess earnings shall equal his base salary. NOTWITHSTANDING THE FOREGOING, ON AND AFTER

JANUARY 1, 1983, "BASE SALARY" MEANS THE AVERAGE COVERED EARNINGS RECEIVED BY A MEMBER FOR HIS THREE HIGHEST-PAID YEARS OF STATE SERVICE, DISREGARDING ANY GENERAL TEMPORARY REDUCTION OR ANY REDUCTION OR NON-PAYMENT FOR ILLNESS OR OTHER ABSENCE WHICH DOES NOT EXCEED 90 DAYS. "COVERED EARNINGS" IS THE ANNUAL SALARY (AS DEFINED IN SECTION 5-154(h)) RECEIVED BY A MEMBER IN A YEAR, LIMITED BY ONE HUNDRED AND THIRTY PERCENT OF THE AVERAGE OF THE TWO PREVIOUS YEARS COVERED EARNINGS (SO LIMITED IF NECESSARY). THE LIMIT DOES NOT APPLY TO EARNINGS FOR CALENDAR YEARS BEFORE 1983, NOR FOR THE FIRST THREE FULL OR PARTIAL YEARS OF EMPLOYMENT. THE RETIREMENT COMMISSION MAY DETERMINE THE PROCEDURE TO BE FOLLOWED WHEN THE MEMBERS WAS NOT EMPLOYED ON A FULL-TIME BASIS FOR THE ENTIRE TWO PREVIOUS YEARS USED TO DEVELOP SUCH LIMIT.

(c) Schedule 1--Twenty-five or more years of state service.

(1) Except as provided in section 5-163a, each member who has completed twenty-five or more years of state service shall be retired on his own application on the first day of the month named in the application, and on or after the member's fifty-fifth birthday.

(2) Each member who has completed twenty-five or more years of state service and has reached his seventieth birthday and who is in an appointive position shall continue in service and shall be retired on the first day of the month on or after his seventieth birthday, upon notice from the retirement commission to the member, to the executive head of his agency and the comptroller.

(3) Each member referred to in subdivisions (1) and (2) of this subsection shall receive a monthly retirement income beginning on his retirement date equal to one-twelfth of (A) plus (B): (A) Twenty-five per cent of his social security earnings, plus fifty per cent of his excess earnings; (B) the number of years, if any, taken to completed months, of his state service in excess of twenty-five years multiplied by one percent of his social security earnings, plus the number of such years multiplied by two per cent of his excess earnings.

(d) Schedule 2--Less than twenty-five years of state service.

(1) Except as provided in section 5-163a, each member who has completed less than twenty-five years of state service shall be retired on his own application, on the first day of the month following his application, if the member has completed ten years of state service and reached his sixtieth birthday.

(2) Each such member in an appointive position who has reached his seventieth birthday shall continue in service and shall be retired on the first day of the month on or after his seventieth birthday, upon notice from the retirement commission to the member, the executive head of his agency and the comptroller.

(3) Each member referred to in subdivisions (1) and (2) of this subsection shall receive a monthly retirement income beginning on his retirement date equal to one-twelfth of (A) plus (B): (A) The number of years of his state service, taken to completed months, multiplied by the applicable percentage of his social security earnings determined from the table below for the appropriate age and years of state service; (B) the number of such years multiplied by the applicable percentage of his excess earnings determined from the table below for such age and years of service.

| Age of Member on His Retirement Date | Years of State Service** | Percentage Of Social Security Earnings | Excess Earnings |
|--------------------------------------|--------------------------|--|-----------------|
| 70 and over | 5 and over* | 1.25% | 2.50% |
| 65 to 70 | 10 | 1.00 | 2.00 |
| 64 | 10 | .94 | 1.88 |
| 63 | 10 | .88 | 1.76 |
| 62 | 10 | .82 | 1.64 |
| 61 | 10 | .76 | 1.52 |
| 60 | 10 | .70 | 1.40 |
| 59 | 10 | .65 | 1.30 |
| 58 | 10 | .60 | 1.20 |
| 57 | 10 | .56 | 1.12 |
| 56 | 10 | .53 | 1.06 |
| 55 | 10 | .50 | 1.00 |

*Not more than 20 years may be counted for this age and percentage group.

**Between the ages of fifty-five and sixty, the minimum service requirement is ten years of actual full-time state service as described in section 5-166. For each full year of service beyond ten, the percentage of social security earnings shall be increased by one-fifteenth of the difference between one and the percentage shown in the above table opposite the age of the retiring employee, and the percentage of excess earnings shall be increased by one-fifteenth of the difference between two and the percentage shown in the above table opposite the age of the retiring employee.

(e) Each retirement application shall be made to the retirement commission and, upon its approval, shall be forwarded to the comptroller,

who shall draw his orders upon the treasurer for any amounts the applicant is entitled to receive.

SEC. 5-162e. Cost of living adjustment. (a) NOTWITHSTANDING THE PROVISIONS OF SECTIONS 5-162b AND 5-162d, ON AND AFTER THE EFFECTIVE DATE OF TIER II, THE COST-OF-LIVING ALLOWANCE INCREASE SHALL BE SIX PERCENT IF AND ONLY IF (1) THE MEMBER WAS NOT COVERED BY SOCIAL SECURITY FOR AT LEAST HALF OF THE PERIOD OF HIS STATE SERVICE AND (2) THE PERSON RECEIVING BENEFITS, EITHER THE MEMBER, HIS SPOUSE, OR CONTINGENT ANNUITANT, HAS ATTAINED AGE 62. IF ON ANY APPLICABLE ANNIVERSARY DATE, THE RETIREMENT COMMISSION DETERMINES THAT THE NATIONAL CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS FOR THE PREVIOUS TWELVE MONTH PERIOD HAS INCREASED LESS THAN SUCH SIX PERCENT, THE COST-OF-LIVING ALLOWANCE INCREASE SHALL BE EQUAL TO THE PERCENTAGE CHANGE IN SUCH INDEX, PROVIDED SUCH COST-OF-LIVING ALLOWANCE INCREASE SHALL NOT BE LESS THAN THREE PERCENT.

(b) (1) IF AN ACTUARIAL SURPLUS EXISTS FOR THE SYSTEM, THE RETIREMENT COMMISSION MAY ELECT TO INCREASE BENEFITS OF SOME OR ALL ALREADY RETIRED EMPLOYEES. THE PROVISION OF SUBSECTION (2) AND SUBSECTION (3) HEREOF SHALL BE THE METHOD USED TO DETERMINE WHETHER AN ACTUARIAL SURPLUS DOES EXIST. ANY SUCH INCREASE SHALL BE IN ADDITION TO ANY OTHER COST-OF-LIVING INCREASES AUTOMATICALLY PROVIDED TO RETIRED EMPLOYEES. THE LUMP SUM ACTUARIAL VALUE OF ANY SUCH INCREASE SHALL IN NO EVENT BE GREATER THAN THE DIFFERENCE BETWEEN THE ACTUAL UNFUNDED PAST SERVICE LIABILITY (AS DETERMINED PURSUANT TO SUBSECTION (3) BELOW) ON THE APPROPRIATE JUNE 30TH AND THE EXPECTED UNFUNDED PAST SERVICE LIABILITY (AS DETERMINED BY THE TABLE DEVELOPED PURSUANT TO SUBSECTION (2) BELOW) FOR THAT SAME JUNE 30TH.

(2) AS PART OF THE DECEMBER 31, 1983 VALUATION OF THE SYSTEM, THE SYSTEM'S ACTUARY SHALL DEVELOP A TABLE OF THE EXPECTED UNFUNDED PAST SERVICE LIABILITY FOR THE PLAN AS OF EACH JUNE 30TH, BEGINNING WITH JUNE 30, 1984 AND ENDING WITH JUNE 30, 2026. THE TABLE SHALL BE BASED ON THE UNFUNDED PAST SERVICE LIABILITY GENERATED BY THE VALUATION AND SHALL REFLECT THE FACT THAT LESS THAN 100% OF THE NORMAL COST AND FULL 40-YEAR AMORTIZATION WILL BE PAID INTO THE SYSTEM PRIOR TO JULY 1, 1986. SUCH TABLE SHALL NOT BE ADJUSTED IN FUTURE YEARS, EXCEPT TO THE EXTENT NECESSARY TO REFLECT CHANGES IN ACTUARIAL ASSUMPTIONS OR ACTUARIAL COST METHODS APPROVED BY THE RETIREMENT COMMISSION. SUCH TABLE

SHALL BE USED TO DETERMINE WHETHER AN ACTUARIAL SURPLUS EXISTS IN THE SYSTEM.

(3) WITHIN SIX MONTHS AFTER EACH JUNE 30TH STARTING WITH JUNE 30, 1984, THE RETIREMENT COMMISSION SHALL DETERMINE WHETHER THE RETIREMENT FUND HAD AN ACTUARIAL SURPLUS FOR THE COMPLETED YEAR. SUCH SURPLUS SHALL BE DEEMED TO EXIST IF, AND ONLY IF, THE FOLLOWING THREE CRITERIA ARE ALL MET.

(i) THE INVESTMENT RETURN ON THE FUND HAS EXCEEDED THE INTEREST RATE ASSUMPTION EMPLOYED FOR REGULAR VALUATION PURPOSES BY THE FUND. THE INVESTMENT RETURN FOR THE FUND SHALL BE CALCULATED BY THE FOLLOWING FORMULA

$$2I/A+B-I$$

WHERE

A IS THE MARKET VALUE OF THE FUND (INCLUDING ANY DUE BUT UNPAID CONTRIBUTION) AS OF THE FIRST DAY OF THE FISCAL YEAR;

B IS THE MARKET VALUE OF THE FUND (INCLUDING ANY DUE BUT UNPAID CONTRIBUTION) AS OF THE LAST DAY OF THE FISCAL YEAR; AND

I IS THE MARKET VALUE RETURN OF THE FUND, WHICH SHALL BE EQUAL TO B REDUCED BY A, BUT INCREASED BY THE TOTAL AMOUNT OF BENEFITS AND EXPENSES PAID FROM THE FUND DURING THE YEAR, AND DECREASED BY THE TOTAL AMOUNT OF EMPLOYER AND EMPLOYEE CONTRIBUTIONS FOR THAT YEAR, WHETHER OR NOT PAID.

(ii) THE MARKET VALUE OF THE SYSTEM'S ASSETS AS OF THE APPROPRIATE JUNE 30TH WAS GREATER THAN FIFTY PERCENT (50%) OF THE SUM OF (A) THE LIABILITY FOR RETIRED MEMBERS AND THEIR BENEFICIARIES; (B) THE LIABILITY FOR FORMER MEMBERS ENTITLED TO A DEFERRED VESTED BENEFIT; AND (C) THE THEN CURRENT VALUE OF EMPLOYEE CONTRIBUTIONS, PLUS INTEREST, FOR ACTIVE MEMBERS. IN DETERMINING SUCH LIABILITIES, THE FUND'S ACTUARY SHALL RECOGNIZE FUTURE COST-OF-LIVING ADJUSTMENTS PROVIDED UNDER TIER I AND TIER II AND SHALL EMPLOY THE ACTUARIAL ASSUMPTIONS UTILIZED FOR REGULAR VALUATION PURPOSES. THE ACTUARY MAY UTILIZE REASONABLE ESTIMATES TO MAKE SUCH CALCULATIONS.

(3) THE ACTUAL UNFUNDED PAST SERVICE LIABILITY OF THE SYSTEM AS OF THE APPROPRIATE JUNE 30TH WAS LESS THAN THE EXPECTED UNFUNDED PAST SERVICE LIABILITY (AS INDICATED BY THE TABLE DEVELOPED PURSUANT TO SUBPARAGRAPH (2) ABOVE) FOR THE JUNE 30TH FIVE YEARS LATER. IN DETERMINING THE ACTUAL UNFUNDED PAST SERVICE LIABILITY, THE ACTUARY SHALL EMPLOY THE ACTUARIAL ASSUMPTIONS AND PROCEDURES UTILIZED FOR THE LAST REGULAR VALUATION. THE ACTUARY MAY UTILIZE REASONABLE ESTIMATES TO MAKE SUCH CALCULATIONS.

Sec. 5-162f. Minimum monthly retirement income. On or after July 1, 1977, THE EFFECTIVE DATE OF TIER II, each retired member who has completed twenty-five years of state service in accordance with subsection (c) of section 5-162 or who is receiving retirement income under section 5-173, exclusive of any such retired member who was qualified as an employee in accordance with the definition in subsection (b) of section 5-270 and with respect to whom the provisions of section 5-271 were applicable on the date of such retired member's actual retirement from state service, shall receive a minimum monthly retirement income of three hundred dollars, except (1) any member retired under Part A of the state employees retirement system, in accordance with sections 5-157 and 5-162, shall receive a minimum monthly retirement income of three hundred dollars, less any reduction for the husband and wife retirement income option under section 5-165, or any actuarial reduction under subsection (e) of section 5-163, or both, and (2) any member retired under Part B of the state employees retirement system, in accordance with sections 5-157 and 5-162, shall receive prior to age sixty-five a minimum monthly retirement income of three hundred dollars, less any reduction for the husband and wife retirement income any option under section 5-165, or any actuarial reduction under subsection (c) of section 5-163, or both, and any member retired under Part B of the state employees retirement system, in accordance with sections 5-157 and 5-162, shall receive on attaining age sixty-five or on receipt of a social security disability award the equivalent reduced amount with respect to the monthly retirement income in accordance with subdivision (3) of subsection (e) of section 5-162. Eligibility for an increase in the monthly retirement allowance to meet said minimum monthly retirement shall be determined after the application of any cost of living adjustments under sections 5-162b and 5-162d. SUCH MINIMUM MONTHLY BENEFIT, FOR MEMBERS ALREADY RETIRED, SHALL BE DETERMINED AFTER THE APPLICATION OF ANY COST-OF-LIVING ADJUSTMENTS UNDER SECTIONS 5-162b, 5-162d AND 5-162e. SUCH MINIMUM SHALL ALSO APPLY TO A MEMBER WHO HAS COMPLETED TWENTY-FIVE YEARS OF STATE SERVICE WHO TERMINATES PRIOR TO BEING ELIGIBLE FOR IMMEDIATE RETIREMENT BENEFITS, BUT THIS PROVISION SHALL NOT RESULT IN AN EARLIER COMMENCEMENT OF BENEFITS THAN WOULD OTHERWISE APPLY HEREUNDER.

Sec. 5-165. Husband and wife retirement income option. (a) A member may elect the husband and wife retirement income option by filing with the retirement commission a written election on a form provided by the commission. Such election shall either be filed at least three years before retirement income payments begin to either the member or his spouse or shall be subject to such other requirements as the commission shall prescribe.

(b) This option provides reduced monthly retirement income to the member. This reduced retirement income, or such part thereof as the member specifies in his election, shall be continued to his spouse named in such election for as long as the spouse lives, if the member dies after his retirement income payments begin.

(c) The reduced retirement income shall be in an amount determined by the retirement commission may to be the actuarial equivalent of the retirement income that would be payable were it not for the member's election of this option.

(d) The retirement commission may establish regulations as to other conditions for and the method of election, the amount of reduced income payable, the effect of death of either spouse other than as provided above, and other similar matters.

Sec. 5-165. (New) Optional forms of retirement income. A MEMBER MAY ELECT ONE OF THE FOLLOWING OPTIONAL FORMS FOR RETIREMENT INCOME BY FILING WITH THE RETIREMENT COMMISSION A WRITTEN ELECTION ON A FORM PROVIDED BY THE COMMISSION. A MEMBER WHO HAS BEEN MARRIED AT LEAST ONE YEAR WILL BE PRESUMED TO ELECT OPTION (a) BELOW UNLESS A CONTRARY ELECTION IS MADE BY THE MEMBER. ALL OTHER MEMBERS WILL BE PRESUMED TO ELECT OPTION (d) BELOW, UNLESS A CONTRARY ELECTION IS MADE BY THE MEMBER. ANY ELECTION MUST BE FILED BEFORE RETIREMENT INCOME PAYMENTS BEGIN. NO OPTION SHALL BE EFFECTIVE UNTIL A MEMBER HAS RETIRED, AND IN THE EVENT A MEMBER DIES PRIOR TO THE EFFECTIVE DATE OF COMMENCEMENT OF BENEFITS, ANY ELECTION OF AN OPTION SHALL BE DEEMED CANCELLED. EXCEPT THAT IN SUCH EVENT, IF THE MEMBER HAS APPLIED TO RETIRE, AND HAS ELECTED THAT BENEFITS SHALL BE PAID PURSUANT TO OPTION (b) OR (c) BELOW, SAID ELECTION SHALL NOT BE CANCELLED.

THE AMOUNT OF INCOME THAT WILL BE PAID UNDER THE OPTIONS WILL BE DETERMINED BY MULTIPLYING THE RETIREMENT INCOME OTHERWISE APPLICABLE BY THE ACTUARIALLY EQUIVALENT OPTION FACTORS LAST ADOPTED BY THE RETIREMENT COMMISSION. BEGINNING WITH THE EFFECTIVE DATE OF TIER II (BUT ONLY WITH

*except as provided
in 5-165a(c)
under new
provisions*

REGARD TO BENEFITS PAYABLE ON BEHALF OF MEMBERS WHOSE BENEFITS HAVE NOT YET COMMENCED) SUCH FACTORS SHALL NOT DIFFERENTIATE BY SEX OF THE MEMBER, OR THE MEMBER'S SPOUSE OR CONTINGENT ANNUITANT. THE INITIAL UNISEX FACTORS SHALL EMPLOY THE INTEREST RATE AND MORTALITY TABLE ASSUMPTIONS UTILIZED FOR THE DECEMBER 31, 1980 VALUATION, WITH THE FACTORS MADE SEX NEUTRAL BY ASSUMING 60% MALE AND 40% FEMALE FOR MEMBERS, AND 60% FEMALE AND 40% MALE FOR SPOUSES AND CONTINGENT ANNUITANTS. THE COST OF LIVING ADJUSTMENT UNDER SECTIONS 5-162d AND 5-162e SHALL BE ASSUMED TO BE 3%. THE FACTORS SHALL NOT TAKE INTO ACCOUNT THE COST OF PROVIDING THE SURVIVING SPOUSE BENEFIT UNDER SECTION 5-165a. THE FACTORS MAY BE PERIODICALLY ADJUSTED (EITHER UPWARD OR DOWNWARD) BY THE RETIREMENT COMMISSION TO REFLECT CHANGING INTEREST, MORTALITY, OR ELECTION OF OPTION PATTERNS PROVIDED THAT THEY SHALL BE REVIEWED AND ADJUSTED BY JANUARY 1, 1985. ANY SUCH CHANGES SHALL APPLY ONLY TO MEMBERS WHOSE BENEFITS COMMENCE AFTER THE EFFECTIVE DATE OF ADOPTION OF SUCH FACTORS.

(a) A REDUCED AMOUNT PAYABLE TO THE MEMBER FOR HIS LIFETIME, WITH THE PROVISION THAT AFTER HIS DEATH HIS SPOUSE, IF SURVIVING, SHALL BE ENTITLED TO RECEIVE A LIFETIME INCOME EQUAL TO FIFTY PERCENT OF THE REDUCED MONTHLY AMOUNT PAYABLE TO THE MEMBER.

(b) A REDUCED AMOUNT PAYABLE TO THE MEMBER FOR HIS LIFETIME, WITH THE PROVISION THAT AFTER HIS DEATH, HIS CONTINGENT ANNUITANT SHALL BE ENTITLED TO RECEIVE A LIFETIME INCOME EQUAL TO EITHER FIFTY OR ONE HUNDRED PERCENT OF THE REDUCED AMOUNT PAYABLE TO THE MEMBER.

(c) A REDUCED AMOUNT PAYABLE TO THE MEMBER FOR HIS LIFETIME, WITH THE PROVISION THAT IF HE SHALL DIE WITHIN EITHER A TEN OR TWENTY YEAR PERIOD FOLLOWING THE DATE HIS RETIREMENT INCOME COMMENCES (WHICHEVER IS SELECTED BY THE MEMBER), THE REDUCED AMOUNT CONTINUES TO HIS CONTINGENT ANNUITANT FOR THE BALANCE OF THE TEN OR TWENTY YEAR PERIOD, RESPECTIVELY.

(d) AN AMOUNT PAYABLE TO THE MEMBER FOR HIS LIFETIME, WITH NO PAYMENTS CONTINUING AFTER THE MEMBER'S DEATH.

NOTWITHSTANDING THE FOREGOING, A TEMPORARY MINIMUM SHALL APPLY WHENEVER THE RETIREMENT COMMISSION ADOPTS REVISED FACTORS WHICH COULD RESULT IN A SMALLER BENEFIT TO

A MEMBER THAN WOULD HAVE BEEN PAYABLE UNDER THE PREVIOUSLY EXISTING FACTORS. SUCH MINIMUM SHALL BE DETERMINED AS FOLLOWS:

(1) THE BENEFIT THE MEMBER HAD EARNED AS OF THE DATE OF THE CHANGE IN FACTORS SHALL BE CALCULATED, BASED ON HIS FINAL EARNINGS AND SERVICE AS OF THAT DATE;

(2) ANY EARLY RETIREMENT REDUCTION IN SUCH BENEFIT SHALL BE BASED UPON HIS AGE AS DETERMINED ON THE DATE BENEFITS WILL COMMENCE, AND HIS TYPE OF RETIREMENT; AND

(3) THE OPTION FACTOR SHALL BE DETERMINED UTILIZING THE FACTORS IN EFFECT PRIOR TO SUCH CHANGE, BUT BASED ON APPROPRIATE AGES AS OF THE DATE BENEFITS WILL COMMENCE.

IF SUCH MINIMUM RESULTS IN A LARGER BENEFIT THE LARGER BENEFIT SHALL BE PAYABLE.

Sec. 5-165a. Spouse benefit if member dies before retirement. If a member elects, or has elected and not revoked, the husband and wife option provided in subsection (a) of section 5-165, he, after he and his spouse have been married for at least two years, shall also be entitled to the spouse benefit as follows: If such member dies after the effective date of such election and after completion of the age and service qualifications for retirement, with the exception of disability, but before the effective date of his retirement income, his spouse shall receive, as long as the spouse lives, a monthly income beginning on the first day of the month following the member's death, in an amount equal to the same percentage the spouse would be entitled to under subsection (b) of section 5-165 applied to the retirement income to which the member would have been entitled if he had retired just before his death; and if such member has completed twenty-five years of service, such retirement income shall be computed as if there were no age requirement for eligibility to retirement.

(a) IF A MEMBER WHO IS CONTINUING TO ACCRUE STATE SERVICE OR WHO IS ON A LEAVE OF ABSENCE FOR HEALTH REASONS DIES AFTER THE LEGISLATIVE APPROVAL, PURSUANT TO C.G.S. §5-278(b), OF THIS PROVISION AND EITHER (i) AFTER COMPLETION OF THE AGE AND SERVICE REQUIREMENTS FOR RETIREMENT UNDER SECTIONS 5-162 OR (ii) COMPLETING 25 YEARS OF SERVICE, HIS SPOUSE (PROVIDED THEY HAVE BEEN LAWFULLY MARRIED FOR AT LEAST THE 12 MONTHS PRECEDING HIS DEATH), SHALL RECEIVE A LIFETIME

INCOME IN AN AMOUNT EQUAL TO FIFTY PERCENT OF THE AVERAGE OF THE RETIREMENT INCOME THAT THE MEMBER WOULD HAVE BEEN ENTITLED TO IF HE HAD RETIRED THE DAY HE DIED HAD NO BENEFITS BEEN PAID UNDER THE OPTION SPECIFIED IN 5-165(d) AND THE RETIREMENT INCOME THAT THE MEMBER WOULD HAVE BEEN ENTITLED TO IF HE HAD RETIRED THE DAY HE DIED AND HAD HIS BENEFIT BEEN PAID UNDER THE OPTION SPECIFIED IN 5-165(a). THE FIRST PAYMENT SHALL BE MADE AS OF THE FIRST DAY OF THE MONTH COINCIDENT WITH OR, OTHERWISE, NEXT FOLLOWING HIS DATE OF DEATH. IF SUCH MEMBER WAS NOT ELIGIBLE TO RETIRE AT THE TIME OF HIS DEATH, SUCH BENEFIT SHALL BE CALCULATED AS IF HE HAD REACHED AGE FIFTY-FIVE, BUT BASED ON HIS SERVICE AND FINAL AVERAGE EARNINGS AT HIS DATE OF DEATH.

(b) IF A MEMBER WHO HAS EITHER TERMINATED WITH AT LEAST 25 YEARS OF SERVICE OR RETIRED PURSUANT TO SECTION 5-162, BUT WHOSE BENEFITS IN EITHER EVENT ARE NOT YET BEING PAID, SHALL DIE PRIOR TO THE COMMENCEMENT DATE OF HIS BENEFITS, HIS SPOUSE (PROVIDED THEY HAVE BEEN LAWFULLY MARRIED FOR AT LEAST THE 12 MONTHS PRECEDING HIS DEATH) SHALL RECEIVE A LIFETIME INCOME EQUAL TO FIFTY PERCENT OF THE AVERAGE OF THE RETIREMENT INCOME THAT THE MEMBER WOULD HAVE BEEN ENTITLED TO IF HIS BENEFITS HAD COMMENCED THE DATE HE DIED HAD HIS BENEFIT BEEN PAID UNDER THE OPTION SPECIFIED IN 5-165(d) AND THE RETIREMENT INCOME THAT THE MEMBER WOULD HAVE BEEN ENTITLED TO WITH SUCH BENEFITS BEING PAID UNDER THE OPTION SPECIFIED IN 5-165(a). IF SUCH MEMBER WAS NOT ELIGIBLE TO RETIRE AT THE TIME OF HIS DEATH, SUCH BENEFIT SHALL BE CALCULATED AS IF HE HAD REACHED AGE FIFTY-FIVE. THE FIRST PAYMENT SHALL BE MADE AS OF THE FIRST DAY OF THE MONTH COINCIDENT WITH OR, OTHERWISE, NEXT FOLLOWING HIS DATE OF DEATH.

(c) New York coming

Sec. 166(c) A member who leaves state service before he is eligible for retirement may elect to withdraw all of his retirement contributions, without interest, in lieu of any other benefits under this chapter. NOTWITHSTANDING THE FOREGOING, IF SUCH DEPARTURE FROM STATE SERVICE IS ON OR AFTER THE EFFECTIVE DATE OF TIER II, THE WITHDRAWAL OF CONTRIBUTIONS SHALL INCLUDE INTEREST CREDITED FROM (1) THE LATER OF (i) JANUARY 1, 1982, OR (ii) THE FIRST OF THE YEAR FOLLOWING DATE OF ACTUAL CONTRIBUTION, TO (2) THE FIRST OF THE YEAR COINCIDENT WITH OR PRECEDING THE DATE THE EMPLOYEE LEAVES STATE SERVICE. SUCH INTEREST SHALL BE CREDITED AT THE RATE OF FIVE PERCENT PER YEAR. IN ADDITION, FOR THE PARTIAL YEAR DURING WHICH THE EMPLOYEE LEAVES STATE SERVICE (PROVIDED SUCH DATE IS AFTER JANUARY 1,

1983), INTEREST SHALL BE CREDITED AT THE RATE OF 5/12% MULTIPLIED BY THE FULL NUMBER OF MONTHS COMPLETED DURING THAT YEAR, SUCH INTEREST RATE TO BE APPLIED TO THE VALUE OF CONTRIBUTIONS (INCLUDING ANY PRIOR INTEREST CREDITS) AS OF THE FIRST DAY OF THAT YEAR. A member who so leaves before completing the service requirements of subsection (a) and without so electing shall be conclusively presumed to have made such an election if he is not reemployed by the state within five years; provided, if such member has not been heard from within ten years after he left state service, or if his contributions are less than five dollars and such election is not made within six months after he leaves state service, his contributions shall escheat to the state and become part of the retirement fund.

Sec. 5-167. Contributions for prior years. (a) A former member who withdrew his retirement contributions and who is reemployed in state service within five years after he left state service, OR WHO IS REEMPLOYED AND DUE TO SUCH REEMPLOYMENT IS COVERED BY THE PROVISIONS OF THE TIER I PLAN AS DETERMINED UNDER SECTION 5-192e(a) may elect to return his withdrawn contributions to the state, with interest as provided in subsection (c) below. SERVICE CAN BE RESTORED ONLY IF PAYMENTS COMMENCE WITHIN TWO YEARS AFTER REEMPLOYMENT (OR BY ONE YEAR AFTER THE EFFECTIVE DATE OF THIS TIER II, IF LATER).

Sec. 5-168. Death benefit—beneficiaries. (a) Upon the death of a member before his retirement date, the beneficiary named by the member shall receive a death benefit equal to the member's retirement contributions, without interest.

(b) Upon the death of a member after his retirement date, the beneficiary named by the member shall receive a death benefit equal to the excess of the member's retirement contributions over the sum of: (1) The income payments made to the member from the state employees retirement fund on or before June 30, 1971, and (2) thirty per cent of the income payments made to the member after June 30, 1971, but on or before June 30, 1973, from the state employee retirement fund and (3) twenty-five per cent of the income payments made to the member after June 30, 1973, from the state employees retirement fund.

(c) A member may name a beneficiary to receive any death benefit which may become due on or after his death. If he names more than one person as beneficiary, all such persons living on the due date of a death benefit payment shall be considered co-beneficiaries and shall receive equal shares of the payment unless the member provides otherwise. Any named beneficiary may be changed by the member from time to time. No consent of any beneficiary is required for any change of beneficiary.

(d) A member may name or change his beneficiary by written request filed with the retirement commission. Such request shall be effective on the date it is signed by the member, whether or not the member is living when such request is received by the retirement commission, but without prejudice to the state because of any payments made by the state before receipt of such request by the retirement commission.

(e) A death benefit payment shall be made to the estate of a member if, on the date the death benefit payment is due, no beneficiary has been duly named by the member or no named beneficiary is alive; provided, if the death benefit is less than one thousand dollars, the comptroller may, upon the advice of the retirement commission, pay such death benefit as provided in section 45-266.

(i) Retroactive social security taxes deducted from contributions previously made by a member because of the retroactive effective date of the social security agreement shall be excluded in determining the amount of any payment under this section.

(g) [New] FOR ALL PURPOSES OF THIS SECTION 5-168, IF SUCH DEATH OCCURS ON OR AFTER THE EFFECTIVE DATE OF TIER II, THE VALUE OF THE MEMBER'S RETIREMENT CONTRIBUTION SHALL INCLUDE INTEREST CREDITED FROM (1) THE LATER OF (i) JANUARY 1, 1982, OR (ii) THE FIRST OF THE YEAR FOLLOWING DATE OF ACTUAL CONTRIBUTION, TO (2) THE FIRST OF THE YEAR COINCIDENT WITH OR PRECEDING THE EARLIER OF (i) THE DATE OF DEATH OF THE MEMBER OR (ii) THE DATE THE EMPLOYEE LEFT STATE SERVICE. SUCH INTEREST SHALL BE CREDITED AT THE RATE OF FIVE PERCENT PER YEAR. IN ADDITION, FOR THE PARTIAL YEAR DURING WHICH THE EMPLOYEE DIES (PROVIDED SUCH DATE IS AFTER JANUARY 1, 1983), INTEREST SHALL BE CREDITED AT THE RATE OF 5/12% MULTIPLIED BY THE FULL NUMBER OF MONTHS COMPLETED DURING THAT YEAR, SUCH INTEREST RATE TO BE APPLIED TO THE VALUE OF CONTRIBUTIONS (INCLUDING ANY PRIOR INTEREST CREDITS) AS OF THE FIRST DAY OF THAT YEAR.

Sec. 5-169. Disability retirement. (a) If a member of the state employees retirement system, while in state service, becomes permanently disabled prior to the age of sixty from continuing to render the service in which he has been employed, and if he has then completed five years of state service, such member is eligible for disability retirement for twenty-four months. Thereafter, disability retirement continues only if such member is totally disabled for any suitable and comparable job. IF THE MEMBER'S DATE OF DISABILITY OCCURS ON OR AFTER THE EFFECTIVE DATE OF TIER II, [S]uch disability retirement income shall equal three per cent of the

average annual regular salary received by such member for his three highest paid years of state service for each year MEMBER'S BASE SALARY PAID MULTIPLIED BY YEARS of service to date OF DISABILITY, subject to a maximum of one and two-thirds per cent times years of service projected to age sixty SIXTY-FIVE and a minimum of one and two-thirds per cent times years of service to the date of disability, except that such income of state policemen shall be determined as provided by subsection (b) of section 5-173. All disability benefits shall be subject to a maximum of eighty per cent of the base salary of such member on the date of disability plus social security earnings and workmen's WORKERS' compensation.

(b) If a member, while in state service, becomes permanently disabled prior to the age of sixty from continuing to render the service in which he has been employed as a result of any injury received while in the performance of his duty as a state employee, such member is eligible for disability retirement regardless of his period of state service. IF THE MEMBER'S DATE OF DISABILITY OCCURS ON OR AFTER THE EFFECTIVE OF TIER II, Such disability retirement income shall equal one and two-thirds per cent times years of service projected to age sixty SIXTY-FIVE with a maximum based on not more than thirty years of such service and a minimum of one and two-thirds per cent times accrued service at the date of disability, except that such income of state policemen shall be determined as provided by subsection (b) of section 5-173, provided, for the purposes of the formulas in said subsections, his rate of salary at the time of his disability retirement shall be used if greater than his base salary. All disability benefits shall be subject to a maximum of eighty per cent of the base salary of such member on the date of disability plus social security earnings and workmen's WORKERS' compensation. IF SUCH INJURY OCCURRED ON OR AFTER THE EFFECTIVE DATE OF TIER II AND SUCH MEMBER HAS COMPLETED AT LEAST FIVE YEARS OF STATE SERVICE, THE DISABILITY RETIREMENT INCOME SHALL IN NO EVENT BE LESS THAN THAT PROVIDED UNDER SUBSECTION (a).

(c) The governor shall appoint a board of seven physicians, each of whom is a state employee and two of whom shall be experienced in psychiatry, to serve at his pleasure as a medical examining board to determine whether each applicant for disability retirement is entitled thereto. Three of such members, one of whom shall be the elected chairman or the elected secretary of the board, shall constitute a quorum for the determination of any applicant's entitlement. The chairman or the secretary shall report the findings of the board to the retirement commission from time to time as requested by the commission as to the entitlement of each applicant or the continuance of disability of members so retired. The comptroller is authorized to pay for stenographic and professional services as requested and approved by the board.

(d) No reconsideration of a decision concerning eligibility for a disability retirement allowance or the discontinuance of such allowance shall be made by the board unless a member, upon application to the board for a rehearing redetermination, discloses additional facts concerning his condition at the date of termination of employment.

(e) Retirement income being paid for disability retirement shall end when and if the disability ends. In such event, such member shall receive credit for the years he was disabled, subject to a maximum total credit of twenty-five years or actual years of service to the date of disability, whichever is greater. Such member shall then (1) retire on normal or early retirement, if eligible, or (2) retain a vested right to a deferred pension, if eligible.

(f) No credit for a period of service of any kind prior to the months in which contribution therefor is made shall be given under this chapter or any special act in determining state service in connection with an application for disability retirement other than for injury received in performance of duty as a state employee, if such disability occurred within five years after contributions and required interest on account of such period were paid in full. The foregoing limitation shall not apply to credit obtained immediately after transfer from the teachers' retirement system under section 10-183p for service previously credited in said system; but in that case no benefit for retirement on account of disability occurring within such five-year period, other than for injury received in performance of duty as a state employee, shall exceed the benefit which would have been payable by said system if transfer had not been made.

(g) ~~Twenty per cent of all outside earned salary or wages shall be offset against the disability retirement payments by the state during the first two years of disability. At the expiration of such period, if the total disability benefits and outside earnings exceeds one hundred per cent of the pay of such member at the date of disability, the disability payment will be reduced by the amount such total exceeds such earnings.~~

(g) [New] NOTWITHSTANDING THE FOREGOING PROVISION OF THIS SECTION 5-169, THE FOLLOWING MAXIMUM BENEFIT LIMITATION SHALL APPLY IF THE MEMBER'S DATE OF DISABILITY OCCURS ON OR AFTER THE EFFECTIVE DATE OF TIER II. TO VERIFY THE OPERATION OF THE MAXIMUMS, A MEMBER MUST AUTHORIZE THE SOCIAL SECURITY ADMINISTRATION TO PROVIDE THE RETIREMENT COMMISSION, ON AN ON-GOING BASIS, ANY INFORMATION WITH REGARD TO COVERED EARNINGS OR SOCIAL SECURITY BENEFITS PAYABLE. IN THE EVENT BOTH OF THE MAXIMUMS INDICATED BELOW APPLY, THE LESSER DISABILITY BENEFIT WILL BE PAYABLE. SUCH MAXIMUMS

SHALL BE SUBJECT TO REEXAMINATION ANNUALLY, AS INDICATED IN SUBSECTION (h).

(1) THE DISABILITY BENEFIT PROVIDED HEREUNDER SHALL NOT EXCEED (i) 100% OF THE GREATER OF THE MEMBER'S BASE SALARY OR THE RATE OF SALARY OF THE MEMBER ON DATE OF DISABILITY, LESS (ii) ANY PERIODIC CASH BENEFIT PAYMENTS BEING MADE TO A MEMBER UNDER THE WORKERS' COMPENSATION ACT, LESS (iii) ANY FEDERAL DISABILITY SOCIAL SECURITY BENEFITS (BOTH PRIMARY AND FAMILY) PAID TO THE MEMBER OR HIS FAMILY ON ACCOUNT OF THE MEMBER'S SOCIAL SECURITY EARNINGS HISTORY LESS (iv) ALL OUTSIDE EARNED SALARY OR WAGES, UNLESS THE RETIREMENT COMMISSION DETERMINES THAT SUCH SALARY OR WAGES ARE BEING PAID AS WAGES PART OF THE REHABILITATION OF THE DISABLED MEMBER. ANY SUCH DETERMINATION THAT SUCH EARNED SALARY OR WAGES IS FOR REHABILITATION MUST BE REAPPROVED BY THE RETIREMENT COMMISSION NO LESS FREQUENTLY THAN EVERY EIGHTEEN MONTHS, OR THE OFFSET SHALL APPLY. THE OFFSET FOR WORKERS' COMPENSATION AND FEDERAL SOCIAL SECURITY DISABILITY BENEFITS SHALL APPLY WHEN SUCH BENEFITS COMMENCE EVEN IF SUCH BENEFITS INITIALLY COMMENCE AFTER THE MEMBER'S DISABILITY RETIREMENT DATE.

(2) THE DISABILITY BENEFIT PROVIDED HEREUNDER SHALL NOT EXCEED (i) 80% OF THE GREATER OF THE MEMBER'S BASE SALARY OR THE RATE OF SALARY OF THE MEMBER ON DATE OF DISABILITY, LESS (ii) ANY PERIODIC CASH BENEFIT PAYMENTS BEING MADE TO A MEMBER UNDER THE WORKERS' COMPENSATION ACT, LESS (iii) ANY FEDERAL DISABILITY SOCIAL SECURITY BENEFITS (BOTH PRIMARY AND FAMILY) BEING PAID TO THE MEMBER OR HIS FAMILY ON ACCOUNT OF THE MEMBER'S SOCIAL SECURITY EARNINGS HISTORY. THE OFFSETS SHALL APPLY EVEN IF SUCH BENEFITS INITIALLY COMMENCE AFTER THE MEMBER'S DISABILITY RETIREMENT DATE.

when such benefits commence

(h) The provisions of this section shall apply to all disabilities occurring on or after October 1, 1975, subject to the following transitional rules: (1) Any member who becomes disabled prior to October 1, 1975, as substantiated by written medical evidence dated prior to October 1, 1975, and makes application for a disability pension after October 1, 1975, but not later than December 31, 1975, shall elect to have his benefits determined under either the law in effect prior to July 1, 1975, or the provisions of this section. Such election shall become irrevocable upon issuance of the first disability pension benefit check; (2) disability benefits applied for on or after October 1, 1975,

and approved before October 1, 1976, shall not be lower in amount than the benefits under the law in effect prior to July 1, 1975, less one-third of the difference between the benefits under such prior law and the benefits under provisions of this section; (3) disability benefits applied for on or after October 1, 1976, and approved before October 1, 1977, shall not be lower in amount than the benefits under prior law less two-thirds of the difference between the benefits under the law in effect prior to July 1, 1975, and the benefits under the provisions of this section; (4) any member who applies for disability benefits on or after July 1, 1975, but before October 1, 1975, may elect to have his benefits determined under the provisions of this section. Such election shall become irrevocable upon the issuance of the first disability pension benefit check. If any member makes such election and fails to meet the test of continuing disability after the first twenty-four months, his benefits shall continue in accordance with the provisions of the prior law.

(h) [New] AS OF EACH ANNIVERSARY DATE (AS PROVIDED IN SECTION 5-162d) OF SUCH RETIRED EMPLOYEE, THE BENEFITS PROVIDED HEREUNDER SHALL BE SUBJECT TO THE FOLLOWING ADJUSTMENTS.

(1) THE BENEFITS PROVIDED IN SUBSECTIONS (a) AND (b) HEREOF SHALL BE SUBJECT TO THE INCREASE PROVIDED IN SECTION 5-162d OR 5-162e(a), WHICHEVER IS APPROPRIATE.

(2) THE NET MAXIMUM BENEFIT PROVIDED IN SUBSECTION g(2) SHALL BE SUBJECT TO THE INCREASE PROVIDED IN SECTION 5-162d OR 5-162e(a), WHICHEVER IS APPROPRIATE.

(3) THIS SUBPARAGRAPH (3) SHALL APPLY ONLY TO THE MAXIMUM BENEFIT PROVIDED IN SUBSECTION (g)(1) WHICH SHALL ONLY BE CONSIDERED IF THE MEMBER HAD OUTSIDE EARNED SALARY OR WAGES. THE SALARY AS DESCRIBED IN SUBSECTION g(1)(i) SHALL BE INCREASED BY THE PERCENTAGE COMPENSATION INCREASE THAT WOULD HAVE APPLIED TO AN EMPLOYEE IN THE POSITION AND "STEP" OF THE MEMBER, AT THE DATE OF DISABILITY HAD THAT EMPLOYEE CONTINUED TO BE EMPLOYED AND CONTINUED AUTOMATIC PROGRESSION TO THE MAXIMUM "STEP" FOR HIS CLASSIFICATION. ON THE DATE OF RECOMPUTATION OF THE BENEFITS, THE OFFSETS FOR WORKERS' COMPENSATION AND FEDERAL SOCIAL SECURITY SHALL BE INCREASED BY THE LESSER OF THAT SAME PERCENTAGE OR THE PERCENTAGE INCREASE GRANTED UNDER THE COST-OF-LIVING PROVISION OF THE WORKERS' COMPENSATION ACT AND THE SOCIAL SECURITY ACT RESPECTIVELY. THIS OFFSET AMOUNT SHALL BE ADJUSTED TO REFLECT ANY CHANGE IN THESE BENEFITS OTHER THAN THOSE RESULTING FROM THE COST-OF-LIVING PROVISIONS OF

THE WORKER'S COMPENSATION ACT OR THE SOCIAL SECURITY ACT. IN NO CASE WILL THE OFFSET BE GREATER THAN THE ACTUAL BENEFITS PAID. OUTSIDE EARNED SALARY OR WAGES SHALL REFLECT ACTUAL AMOUNTS EARNED DURING THE PRECEDING CALENDAR YEAR. IN NO EVENT WILL THE APPLICATION OF THIS SUBPARAGRAPH AND SUBSECTION (g)(1) RESULT IN AN INCOME FROM ALL SOURCES THAT WOULD BE LESS THAN THE INCOME THAT WOULD HAVE BEEN PAID HAD THE MEMBER REMAINED IN SERVICE AND PROGRESSED TO THE MAXIMUM "STEP" FOR HIS CLASSIFICATION.

(4) EXCEPT AS SPECIFICALLY INDICATED IN THE PRECEDING SUBPARAGRAPH (3), THE MAXIMUM DISABILITY INCOME DETERMINED UNDER SUBSECTION (g) WILL NOT BE AFFECTED, WHEN THE WORKERS' COMPENSATION BENEFITS OR THE SOCIAL SECURITY BENEFITS ARE INCREASED BY COST-OF-LIVING PROVISIONS IN THE WORKERS' COMPENSATION ACT OR THE SOCIAL SECURITY ACT.

(5) THE MAXIMUM DISABILITY INCOME UNDER SUBSECTION (g)(2) WILL BE RECALCULATED IF EITHER THE WORKERS' COMPENSATION BENEFITS OR THE SOCIAL SECURITY BENEFITS ARE DECREASED OR DISCONTINUED. ANY SUCH RECALCULATED MAXIMUM SHALL NOT REFLECT ANY INCREASES (ARISING AFTER THE INITIAL APPLICATION OF THE OFFSET) BECAUSE THE COST-OF-LIVING PROVISIONS IN THE WORKERS' COMPENSATION ACT OR THE SOCIAL SECURITY ACT EXCEPT AS SPECIFICALLY INDICATED IN SUBPARAGRAPH (3).

(i) [New] IF A MEMBER QUALIFIES FOR DISABILITY COMPENSATION UNDER SECTION 5-142, SUCH MEMBER SHALL CONTINUE TO BE CREDITED WITH SERVICE HEREUNDER PROVIDED HE CONTINUES TO MAKE THE REQUIRED EMPLOYEE CONTRIBUTIONS AND SHALL NOT BE DEEMED TO HAVE RETIRED. IF SUCH CONTRIBUTIONS ARE DISCONTINUED, THE DISABILITY RETIREMENT BENEFITS UNDER THIS SECTION 5-169 SHALL BE PAYABLE ONLY IF LARGER THAN THE COMPENSATION PAID UNDER SECTION 5-142. IN SUCH EVENT, THE BENEFITS UNDER THIS SECTION 5-169 SHALL BE TEMPORARILY REDUCED BY THE AMOUNT OF BENEFITS PAYABLE UNDER SECTION 5-142 FOR THE PERIOD OF RECEIPT OF BENEFITS UNDER SECTION 5-142.

(j) [New] A MEMBER WHOSE DATE OF DISABILITY OCCURS PRIOR TO THE EFFECTIVE DATE OF TIER II SHALL HAVE HIS BENEFITS CALCULATED WITHOUT REGARD TO ANY OF THE CHANGES CONTAINED HEREIN. A MEMBER'S DATE OF DISABILITY SHALL BE THE EARLIER OF (1) HIS LAST DATE OF ACTIVE EMPLOYMENT BY THE

STATE PRIOR TO SUCH DISABILITY (WITH A LEAVE OF ABSENCE FOR MEDICAL REASONS NOT BEING DEEMED ACTIVE EMPLOYMENT) OR (2) THE DATE AS OF WHICH HIS BENEFITS UNDER THIS SECTION 5-169 ARE PAYABLE.

Sec. 5-173. State police; correctional institution guards and instrutors. (a) A state policeman in the active service of the division of state police within the department of public safety, or any person who is engaged in guard or instructional duties at the Connecticut Correctional Institution, Somers, the Connecticut Correctional Institution, Enfield, the Connecticut Correctional Institution, Cheshire, the Connecticut Correctional Institution, Niantic and the community correctional centers, OR ANY PERSON WHO IS AN EMPLOYEE OF THE WHITING FORENSIC INSTITUTE WITH DIRECT AND SUBSTANTIAL PATIENT CONTACT, who has reached his forty-seventh birthday and completed at least twenty years of service as a state policeman or as guard or instructor at said correctional institutions or correctional centers, OR AS AN EMPLOYEE OF THE WHITING FORENSIC INSTITUTE (OR ITS PREDECESSOR INSTITUTIONS), shall be retired on his own application or on the application of the commissioner of public safety or the commissioner of correction, as the case may be.

(b) ON OR AFTER THE EFFECTIVE DATE OF TIER II, Each such person shall receive a monthly retirement income equal to one-twelfth of (1) fifty per cent of his base salary, as defined in subsection (b) of section 5-162, for such twenty years of service, plus (2) two per cent of his base salary for each year, taken to completed months, of such CONNECTICUT STATE service in excess of twenty years.

(c) Any such person who, while so employed, was granted military leave to enter the armed forces, as defined by section 27-103, and who, upon his discharge and within ninety days, returned to such service, shall be granted retirement credit for any period of service in time of war, as defined by said section, and for military service during a national emergency declared by the president of the United States on and after September 1, 1939, toward the required minimum of twenty years service; and any such person may be granted credit for any such war service prior to such employment upon payment of contributions and interest computed in accordance with subsection (b) of section 5-180, but such service shall not be counted toward the minimum service requirement of twenty years.

(d) Any such person who, after retiring from the division of state police or the employ of the Connecticut Correctional Institution, Somers, the Connecticut Correctional Institution, Enfield, the Connecticut Correctional Institution, Cheshire, the Connecticut Correctional Institution, Niantic or a community correctional center, OR THE WHITING FORENSIC INSTITUTE, as the case may be, is employed by any other state agency may elect to receive

the retirement income to which he was entitled at the time of his retirement as a state policeman or employee of the correctional institution or correctional center OR FORENSIC INSTITUTE when his employment in such other agency ceases, but he shall not, in that case, be entitled to any retirement income by reason of service in such other agency EXCEPT AS PROVIDED IN 5-173(f) BELOW.

(e) [New] A MEMBER WHO HAS COMPLETED TWENTY YEARS OF SERVICE UNDER THIS SECTION 5-173, BUT WHO LEAVES SUCH SERVICE ON OR AFTER THE EFFECTIVE DATE OF TIER II BUT PRIOR TO REACHING HIS FORTY-SEVENTH BIRTHDAY SHALL, UPON HIS OWN APPLICATION, BE ENTITLED TO THE BENEFITS PROVIDED IN SUBSECTION (b) AT ANY TIME AFTER REACHING HIS FORTY-SEVENTH BIRTHDAY.

(f) [New] ON AND AFTER THE EFFECTIVE DATE OF TIER II, AN EMPLOYEE WHO HAS MET THE TWENTY YEAR MINIMUM SERVICE REQUIREMENT AND IS THUS ELIGIBLE FOR BENEFITS UNDER THIS SECTION 5-173 SHALL HAVE ANY OTHER CONNECTICUT STATE EMPLOYMENT RECOGNIZED IN CALCULATING THE AMOUNT OF HIS BENEFITS.

Sec. 5-176. Prior public school service. A member with permanent status who was previously employed in the public schools of this state and who was a member of the teachers' retirement association, may receive credit for retirement purposes for all such service for which he paid assessments. Such member shall make retirement contributions equal to five per cent of salaries received for such service, with interest thereon at the rate of five per cent per year from September 1, 1917, or from the date of such employment thereafter, to the date of payment. If the member was in state service on or before June 30, 1967, such payment shall be made before June 30, 1971. If the member entered or reentered state service on or after July 1, 1967, such payment shall be made within five years from the date of employment or reemployment as a state employee with permanent status. No such member shall be eligible for retirement credit under this section until he has completed ten years of state service and, in the event of his retirement while ineligible for credit under this section, all contributions and interest thereon paid by him under this section shall be refunded. Notwithstanding the provisions of this section, any member with permanent status who was employed in the public schools of this state before July 1, 1980 shall receive retirement credit for his or her period of membership in said teacher's retirement system upon payment of contributions equal to five per cent of his or her salary for such period plus an amount actuarially determined by the retirement commission as necessary to fund the increase in benefits payable by reason of such receipt of retirement credit by June 30, 1981. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS

ELIGIBLE FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND SUCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUE THIS SECTION.

Sec. 5-177. Credit for out-of-state or foreign service to educational institutions. Any person in the unclassified service employed full time by The University of Connecticut, the state board of education, the board of education and services for the blind, the Connecticut Agricultural Experiment Station, the Mystic Oral School, the American School at Hartford for the Deaf, the state colleges, the community colleges; the state technical colleges, as a certified teacher in any state-operated institution or the board of higher education, who served prior to his employment by the state in a full-time teaching, administrative or research position in an educational institution in or under the authority of a state department of education or a department of education for the blind in the United States approved by the retirement commission, or who was employed by such institution but served all or part of such service time in a foreign country, for which service he has received or will receive no retirement benefit or pension, may gain credit for such prior service, not to exceed ten years in the aggregate, by making retirement contributions for each year of such prior service equal to six per cent of his annual rate of compensation when he first became a full-time employee of this state; provided such payment shall be made within one year of his first full-time employment with the state, or before July 1, 1968, whichever is later, but for the board of higher education and state technical colleges, July 1, 1974. When a person who has gained credit for such prior service retires, not more than one year of such service may be counted for each two years of state service; provided, if such person has purchased more of such service than can be counted, refund on the amount paid on the extra years of service shall be made. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER

II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND USCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUE THIS SECTION.

Sec. 5-177a. Credit for university employees with prior service as hospital pharmacist. Any person in the unclassified service employed full time by The University of Connecticut, who served prior to his employment by the state in a teaching or administrative position as a hospital pharmacist in a teaching and research hospital affiliated with an educational institution in another state, for which service he has received, or will receive, no retirement benefit or pension, may, subject to the following condition, gain credit for such prior service, not to exceed ten years in the aggregate, on paying to the state employees retirement fund, for each year of such prior service, six per cent of his annual rate of compensation when he first became a full-time employee of this state. Such payment shall be made before July 1, 1966, or within one year of his first full-time employment with the state, whichever is later. When a person who has gained credit for such prior service retires, not more than one year of such out-of-state service may be counted for each two years of state service, provided, if such person has purchased more of such out-of-state service than can be counted, refund of the amount paid on the extra years of service shall be made. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND USCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN

DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUE THIS SECTION.

Sec. 5-180. Military service. (a) The war service before September 1, 1939, of a veteran, as defined in section 5-180, shall be counted as state service if the member began to make his retirement contributions before September 1, 1941, and made retirement contributions on all salary received by him from September 1, 1939, until his retirement date.

(b) The war service before September 1, 1939, of a veteran who became a member after September 1, 1939, and the war service or military service during a national emergency declared by the President of the United States on and after September 1, 1939, of a veteran who became a member at any time, shall be counted as state service if the member makes retirement contributions for each month of war service as defined by section 27-103 and subsection (bb) of section 5-196 or for each month of such service during a national emergency, as the case may be. Any veteran who becomes a member on or after July 1, 1975, shall not receive credit for such war or military service if such member has received or is entitled to receive any retirement allowance for the same years of such service from the federal government. Any veteran who is a member and who has not made application for such credit prior to July 1, 1975, shall not receive credit for such service if such member has received or is entitled to receive any retirement allowance for the same years of such service from the federal government unless such member makes application for such credit to the retirement commission on or before October 1, 1975, and makes retirement contributions for each month of such service in accordance with the provisions of this subsection. The comptroller of the state may notify each employee of this provision on or before September 1, 1975. Such contributions shall equal one-twelfth of four per cent of his first year's salary as a state employee multiplied by the total number of months of such war service or national emergency service and, if such employee became a member after April 1, 1958, shall be accompanied by interest at four per cent per year from the time such war service was rendered or from September 1, 1939, whichever is later, until the date of payment or January 1, 1962, whichever is earlier. Such contributions may be paid by payroll deductions as determined by the retirement commission over a period not to exceed thirty-six months, interest thereon to be paid not later than the last day of the month following the payment of the last of such deductions. Service credit for retirement purposes shall not be granted unless payment of contributions and interest is completed. No credit shall be given hereunder for military service during a national emergency to any state employee who has served less than ten years as a permanent full-time state employee, not for any such military service beyond a total period of his compulsory service, if any, plus three years. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE

FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND SUCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUE THIS SECTION.

(c) A member who leaves state service for the sole purpose of entering the armed forces of the United States may make his retirement contributions while in the armed forces in the monthly amount he was making immediately before he left state service. Such contributions shall be deducted from any salary payable to the member during his absence. Alternately, if no salary was payable to him, he may make such contributions after his return to state service, with interest thereon at five per cent per year from a date six months after he left the armed forces, provided he shall make application for return to state service within ninety days after he has received a certificate for satisfactory service from the armed forces. No contributions may be made, however, at any time for service in the armed forces beyond a total period of his compulsory service therein, if any, plus three years.

Sec. 5-181. Credit for prior state service. Credit for service in the general assembly. (a) A member who has been in the active full-time employment of the state service for some past period or periods not otherwise credited for retirement purposes, and for which he cannot obtain credit for retirement purposes under any other section of this chapter, may obtain credit for such period or periods of service for retirement purposes; provided he has been in the active full-time employment of the state service continuously for the twelve months next preceding his written request to the retirement commission for such service credit, and provided he pays to the retirement fund for each month of such service a sum based on his gross yearly rate of compensation as of the date such service was rendered, and equal to one-twelfth of two percent of any part of such compensation on which the state made contributions under a social security agreement, plus one-twelfth of five per cent of any part on which the state did not make such contributions, with interest thereon at the rate of five per cent per year from

the time such service was rendered or from September 1, 1939, whichever is later, to the date of payment. Such payment may be made by payroll deductions as determined by the retirement commission over a period not to exceed thirty-six months, with interest on such contributions at the rate of five per cent per year to be paid not later than the last day of the month following the payment of the last of such deductions; but such service shall not be granted unless payment of contributions and interest is completed. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND SUCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUE THIS SECTION.

(b) Any member of the state employees' retirement system who served as a member of the general assembly may obtain credit for such service in the general assembly for a period not to exceed two years of such service for retirement purposes, provided such member pays to the retirement fund for each month of such service in the general assembly a sum based on his gross yearly rate of compensation as of the date such service was rendered and equal to one-twelfth of two per cent of any part of such compensation to the amount of the social security maximum wage plus one-twelfth of five per cent of the excess for part B members and one-twelfth of five per cent of such compensation for part A members, with interest thereon in both cases at the rate of five per cent per year from the time such service was rendered to the date of payment. Payment shall be made in accordance with the regulations concerning prior service as prescribed by the state employees' retirement commission. No employee shall be entitled to credit for such service as a member of the general assembly for purposes of both the state retirement system and the general assembly pension system. If an employee elects to apply his service as a member of the general assembly to either the state retirement system or the general assembly pension system, such employee shall be barred from having such service credited toward the other. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE

FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND USCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUER THIS SECTION.

Sec. 5-182. Miscellaneous service credits. (a) A member who has made contributions on all his salary received from September 1, 1939, to his retirement date, and who began to make his retirement contributions before September 1, 1941, shall receive credit for his service before September 1, 1939, with the National Reemployment Service.

(b) A member who was an employee of the United States Employment Service in Connecticut shall receive credit for his service with the United States Employment Service if he complies with all the requirements for obtaining service credit in section 5-181. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND USCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUER THIS SECTION.

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(c) The retirement salary of any employee of the department of transportation who was employed by the state of the Charter Oak Bridge, transferred to employment with the Greater Hartford Bridge Authority and subsequently taken back into state service shall be computed as though such employee were a member of Part A of the state employees retirement system, provided an amount equal to the percentage of any social security payments made to such employee, which percentage is attributable to his employment by the state, shall be deducted from such retirement salary.

(d) Any employee of the radiological maintenance and calibration facility shall be credited for retirement purposes under this chapter with his period of full-time service commencing with the date upon which such employee began work at said facility under individual contract with the director of civil preparedness upon payment into the state employees retirement fund of such contributions as he would have paid if he had been a state employee during the period of such service and his salary for such service had been paid by the state, with five per cent interest on such contribution from the date of his entry into such service to the date of payment. *Repeat caps in (b) from previous page. "notwithstanding . . ."*

(e) Any former employee of the Connecticut development commission or the Connecticut interregional planning program who is an employee in the state classified service and who has had continuous state service since employment or reemployment in the state classified service shall be credited for retirement purposes under this chapter with his period of full-time service during the period commencing January 1, 1961, and ending December 31, 1966, including service under individual contract with the state and for the time period covering his transition between contract service and classified service. Such employee shall make payment into the state employees retirement fund of such contributions as he would have paid if he had been a member of the state employees retirement system during the period of such service, with five per cent interest on such contributions from the date of his entry into such service to the date of payment.

Sec. 5-134. Credit for service with county or county agricultural extension office. Any full-time state employee and any appointee of the general assembly or either branch thereof, or of any officer or committee thereof, who served previously as a county employee or in a clerical capacity in a county agricultural extension office when such service was sponsored by the County Farm Bureau or County Agricultural Extension Council and for which service he is not eligible to receive credit under any other section of this chapter shall be credited with the period or periods of such service, provided he shall pay to the retirement fund for each month of such service a sum equal to five per cent of the average of his last twelve months' salary as a county employee or a county agricultural extension office employee multiplied by the whole number of months of such service with interest at

five per cent per annum from July 1, 1961, to the date of payment. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND SUCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUCE THIS SECTION.

Sec. 5-188. Retirement salary of detectives. (a) For the purposes of this section "detective" means any detective, chief inspector or inspector in the division of criminal justice or chief detective.

(b)(1) Each detective who is forty-seven years of age or over and who has completed twenty years of service shall, at the time he retires or is retired in accordance with the provisions of this chapter, receive a retirement salary equal to fifty per cent of his base salary for twenty years of service as a detective, or combined service as a state policeman and a detective, and for each additional full month of service as a detective after twenty years of such service there shall be added to his retirement salary a sum equalling one-twelfth of two per cent, computed on his base salary. (2) Any detective who previously served as a state police officer and who transferred directly from the state police force to a position as a county detective or detective or chief inspector or inspector within the division of criminal justice shall receive the same retirement benefits under this chapter as he would have received if he had remained a member of the state police force. (3) [New] RETIREMENT BENEFITS PAYABLE UNDER THIS SECTION 5-188 SHALL NOT BE REDUCED AT ANY TIME ON ACCOUNT OF THE MEMBER'S ELIGIBILITY FOR OR RECEIPT OF FEDERAL SOCIAL SECURITY BENEFITS.

(c) [New] A MEMBER WHO HAS COMPLETED TWENTY YEARS OF SERVICE AS A DETECTIVE, OR COMBINED SERVICE AS A STATE POLICEMAN AND A DETECTIVE, BUT WHO LEAVES SUCH SERVICE ON OR AFTER THE EFFECTIVE DATE OF TIER II, BUT PRIOR TO REACHING

HIS FORTY-SEVENTH BIRTHDAY, SHALL, UPON HIS OWN APPLICATION, BE ENTITLED TO THE BENEFITS PROVIDED IN SUBSECTION (b) AT ANY TIME AFTER REACHING HIS FORTY-SEVENTH BIRTHDAY.

(d) [New] NOTWITHSTANDING THE PROVISION OF SUBSECTION (b), ON AND AFTER THE EFFECTIVE DATE OF TIER II, A MEMBER WHO HAS COMPLETED TWENTY YEARS OF SERVICE AS A DETECTIVE, OR COMBINED SERVICE AS A POLICEMAN AND A DETECTIVE AND IS THUS ELIGIBLE FOR BENEFITS UNDER THIS SECTION 5-188 SHALL HAVE ANY OTHER CONNECTICUT STATE EMPLOYMENT RECOGNIZED IN CALCULATING THE AMOUNT OF HIS BENEFIT.

Sec. 5-189. Credit to court employees for prior municipal service. Each employee of the superior court shall be credited for retirement purposes for his entire period of full-time service as an employee of a municipal, city, police, justice or traffic court, provided he shall pay into the retirement fund the contributions he would have paid if he had been a state employee during the period of such court service and his salary for such service had been paid by the state, with five per cent interest on such contributions from July 1, 1961, to the date of payment. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND USCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUER THIS SECTION.

Sec. 5-190. Court reporters to receive credit for service as municipal court stenographers. Any person taken into state service as a court reporter who previously served as court stenographer in any municipal court shall be credited with his entire period of full-time service as a municipal employee for the purposes of this chapter upon payment into the state employees retirement fund of such sum for each year of his municipal employment, based upon his salary for such year, as would have been due from him had he been an employee of the state during such period of such court service, with

five per cent interest on such contributions from the date he was taken into state service to the date of payment. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND USCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUE THIS SECTION.

Sec. 5-190a. *Retirement credit for employees of the criminal justice division and public defenders. Each employee of the division of criminal justice and each public defender, assistant public defender and deputy assistant public defender in the superior court who is or becomes a member of the state employees retirement system shall receive full retirement credit and full credit for the vesting of pension rights for each year or portion thereof for which retirement contributions were or shall be paid while serving as a state's attorney, prosecuting attorney, assistant prosecuting attorney, public defender or assistant public defender in the superior court, circuit court or court of common pleas, irrespective of whether such service was on a part-time or full-time basis, provided he shall have made contributions to the state employees retirement fund as provided by this chapter, for such service credit. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND USCH

SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUE THIS SECTION.

Sec. 5-192a. Credit for state college bookstore employees. Each employee under section 5-268d of the 1969 supplement to the general statutes shall be credited for retirement purposes under this chapter with his period of full-time service as an employee of any such bookstore upon payment into the state employees retirement fund of such contributions as he would have paid if he had been a state employee during the period of such service and his salary for such service had been paid by the state, with five per cent interest on such contributions from July 1, 1968, to the date of payment. NOTWITHSTANDING THE FOREGOING, NO MEMBER WHO IS ELIGIBLE FOR CREDIT FOR SUCH SERVICE (BUT WHO HAS NOT YET PURCHASED SUCH CREDIT) SHALL RECEIVE CREDIT FOR SUCH SERVICE AFTER ONE YEAR AFTER THE EFFECTIVE DATE OF TIER II. PRIOR TO THAT DATE, ANY EMPLOYEE WHO IS ELIGIBLE TO RECEIVE SUCH SERVICE AND DESIRES TO RECEIVE SUCH SERVICE SHALL NOTIFY THE RETIREMENT COMMISSION OF SUCH DESIRE. IF SUCH EMPLOYEE IS FINANCIALLY UNABLE TO COMPLETE THE PAYMENT OF THE REQUIRED CONTRIBUTIONS FOR SUCH SERVICE PRIOR TO SUCH DATE, THE RETIREMENT COMMISSION AND THE EMPLOYEE MAY ENTER INTO A CONTRACT FOR PAYMENT OF SUCH AMOUNT IN EQUAL BI-WEEKLY INSTALLMENTS (NOT EXCEEDING 52). SUCH INSTALLMENTS SHALL INCLUDE INTEREST AT FIVE PERCENT PER YEAR, AND USCH SERVICE CREDIT SHALL NOT BE GRANTED UNLESS PAYMENT OF INSTALLMENTS IS COMPLETED. IN DETERMINING WHETHER AN EMPLOYEE QUALIFIES TO PURCHASE SUCH SERVICE, THE RETIREMENT COMMISSION SHALL LIBERALLY CONSTRUE THIS SECTION.

Sec. 5-192c. Transfer from teachers' retirement system to state employees' retirement system. No person who has creditable service as a member of the teachers' retirement system and who transfers, on or after July 1, 1978, to the state employees' retirement system shall be entitled to benefits from said state employees' retirement system until such person has been a member of and contributed to said state employees retirement system for a period of one year. NOTWITHSTANDING THE FOREGOING, IF SUCH TRANSFEREE DIES OR BECOMES DISABLED BEFORE COMPLETION OF THAT ONE YEAR, SUCH TRANSFER SHALL BE DEEMED CANCELLED AND SUCH PERSON SHALL BE DEEMED A MEMBER OF THE TEACHERS' RETIREMENT SYSTEM.

PART V
(NEW)
TIER II PLAN

Sec. 5-192e. Application

- (a) Notwithstanding any other provision of law, the provisions of the TIER II PLAN as set out in Section 5-192e through Sec. 5-192w shall apply to all members who first join the State Employees Retirement System on or after the effective date of these Tier II provisions. It shall also apply to members who rejoin the System on or after such effective date unless (i) the employee remains entitled to either an immediate or a deferred monthly benefit --other than a benefit arising solely from his own contributions --due to earlier participation in the System or (ii) the employee's period of prior service is longer than the period between his date of prior severance and his date of new membership. In either such event, such former employee shall be subject to the provisions of the Tier I Retirement Plan.
- (b) If a member was absent from state service on such effective date due to service in the Armed Forces of the United States, and returned to state service within 90 days, either (i) after having become entitled to release from active duty in the Armed Forces or (ii) after hospitalization continuing after discharge for a period of not more than one year, he shall not be deemed to have severed service for purposes of subsection (a) of this section.
- (c) If a member was absent ^{from} state service on such effective date due to leave of absence and returned to state service immediately upon the expiration of such leave, he shall not be deemed to have severed service for purposes of subsection (a) of this section.
- (d) In the event that there is a conflict between the provisions of this part and the provisions of any other law or code, the provisions of this part shall govern.

Sec. 5-192f. Definitions

For purposes of Tier II, the following additional definitions shall apply:

- (a) "Year's breakpoint" means, with respect to the calendar year in which occurs a member's last severance from service date, \$10,700 increased by 6% each year after 1982, rounded to the nearest multiple of \$100. The year's breakpoint for years prior to 2000 shall be

| | | | |
|------|----------|------|----------|
| 1982 | \$10,700 | 1991 | \$18,100 |
| 1983 | 11,300 | 1992 | 19,200 |
| 1984 | 12,000 | 1993 | 20,300 |
| 1985 | 12,700 | 1994 | 21,500 |
| 1986 | 13,500 | 1995 | 22,800 |
| 1987 | 14,300 | 1996 | 24,200 |
| 1988 | 15,200 | 1997 | 25,600 |
| 1989 | 16,100 | 1998 | 27,200 |
| 1990 | 17,100 | 1999 | 28,800 |

- (b) "Final average earnings" means the average covered earnings of a member for his three years of credited service affording the highest such average, disregarding any general temporary reduction or any reduction or nonpayment for illness or other absence which does not exceed 90 days.
- (c) "Covered earnings" is the annual salary (as defined in Section 5-154(h)), received by a member in a year, limited by one hundred and thirty percent of the average of the two previous years covered earnings so limited if necessary. The limit does not apply to earnings for calendar years before 1983, nor for the first three full or partial calendar years of employment. The retirement commission may determine the procedures to be followed when the member was not employed on a full-time basis for the entire two previous years used to develop such limit.
- (d) "Hazardous Duty" member is a member who is either a state policeman in the active service of the division of state police within the department of public safety, or any person who is engaged in guard or instructional duties at the Connecticut Correctional Institution, Somers, the Connecticut Correctional Institution, Enfield, the Connecticut Correctional Institution, Cheshire, the Connecticut Correctional Institution, Niantic, or the community correctional centers, or who is an employee of the Witing Forensic Institute (or its predecessor institutions) with direct and substantial patient contact, or a detective, chief inspector or inspector in the division of criminal justice of Chief detective.
- (e) "Tier I Plan" is the plan provisions set out in section 5-157 through 5-192d.
- (f) "The TIER II Plan" is the plan provision set out in section 5-192e through 5-192w.
- (g) "State employment" shall include employment with state-aided institutions, any position in state government funded wholly or partially by the federal government, and any other employment which, prior to the

effective of this Tier II, would have resulted in coverage under the Tier I plan. All references to "state" shall include such positions and employment.

- (h) "Severance from service date" shall be the earlier of (i) an employee's date of retirement, death, resignation, or termination for cause from the State, or (ii) (except as otherwise provided in Section 5-192i) the first anniversary of the first day of a period in which he remains absent from service, without pay, with the State, for any reason other than retirement, death, resignation or termination for cause.
- (i) "Effective date" shall mean the first day of the month coincident with or, otherwise, immediately following 90 days after approval, pursuant to Section 5-278(b), of these sections 5-192e through 5-192w by the state legislature.

Sec. 5-192g. Eligibility and Membership

- (a) Membership in the TIER II Plan is mandatory for each state employee, whether or not exempt from the classified service, who was appointed on or after the effective date, unless specifically excluded in this section or unless Section 5-192e mandates coverage under the Tier I Plan. Except as indicated in (d) below, membership commences on the later of the first day of employment or the effective date.
- (b) Membership in the TIER II Plan is mandatory for each employee in state service on the effective date, who had not previously been a member of the state employees retirement system, and who had not previously elected to become a member of the state employees retirement system or any other Connecticut retirement plan, unless specifically excluded in this section.
- (c) Teachers not in state service are not eligible for membership in the TIER II Plan.
- (d) Any teacher or professional staff member as described in Section 5-160(g) first employed on or after the effective date shall be covered under this Tier II Plan unless he is eligible for and elects membership (within six months after employment) in the teachers' retirement system or an alternate retirement program. In absence of such an election, membership hereunder shall be retroactive to the first day of employment. Any such individual shall be a member in only one of the three systems or programs.
- (d) Members of the judiciary eligible for retirement under the provision of Section 51-50 or 51-50a are not eligible for membership in the TIER II

Plan unless they elect to remain or be reinstated as members of the state employees retirement system under Section 5-192h.

Sec. 5-192h. Election by Judges

Any person who is appointed a judge of the Supreme Court or superior court and who has at the time of his appointment at least ten years of credited service under the TIER II Plan may, at any time within ten years after initial appointment as a judge to any such courts, elect to remain, or, if he has withdrawn from the TIER II Plan, to be reinstated as a member of the TIER II Plan in lieu of participation in the benefits of section 51-49 to 51-50b, inclusive, and 51-51, and to receive credit for retirement purposes for the period of service as such a judge. Any contributions made under section 51-50b by any such judge prior to such election shall be paid from the Judges and Compensation Commissioners' Retirement System to such judge. Such judge shall be credited, for purposes of retirement under the TIER II Plan, with the period of his service as a judge. No election under this section or under section 5-166a may be made by a TIER II member other than one with at least ten years of credited service under the TIER II Plan.

Notwithstanding the provisions of this section, any retired state employee who is appointed a judge and who resigns prior to retirement as a judge shall not receive a reduction in the amount of retirement income or retirement benefits that he would have received had he remained a retired state employee, including any cost of living allowances granted to retired state employees.

Sec. 5-192i Vesting Service

(a) Except as hereinafter indicated in this Section 5-192i, vesting service is all service with the state commencing on the employee's employment commencement date or reemployment commencement date and ending on his severance from service date. The employment commencement date is that date on which the employee first worked an hour for which he is paid or entitled to payment by the state. An employees' reemployment commencement date is that date after his severance from service date on which the employee first works an hour for which is paid or entitled to payment by the State. If an employee resigns or is terminated for cause and he is subsequently reemployed within 12 months, the period between his severance from service date and the date of his reemployment shall be included in his vesting service, except that if he resigns or is terminated for cause during a period of absence from service for other reasons, as aforesaid, vesting service shall be recognized for the period from his severance from service date to the date of his reemployment only if he is reemployed within 12 months of the first day of such absence. A break in service shall occur if an

employee is not reemployed within one year after a severance from service date.

A permanent break in service occurs if there has been a break in service, the employee is not vested under section 5-192n, and the period from his severance from service date to his reemployment commencement date equals or exceeds his vesting service prior to his severance from service date. In the event of a permanent break in service, any period prior to the permanent break in service shall be excluded from the employee's vesting service.

- (b) If an employee shall have been absent from the service of the State because of service in the Armed Forces of the United States and if he shall have returned to the service of the State within 90 days either (i) after having become entitled to release from active duty in the Armed Forces or (ii) after hospitalization continuing after discharge for a period of not more than one year, such absence shall not count as a break in service. The period of any such absence shall be considered as vesting service.
- (c) A period during which an employee is on a leave of absence approved by the State or otherwise granted pursuant to the terms of the appropriate collective bargaining agreement shall not be considered as a break in service. No vesting service shall be granted for such a period except as specifically indicated in this Section 5-192i.
- (d) Any teacher (as defined in Section 10-183b(25)) in state service who is employed for a full academic year, equivalent to at least 10 months credited service, shall be deemed to be employed for the entire year. Any such teacher who has completed the work obligations of his/her appointment period and who retires after May 1, but before September 1, shall receive, upon retirement, credit for the entire appointment year and the remaining bi-weekly payments due for the entire appointment year, together with any amounts held back previously.
- (e) A member who is or has been granted a leave of absence without pay to pursue a course of study which is connected with the work of the agency and which is for the purpose of increasing his proficiency in his position may count up to 4 years of the period of the leave as vesting service and such leave shall in no event be treated as a severance from service.
- (f) If an employee shall have been absent from the service of the State due to a work-related injury or disease for which periodic Workers' Compensation cash benefits are payable, the period of such absence shall not count as a break in service and shall be considered vesting service.

- (g) In no event will more than one year of vesting service be granted for any 12 calendar months.
- (h) Subject to the requirements indicated in this paragraph, vesting service may include employment with another state or states. A member of the Tier II plan who has been in the active full-time employment of another state or states for some past period or periods for which he has received and will receive no retirement benefit or pension may receive vesting service for such period or periods, not to exceed ten years in the aggregate, by making contributions to the state employees retirement fund, for each year of such prior service, equal to six per cent of his annual rate of compensation when he first became a full-time employee of this state, provided the state or states in which such service was rendered make similar provision for former employees of this state and provided such payment into the state employees retirement system shall be made within one year of his entry into service in this state. If such member had received a lump sum payment, other than his/her contributions and interest thereon, from such other state or states in lieu of a retirement benefit, he shall not be eligible to purchase credit under this paragraph. When a person who has gained credit for such prior service retires, not more than one year of such out-of-state service may be counted for each two years of state service; provided, if such person has purchased more of such service than can be counted, refund of the amount paid on the extra years of service shall be made.

Sec. 5.192j Credited Service

- (a) All vesting service rendered on or after the effective date by a member of the Tier II plan shall be credited service under the Plan. Any period of absence recognized as service under Subsections 5-192i(b) or (e), shall, however, be excluded from an employee's credited service unless it is included under paragraph (b) of this Section. Any period between a severance from service date and a reemployment date which is recognized as vesting service under Subsection 5-192i(a) shall be excluded from credited service.
- (b) Credited service shall include any period of service in the Armed Forces of the United States which is included in a member's vesting service pursuant to Subsection 5-192i(b), except that no credit shall be given hereunder for any military service beyond a total period of the employee's compulsory service, if any, plus three years.
- (c) Notwithstanding the foregoing, any vesting service granted pursuant to Subsection 5-192i(h) shall also be included as credited service, provided the requirements of that Subsection 5-192i(h) are met.

Sec. 5-192jj Part-time employees; eligibility; computation of benefits

- (a) For purposes of determining eligibility for benefits for part-time employees under sections 5-192k, 5-192l, 5-192n, and 5-192o, a member's part-time service shall be treated as full-time service.
- (b) For purposes of computing the retirement benefit payable to a member whose service consists solely of part-time service without variation in the number of hours worked during all periods of his state service, such member's service shall be treated as full-time service.
- (c) For purposes of computing the retirement benefit payable to a member whose service consists of part-time and full-time service or whose service consists of part-time service rendered in different proportions to a full-time schedule, such member's years of service and average salary shall be proportionately adjusted to produce a retirement benefit equivalent to that payable if his service had been rendered at an unvarying rate.

Sec. 5-192k. Normal Retirement

- (a) Each member who has attained age 65 and has completed ten or more years of vesting service may retire on his own application on the first day of any future month named in the application. Benefits shall be payable from that date provided the member is no longer in state employment.
- (b) Each member who has attained age 70 and has completed five or more years of vesting service shall be retired on the first day of the month coincident with or, otherwise, immediately following his seventieth birthday, except as provided in subsection (e) of this section.
- (c) Each member referred to in subsections (a) and (b) of this section shall receive a monthly retirement income beginning on his retirement date equal to one-twelfth of one and one-third percent of his final average earnings plus one-half of one percent of his final average earnings in excess of the year's breakpoint, the sum multiplied by the number of years of his credited service and fractions thereof. The year's breakpoint for a member shall be conclusively determined based upon the calendar year in which occurred the last severance from service of the member. If a member has more than one severance from service of the date due to reemployment, such reemployment cannot result in a smaller benefit than would have been payable had he not been reemployed. Notwithstanding any other provision of this Tier II to the contrary, if a member's date of retirement, disability, death or termination occurs in the first six months of any calendar year, his

monthly retirement income shall in no event be less than that which would have been payable had his date of retirement, disability, death or termination occurred as of the December 31st of the prior year, and had his final average earnings, credited service, and breakpoint been determined as of that date. No retroactive payments shall be paid because of such minimum, and his actual date of retirement, disability, death or termination shall be utilized for all other purposes of this plan.

- (d) For each member referred to subsections (a) and (b) of this section who has completed 25 or more years of vesting service, the monthly retirement income shall be the greater of the amount calculated under subsection (c) of this section or
- (1) if retirement occurs before July 1, 1983, \$200;
 - (2) if retirement occurs between July 1, 1983 and June 30, 1984, \$220;
 - (3) if retirement occurs between July 1, 1984 and June 30, 1985, \$240;
 - (4) if retirement occurs between July 1, 1985 and June 30, 1986, \$260;
 - (5) if retirement occurs between July 1, 1986 and June 30, 1987, \$280;
 - (6) if on or after July 1, 1987, \$300.
- (e) Retirement on the first day of the month on or after the member's seventieth birthday is mandatory regardless of whether he is eligible for a retirement income under this section except:
- (1) A department head, as defined in section 4-5, or any commissioner appointed to office in the executive branch by the governor with or without the approval of the general assembly or either branch thereof, who reaches his retirement date, namely, the first day of the month on or after his seventieth birthday, during the term for which he is appointed, may continue in office after such retirement date until the expiration of such term. Any such person who had reached such date prior to his reappointment as such commissioner may serve for the term for which he is so reappointed.
 - (2) A member who has reached the retirement age of seventy may be continued in his position in state service, if such continuation is approved by the commissioner of administrative services. The appointing authority requesting such continuation shall certify in writing to the commissioner of administrative services that the continuation is desirable for the efficient conduct of the state's business and that the member is able and qualified to perform the work required. Approval by the commissioner of administrative services of such continuation shall be for a period of one year, which may be renewed by said commissioner upon request by the appointing authority.
 - (3) A member who is a teacher, instructor, principal, superintendent, or supervisor employed by the state board of education or any state

institution, and who has reached the retirement age of seventy may be continued in his position of state service to the end of the fiscal year in which his seventieth birthday falls, without the approval of the commissioner of administrative services.

(4) A department head, head of an institution, or administrator of a state fund may be continued as provided in subsection (2) above. A continuation of such employee beyond the age of seventy-three shall be requested by the appointing authority in writing and shall require the approval of the governor.

(5) A duly appointed and acting messenger or assistant messenger of any constituent court of the judicial department who has reached his retirement age of seventy may be reemployed, pursuant to section 51-78, in the service of the court in which he has been a messenger at the salary paid him at the time of his retirement. Such reemployment shall continue until such time as the judges of said court terminate the same. Subsection (2) above does not apply to any such messenger.

(6) Except as provided in section 5-192u, the existing retirement rights of a member continued under this section after his retirement date shall not be affected by such continuation, and additional retirement rights shall accrue to him. The provisions of chapter 67 dealing with examinations, certifications, and appointments to and separations from the service shall not apply to any such member.

Sec. 5-1921. Early Retirement

- (a) Each member who has attained age 55 and has completed ten or more years of vesting service, shall be retired on his own application on the first day of any future month named in the application. Benefits shall be payable from that date provided the member is no longer in state employment.
- (b) Each member referred to in subsection (a) of this section shall receive a monthly retirement income beginning on his retirement date equal to the benefit provided in Section 5-192k(c) based on his final average earnings and credited service at the member's retirement date, but then permanently reduced by one-half of one percent for each month his retirement precedes his attainment of age 65.
- (c) Notwithstanding the above, for each member referred to in subsection (a) of this section who has completed 25 or more years of vesting service, the monthly retirement income shall be the greater of the amount calculated under subsection (b) or

- (1) if retirement occurs before July 1, 1983, \$200;
- (2) if retirement occurs between July 1, 1983 and June 30, 1984, \$220;
- (3) if retirement occurs between July 1, 1984 and June 30, 1985, \$240;
- (4) if retirement occurs between July 1, 1985 and June 30, 1986, \$260;
- (5) if retirement occurs between July 1, 1986 and June 30, 1987, \$280;
- (6) if on or after July 1, 1987, \$300.

Sec. 5-192m Hazardous Duty Retirement

- (a) Each "hazardous duty member" who has completed twenty five years of credited service while a hazardous duty member may be retired on his own application on the first day of any future month named in the application. For this purpose, leaves of absence, military service, and any other period of non-state employment which is included as credited service shall be deemed credited service while a hazardous duty member only if state employment as a hazardous duty member immediately precedes and immediately succeeds such period of non-state employment.
- (b) Each member referred to in subsection (a) of this section shall receive a monthly retirement income beginning on his retirement date equal to the greater of one-twelfth of two percent of his final average earnings multiplied by his years of credited service (whether while a hazardous duty member or otherwise) or
 - (1) if retirement occurs before July 1, 1983, \$200;
 - (2) if retirement occurs between July 1, 1983 and June 30, 1984, \$220;
 - (3) if retirement occurs between July 1, 1984 and June 30, 1985, \$240;
 - (4) if retirement occurs between July 1, 1985 and June 30, 1986, \$260;
 - (5) if retirement occurs between July 1, 1986 and June 30, 1987, \$280;
 - (6) if on or after July 1, 1987, \$300.

Sec. 5-192n Deferred Vested Retirement

- (a) A member who terminates before he is eligible for retirement, but after completing ten years of vesting service, shall be eligible for a vested retirement income calculated as described in subsection 5-192k(c) commencing upon reaching his sixty-fifth birthday. Alternatively, the member can elect to receive a retirement income commencing any time after his fifty-fifth birthday which is equal to the income that would be paid at age 65, reduced by one-half of one percent for each month the benefit commencement date precedes the member's sixty-fifth birthday.
- (b) A member who has attained the age of seventy and completed at least five years of vesting service is vested in his retirement benefit under 5-192k.

- (c) A member who has completed twenty five years of credited service while a hazardous duty member is vested in his retirement benefit under 5-192m. For this purpose, leaves of absence, military service, and any other period of non-state employment which is included as credited service shall be deemed credited service while a hazardous duty member only if state employment as a hazardous duty member immediately precedes and immediately succeeds such period of non-state employment.
- (d) Notwithstanding the foregoing, if the member had completed at least 25 years of vesting service at time of termination, the retirement income actually payable at anytime after the member's fifty-fifth birthday shall in no event be less than
 - (1) if retirement occurs before July 1, 1983, \$200;
 - (2) if retirement occurs between July 1, 1983 and June 30, 1984, \$220;
 - (3) if retirement occurs between July 1, 1984 and June 30, 1985, \$240;
 - (4) if retirement occurs between July 1, 1985 and June 30, 1986, \$260;
 - (5) if retirement occurs between July 1, 1986 and June 30, 1987, \$280;
 - (6) if on or after July 1, 1987, \$300.

Benefits shall not commence prior to age 55.

Sec. 5-192o. Disability Retirement

- (a) If a member, while employed by the State, becomes disabled as defined in subsection (b), prior to age 65, he is eligible for disability retirement if either (1) the disability was as a result of any injury received while in the performance of his duty as a state employee, or (2) the member has completed at least ten years of vested service.
- (b) A member is disabled for the first twenty-four months if he is permanently unable to continue to render the service in which he has been employed. Disability retirement continues thereafter only if such member is totally disabled for any suitable and comparable job.
- (c) The member who is eligible for disability retirement shall receive a monthly retirement income of one and one-third percent of final average earnings, plus one-half of one percent of final average earnings in excess of the year's breakpoint, the sum multiplied by the greater of (i) the credited service he would have at age 65 if he continued to work until that age, but limited to a maximum of 30 years, or (ii) his credited service earned to date of disability retirement.
- (d) Notwithstanding the foregoing provision of this Section 192o, the following maximum benefit limitation shall apply. In order to verify

the operation of the maximums, it shall be a condition precedent to receipt of any disability benefits under this Section 5-192o that a member authorize the Social Security Administration to provide the retirement commission, on an on-going basis, any information with regard to covered earnings or Social Security benefits payable. In the event both of the maximums indicated below apply, the lesser disability benefit will be payable. Such maximums shall be subject to reexamination annually, as indicated in subsection (e).

(1) The disability benefit provided hereunder shall not exceed (i) 100% of the greater of the member's final average earnings or the rate of salary of the member on date of disability, less (ii) any periodic cash benefit payments being made to a member under the Worker's Compensation Act, less (iii) any federal disability Social Security benefits (both primary and family) paid to the member of his family on account of the member's Social Security earnings history less (iv) all outside earned salary or wages, unless the retirement commission determines that such salary or wages are being paid as part of the rehabilitation of the disabled member. Any such determination that such earned salary or wages is for rehabilitation must be reapproved by the retirement commission no less frequently than every eighteen months, or the offset shall apply. The offset for Worker's Compensation and federal Social Security disability benefits shall apply when such benefits commence even if such benefits initially commence after the member's disability retirement date.

(2) The disability benefit provided hereunder shall not exceed (i) 80% of the greater of the member's final average earnings or the rate of salary of the member on the date of disability, less (ii) any periodic cash benefit payments being made to a member under the Worker's Compensation Act, less (iii) any federal disability Social Security benefits (both primary and family) being paid to the member or his family on account of the member's Social Security earnings history. The offsets shall apply even if such benefits initially commence after the member's disability retirement date.

*when such
benefits
commence (e)*

As of each anniversary date (as provided in Section 192r) of such retired employee, the benefits provided hereunder shall be subject to the following adjustments.

(1) The benefits provided in subsection (c) hereof shall be subject to the increase provided in Section 5-192r.

(2) The net maximum benefit provided in subsection (d)(2) shall be subject to the increase provided in Section 5-192r.

(3) This subparagraph (3) shall apply only to the maximum benefit provided in subsection (d)(1) which shall only be considered if the member has outside earned salary or wages. The salary as described in subsection (d)(1)(i) shall be increased by the percentage compensation increase that would have applied to an employee in the position and "step" of the member at date of disability had that employee continued to be employed and continued automatic progression to the maximum "step" for his classification. On the date of recomputation of the benefits, the offsets for Worker's Compensation and federal Social Security shall be increased by the lesser of that same percentage or the percentage increase granted under the cost-of-living provision of the Workers' Compensation Act and the Social Security Act respectively. This offset amount shall be adjusted to reflect any change in these benefits other than those resulting from the cost-of-living provisions of the Workers' Compensation Act or the Social Security Act. In no case will the offset be greater than the actual benefits paid. Outside earned salary or wages shall reflect actual amounts earned during the preceding calendar year. In no event will the application of ~~the~~ ^{this} subparagraph and subsection (g)(1) result in an income from all sources that would be less than the income that would have been paid had the member progressed to the maximum "step" for his classification.

*Remained in
step service and*

(4) Except as specifically indicated in the preceding subparagraph (3), the maximum disability income determined under subsection (d) will not be affected, when the Worker's Compensation benefits or the Social Security benefits are increased by cost-of-living provisions in the Worker's Compensation Act or the Social Security Act.

(5) The maximum disability income under subsection (d)(2) will be recalculated if either the Worker's Compensation benefits or the Social Security benefits are decreased or discontinued. Any such recalculated maximum shall not reflect any increases (arising after the initial application of the offset) because of the cost-of-living provisions in the Worker's Compensation Act or the Social Security Act except as specifically indicated in subparagraph (3).

- (f) The board of physicians appointed pursuant to Section 5-169(c) shall be utilized for purposes of determination of any applicant's entitlement.
- (g) No reconsideration of a decision concerning eligibility for a disability retirement allowance or the prior discontinuance of such allowance shall be made by the board unless a member, upon application to the board for a redetermination, discloses additional facts concerning his condition at the date of termination of employment or at the time of discontinuance (whichever is appropriate).

- (h) Retirement income being paid for disability retirement shall be discontinued if the member recovers from such disability prior to reaching what would have been his normal retirement date. In such event, such member shall receive credit for both vesting and credited service purposes for the years he was disabled, subject to a maximum total credit of thirty years or actual years of service to date of disability, whichever is greater. Unless such member has been reemployed, he shall then either (1) be deemed to have retired on normal or early retirement, if eligible, or (2) retain a vested right to a deferred pension, if eligible.
- (i) If a member is entitled to disability compensation under Section 5-142, such member shall continue to earn vesting service and credited service, provided such member has not retired. After retirement, if benefits continued to be payable under Section 5-142, the disability retirement benefits under this Section 5-192o shall be payable only if larger. In such event, the benefits under the Section 5-192o shall be temporarily reduced by the amount of benefits payable under Section 5-142 for the period of receipt of benefits under Section 5-142.

Sec. 5-192p Optional Forms of Retirement Income

A member may elect one of the following optional forms for retirement income by filing with the retirement commission a written election on a form provided by the commission. A member who has been married at least one year will be presumed to elect Option (a) below unless a contrary election is made by the member. All other members will be presumed to elect Option (d) below, unless a contrary election is made by the member. Any election must be filed before retirement income payments begin. No option shall be effective until a member has retired, and in the event a member dies prior to the date benefits would have commenced, any election of an option shall be deemed cancelled except ~~that in such event, if the member has applied to retire and has elected that benefits shall be paid pursuant to option (b) or (c) below said election shall not be cancelled.~~

The amount of income that will be paid under the options will be determined by multiplying the retirement income as determined under section 5-192k, 5-192l, 5-192m, 5-192n, or 5-192o as applicable, by the actuarially equivalent option factors last adopted by the retirement commission. Such factors may be periodically adjusted (either upward or downward) by the retirement commission to reflect changing interest, mortality, or election of option patterns, provided that they shall be reviewed and adjusted by January 1, 1985. Any such changes shall apply only to members whose benefits commence after the effective date of adoption of such factors.

- (a) A reduced amount payable to the member for this lifetime, with the provision that after his death his spouse, if surviving, shall be entitled

as provided
5-192Q(c)

shall be identical to those provided under Sec. 5-165 unless the Retirement Commission shall determine to the contrary. The factors

to receive a lifetime income equal to fifty percent of the reduced monthly amount payable to the member.

- (b) A reduced amount payable to the member for his lifetime, with the provision that after his death, his contingent annuitant shall be entitled to receive a lifetime income equal to either fifty or one hundred percent of the reduced amount payable to the member.
- (c) A reduced amount payable to the member for his lifetime, with the provision that if he shall die within either a ten or twenty year period following the date his retirement income commences (whichever is selected by the member), the reduced amount continues to his contingent annuitant for the balance of the ten or twenty year period, respectively.
- (d) An amount payable to the member for his lifetime, with no payments continuing after the member's death.

Notwithstanding the foregoing, a temporary minimum shall apply whenever the retirement commission adopts revised factors which could result in a smaller benefit to a member than would have payable under the previously existing factors. Such minimum shall be determined as follows:

- (1) The benefit the member had earned as of the date of the change in factors shall be calculated, based on his final average earnings and credited service (or based on his vesting service) as of that date;
- (2) Any early retirement reduction in such benefit shall be based upon his age as determined on the date benefits will commence, and his type of retirement; and
- (3) The option factor shall be determined utilizing the factors in effect prior to such change, but based on appropriate ages as of the date benefits will commence.

If such minimum results in a larger benefit, the larger benefit shall be payable.

Sec. 5-192q. Spouse's Allowance -- Pre-Retirement Death Benefits

- (a) If a member who is continuing to earn vesting service or who is on a leave of absence for health reasons dies after either (i) completion of the age and service requirements for retirement under sections 5-192k, 5-192l, or 5-192m or (ii) completion of 25 years of vesting service, his spouse (provided they have been lawfully married for at least the 12 months preceding his death) shall receive a lifetime income in an

amount equal to fifty percent of the retirement income that the member would have been entitled to if he had retired the day he died, and had his benefit been paid under the option specified in 5-192p(a). If such member was not eligible to retire at the time of his death, such benefit shall be calculated as if he had reached age fifty-five, but based on his credited service and final average earnings at his date of death. The first payment shall be made as of the first day of the month coincident with or, otherwise, next following his date of death.

- (b) If a member who has either terminated with at least 25 years of service or retired pursuant to Section 5-192i, but whose benefits in either event are being deferred, shall die prior to the commencement date of his benefits, his spouse (provided they have been lawfully married for at least the 12 months preceding his death) shall receive a lifetime income equal to fifty percent of the retirement income that the member would have been entitled to if his benefits had commenced the day he died, with such benefits being paid under the option specified in 5-192p(a). If such member had not reached age fifty-five at the date of this death, such benefit shall be calculated as if he had reached age fifty-five. The first payment shall be made as of the first day of the month coincident with or, otherwise, next following his date of death.

(c) *new long-term comm* ↗

Sec. 5-192r.

Cost of Living Adjustment

Each member who has retired under this Tier II Plan and who is receiving benefits, each spouse or contingent annuitant receiving income under an option specified in section 5-192p, and each spouse receiving benefits under 5-192q, shall be eligible for an annual three percent cost-of-living allowance increase commencing on the first anniversary date following the completion of nine months of retirement. Such cost-of-living allowance increase shall be computed on the basis of the retirement allowance to which such employee was entitled on the day preceding his latest anniversary date. The anniversary date of such employee shall be the first day of January or the first day of July following completion of nine months after the effective date of retirement. If the member was not covered by Social Security for at least half of the period of his vesting service and the member, spouse, or contingent annuitant receiving benefits has attained age 62, the cost-of-living allowance increase shall be six percent. If on any applicable anniversary date, the retirement commission determines that the national consumer price index for urban wage earners and clerical workers for the previous twelve-month period has increased less than the cost-of-living allowance increase provided by this section, the cost-of-living allowance increase shall be equal to the percentage change in such index, provided such cost-of-living allowance increase shall not be less than three percent. In addition, a member's benefit may be increased by the retirement commission as provided in Section 5-162e(b). If a member's benefit under Section 5-192o is changed

under subsection (f) of that section, the new benefit will be increased by all the cost-of-living allowances that had applied to the member's previous benefit.

Sec. 5-192s. - Survivorship Benefits

- (a) No member of the TIER II Plan shall be entitled to benefits under section 5-144 or sections 5-146 through 5-151 nor shall any member be required to contribute as provided in section 5-148. Survivorship benefits shall be paid only as provided in 5-192q and in this section.
- (b) If any member other than a state police officer sustains an injury while acting within the scope of his employment, which injury is not the result of his own willful or wanton act, and dies as a result of such injury, and a spouse and a dependent child or children under eighteen years of age survive him, the sum of seven thousand five hundred dollars shall be paid in equal monthly installments over a period of not less than five years to such employee's spouse, provided any such payments shall terminate on the death or remarriage of such spouse within said five-year period, and twenty dollars a month shall be paid for each dependent child under eighteen years of age, payable to such spouse or the guardian of such child or children until such child or children reach eighteen years of age. If such employee leaves a spouse and no child or children under eighteen years of age, the sum of four thousand dollars shall be paid in equal monthly installments over a period of not less than five years, to such spouse, provided any such payments shall terminate on the death or remarriage of such spouse within such five-year period. If such employee leaves no spouse and no child or children under eighteen years of age but leaves a parent or parents dependent upon him, the sum of four thousand dollars shall be paid to such employee's parent or parents in equal monthly installments over a period of not less than five years, provided, on the death of one such parent, the surviving parent shall continue to receive the entire monthly payments under the provisions of this section and provided such payments shall cease on the death of both such parents during such five-year period.

Sec. 5-192t. Retirement Contributions

No contributions are required of members of the TIER II Plan for their retirement benefits except as provided in Section 5-192i(h) with regard to service in another state.

Sec. 5-192u. Retirement Credit of Reemployed Retired Employees

- (a) Any person who has retired from the service of the state under any provision of this Tier II Plan and who is reemployed on a permanent

basis shall resume membership in the Tier II Plan and shall receive credit for service for the period of such reemployment.

(b) No member reemployed under this section otherwise reentering state service shall receive a retirement income during his reemployment or other state service except

(1) if his services are rendered for not more than ninety working days in any one calendar year, provided that any member reemployed for a period of more than ninety working days in one calendar year shall reimburse the state retirement fund for retirement income payments received during such ninety working days; or

(2) if his services are as a member of the general assembly, his retirement income payments shall not be suspended.

(c) Upon the subsequent retirement of a member who has been reemployed, his retirement income shall be recomputed on the basis of his total period of credited service, excluding any period for which a retirement income was paid under (1) or (2) of subsection (b), and with his final average earnings recomputed on the basis of his three highest-paid years of his total state service. Notwithstanding the above, the retirement income upon such subsequent retirement shall not be less than his original retirement income as increased by any cost-of-living adjustments which occurred (or would have occurred but for his reemployment) after such original retirement.

Sec. 5-192v. Assignments Prohibited

Any assignment by a member or beneficiary of any amount payable to either under the terms of this part shall be null and void. Each such payment shall be for the support of the member or beneficiary entitled thereto and shall be exempt from the claims of creditors of such member and beneficiary. If the provisions of this section are contrary to the law governing a particular circumstance, then, as to that circumstance, any payment shall be exempt to the maximum extent permitted by law.

Sec. 5-192w. Minor and Incompetent Payees

If the payee for any payment under this part is a minor, or if the retirement commission finds that any payee is legally incapable of giving a valid receipt and discharge for any payment due him, the comptroller may, upon the advice of the retirement commission, make the payment, or any part thereof, to the person or persons whom the retirement commission finds to be caring for and supporting the payee, unless the retirement commission has received due notice of claim from a duly appointed guardian or committee of the payee. A

payment so made shall be a complete discharge of the obligations of the state to the extent of and as to the payment, and the state shall have no obligations regarding the application of the payment.

Sec. 5-259. Hospitalization and medical and surgical insurance plan. Eligibility. (a) The comptroller, with the approval of the attorney general and of the insurance commissioner, shall arrange and procure a group hospitalization and medical and surgical insurance plan for state employees and anyone receiving benefits from the state employees retirement system and members of the general assembly who elect coverage under such plan or plans. The minimum benefits to be provided by such plan or plans shall be substantially equal in value to the benefits which each employee or member of the general assembly could secure in such plan or plans on an individual basis on the preceding first day of July. The state shall pay for each employee and each member of the general assembly covered by such plan or plans the portion of the premium charged for his individual coverage and SEVENTY PERCENT of the additional cost of his form of coverage and such amount shall be credited to the total premiums owed by such employee or member of the general assembly for the form of his coverage under such plan or plans. On and after [July 1, 1978] OCTOBER 1, 1982, OR THE DATE OF RATIFICATION OF THE AGREEMENT OF WHICH THIS IS A PART BY THE APPLICABLE BARGAINING UNIT, WHICHEVER IS LATER, the state shall pay for anyone receiving benefits from the state employees retirement system [ten] THIRTY percent of the portion of the premium charged for his individual coverage and [ten] THIRTY percent of any additional cost for his form of coverage. The balance of any premiums payable by an individual employee or anyone receiving benefits from the state employees retirement system or by a member of the general assembly for his form of coverage shall be deducted from the payroll or retirement benefits from the state employees retirement system or by a member of the general assembly for his form of coverage shall be deducted from the payroll or retirement by the state comptroller. The total premiums payable shall be remitted by the comptroller to the insurance company or companies or nonprofit organization or organizations providing the coverage.

(b) The insurance coverage procured under subsection (a) of this section for active state employees and retired state employees and members of the general assembly who are over sixty-five years of age may be modified to reflect benefits available to such employees or members pursuant to social security and medical payments required to secure such benefits administered by the federal government shall be paid by the comptroller either directly to the employee or members or to the agency of the federal government authorized to collect such payments.

(c) On October 1, 1972, the comptroller shall continue to afford payroll deduction services for employees participating in existing authorized

plans covering state employees until such time as the employee elects in writing to be covered by the plan authorized by subsection (a) of this section.

Sec. 5-259a. Competitive Selection. EMPLOYEE HEALTH AND LIFE INSURANCE SHALL BE SUBJECT TO A COMPETITIVE SELECTION PROCESS.

Sec. 10-183l. Teachers' retirement board. Valuation of fund. (a) The management of the system shall continue to be vested in the teachers' retirement board, which shall consist of nine members including the insurance commissioner, the [banking] commissioner ON AGING and the commissioner of education who shall be members of the board, ex officio. On or before June fifteenth in the odd-numbered years, the members of such system shall elect from their number, in a manner to be prescribed by said board, [one] THREE personS to seve as [a] memberS of said board for [a] termS of four years beginning July first following such election. If a vacancy occurs in the positions filled by members of said system, said board shall elect a member of the system to fill the unexpired portion of the term. The governor shall appoint THREE [four] public members to said board in accordance with the provisions of section 4-9a. The members of the board shall serve without compensation, but shall be reimbursed for any expenditures or loss of salary or wages which they incur through service on the board. All claims for reimbursement shall be subject to the approval of the secretary of the office of policy and management.

(b) In carrying out its duties, the board may employ a secretary and such clerical and other assistance as may be necessary. Their salaries shall be paid by said board with the approval of the secretary of the office of policy and management. Said board shall employ the services of one or more actuaries, each of which shall be an individual or firm having on its staff a fellow of the society of actuaries, to carry out the actuarial duties of this section and sections 10-183b, 10-183r, and 10-183z and for such related purposes as the board deems advisable. The cost of such services shall be charged to the funds provided for in secxtion 10-183r. Said board shall arrange for such actuary to prepare an actuarial valuation of the assets and liabilities of the system as of June 30, 1980, and at least once every two years thereafter. On the basis of reasonable actuarial assumptions approved by the board, such actuary shall determine the normal cost required to meet the actuarial cost of current service and the unfunded accrued liability. Said board shall adopt all needed actuarial tables and may adopt regulations and rules not inconsistent with this chapter, including regulations and rules for payment of purchased service credits and repayment of previously withdrawn accumulated contributions. Said board shall establish such funds as are necessary for the management of the system.

Sec. 10-183p. Transfers between state employees' retirement system and teachers' retirement system. (a) Any member of either the state employees' retirement system or the teachers' retirement system, if eligible to belong to the other, may transfer from the one to which such member belongs to the other when authorized to do so by the concurrent action of the state employees' retirement commission and the teachers' retirement board. No person shall be eligible to membership in both systems at the same time, provided nothing contained herein shall affect the rights of any person who, on June 18, 1953, was of a member of both systems. Any former state employee who was, during such employee's period of employment, eligible to belong to either the state employees' retirement system or the teachers' retirement system and who withdrew from the state employees' retirement system after July 1, 1940, to become a member of the teachers' retirement system may be credited in the teachers' retirement system with such member's period of state service upon making application in writing to the secretary of the teachers' retirement board and paying contributions for such period of service with credited interest from the date such service was rendered.

(b) No person who has creditable service as a member of the state employees' retirement system and who transfers, on or after May 6, 1975, to the teachers' retirement system shall be entitled to benefits from the teachers' retirement system until such person has been a member of and contributed to said system for a period of one year. NOTWITHSTANDING THE FOREGOING, IF SUCH TRANSFEREE DIES OR BECOMES DISABLED BEFORE COMPLETION OF THAT ONE YEAR, SUCH TRANSFER SHALL BE DEEMED CANCELLED AND SUCH PERSON SHALL BE DEEMED A MEMBER OF THE STATE EMPLOYEE' RETIREMENT SYSTEM.

Section 2. Savings Clause:

Should any provision of this Agreement be found unlawful by a court of competent jurisdiction, the remainder of the Agreement shall continue in force, and, at the request of any party, negotiations to the full extent required by law shall promptly commence solely on the provision found unlawful.

Section 3. Amendments:

Neither the Retirement System or the provisions contained in this Agreement may be amended, altered, modified, or reduced without the express written agreement of the parties to this Agreement.

Structure + benefits related thereto for members of the BO's covered by this agreement.

Below any amendment or alteration of the Retirement system, such amendment or alteration shall, at the request of any party hereto, be the subject of negotiation.

Section 4. Entitlement:

Except as modified pursuant to this Agreement and explicitly agreed by the parties herein, the retirement structure and benefits related thereto as presently provided by Chapters 66 and 167 of the General Statutes of Connecticut shall be incorporated herein by reference and continued for members of the bargaining units with the following exceptions: the parties agree to submit to fact finding and thereafter to bargain about the single issue of hazardous duty coverage for employees working at long lane school and adult and juvenile probation officers working in the judicial department. nothing in this agreement shall be interpreted to limit or prohibit the fact finding and bargaining on the issue of such coverage..

Section 5. Funding:

During each year of this agreement, the State as the Employer shall pay contributions to the State Employees' Retirement Fund in accordance with the procedure and in the amounts certified pursuant to C.G.S. 5-156a.

notwithstanding the provisions of c.g.s. 5-156a, the employer agrees that its minimum contribution to the state employees' retirement fund for the fiscal year 1983-84 shall be two hundred million dollars (\$200,000,000), which represents the projected contribution for that year.

Section 6. Insurance and/ Medical Benefits:

This Agreement further requires contributions for insurance and medical benefits. Specifically, the Employer agrees to maintain for anyone

receiving benefits from the retirement system a group hospitalization and medical and surgical plan or plans which provide benefits substantially equal to the benefits and coverage available to nonretired state employees. Effective October 1, 1982, the State shall pay for anyone receiving benefits from the retirement system thirty (30%) percent of the premium charged for his/her individual coverage and of any additional cost for his/her form of coverage (dependent). Effective January 1, 1984, the State shall pay thirty percent (plus such additional percentage as determined pursuant to Section 9c below):

Section 7. Fiduciary Standards and Responsibilities:

(a) All assets of the plan shall be held in trust by the State Treasurer. The State Treasurer shall be a named fiduciary of the plan and shall have the authority to manage and control the assets of the plan except as the plan expressly otherwise provides.

(b) The members of the commission and the Treasurer shall discharge their duties with respect to the plan solely in the interest of the participants and beneficiaries and - -

(A) for the exclusive purpose of:

(i) providing benefits to participants and their beneficiaries; and

(ii) defraying reasonable expenses of administering the plan;

(B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(C) by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(D) in accordance with the statutes, documents that the Retirement Division will make a disclosure to members of the system prior to the implementation of the provisions of the Agreement relating to plan and system transfers.

(c) any person who is a fiduciary with respect to the plan who breaches any of the responsibilities, obligations, or duties imposed upon fiduciaries by this Agreement shall be subject to such equitable or remedial relief as the arbitrator may deem appropriate, which may include removal of such fiduciary. The fiduciary shall make good to the plan any losses to the plan resulting from each such breach, subject to the provisions of C.G.S. 4-165, and shall be liable to restore to the plan any profits of such fiduciary which have been made through use of assets of the plan by the fiduciary.

(d) Exculpatory Provision:

It shall not be deemed a breach of this agreement or the fiduciary standards contained herein for the Treasurer with the approval of the Investment Advisory Council to:

*IS + Instruments governing the Plan
insofar as such
Statutes, documents
& instruments
are contained
word of
provisions of
this agreement*

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(1) consider such investment policies and decisions as will redound to the long-term well-being of plan participants and beneficiaries;

(2) restrict investments in accordance with this agreement or legislation;

(3) undertake the investment of the assets of the trust fund in such a manner as to provide the greatest benefit to pension fund participants consistent with the financial integrity of the trust funds.

Section 8. Data Processing:

The State shall allocate up to 2 million dollars during the 1982-83 and 83-84 fiscal years for the purpose of defraying the reasonable expenses of establishing a retirement data base in the Retirement Division.

Section 9. Competitive Selection of Employee Insurance:

a. Joint Committee.

A committee composed of two management representatives selected by the governor, two employee representatives designated by the PCC, and one neutral representative, who shall be a member of the National Academy of Arbitrators and shall be selected by the management and employee representatives, shall be responsible for requesting competitive proposals for employee health and life insurance. This committee may also obtain an estimate of the cost of self-insurance. The cost of the neutral shall be equally shared by the parties.

b. Purpose.

The Committee shall obtain proposals for benefits and coverage which shall be reasonably equivalent to the benefits and coverage provided active state employees prior to Legislative approval of this agreement. Said proposals shall be for benefits and coverage to be effective by January 1, 1984. The committee shall also identify the projected cost of maintaining unchanged, and in the absence of this competitive process, the current plans.

The committee shall seek to obtain proposals which will be lower than the cost of current plans if they were maintained unchanged, and which will reduce, if possible, the cost of the present employee health and life insurance coverage. This may include redesign of the present insurance program and may build in cost containment provisions in employee health insurance plans. Such redesign may include modification of present coverage to provide better utilization of premium dollars. The resultant insurance program is to be reasonably equivalent to the current coverage.

c. Savings.

Savings are defined as the difference between the projected cost (as it would have increased) of maintaining unchanged (in the absence of the competitive process) the current plans for one (1) additional year and the cost of the new proposal.

The savings which result from the competitive process shall be distributed in the following manner:

1/3 to increase, as of the effective date of the new or revised plans, the percentage payment for the coverage provided to people receiving benefits from the retirement system pursuant to C.G.S 5-259 and Section 6 above and to provide a corresponding reduction in the percentage payment of said retirees and beneficiaries. (This is intended to provide a percentage reduction for retirees which will continue for future years);

1/3 to provide improved benefits and coverage for active state employees; and

1/3 to offset the costs to the State of providing said benefits and coverage.

d. Report.

A report by the committee with the results of this competitive process shall be submitted to the State Comptroller. If the proposals are relatively equal, the parties shall give preference to Connecticut insurers. This report shall be submitted no later than one year following legislative ratification of this Agreement.

e. Consultant.

In order to assist the committee in designing, soliciting and evaluating health and life insurance proposals, the committee is authorized to engage

the services of an actuarial consultant at a cost not to exceed \$20,000 to be paid by the State.

f. Revision.

This committee shall reconvene during the 1986-87 fiscal year for the purpose of repeating this process for health and life insurance.

Section 10. Rights Under Current Litigation:

By entering this Agreement, neither the State or the Unions which are signatory to this Agreement, or the employees whom the Unions represent, have waived their rights under the litigation currently pending (commonly referred to as Pineman v. Oechslin and Zilber v. Oechslin) contesting the validity of "future rules" contained in Section 5-162 C.G.S.

Section 11. Training.

Both the State and the Union(s) which are signatory to this Agreement recognize the value of disseminating information concerning pension plan benefits and structure. Accordingly, within four months following legislative approval of this Agreement, the Retirement Division shall conduct a two-day training program for agency personnel representatives and employee pension representatives. One employee from each state agency and from each facility employing 250 or more personnel and one additional employee from each facility employing more than 500 personnel shall be selected as employee pension representatives. The Union representing the majority of

the employees at that agency or facility shall name the employee pension representative, provided that the CSBLR shall conduct an election for said representative upon petition of thirty percent of the employees in the facility. To the extent practicable, employee pension representatives shall be evenly distributed among bargaining units. The selection of employee pension representatives shall not be grievable or arbitrable. Such employee pension representatives shall disseminate pension information to all employees of the facility or agency for which they are the employee pension representative.

Thereafter, from time to time as directed by the Retirement Commission, the Retirement division will conduct half-day training programs for agency personnel representatives and employee pension representatives.

Section 12. Grandparent.

- (a) The retirement benefits for all persons employed by the State on June 30, 1980, (whether or not they were employed at the time of the Fitzpatrick decision), and who retire on or after July 1, 1980, will be computed for all state service prior or subsequent to July 1, 1980 exclusively under the "future rules". (See attached Table for "old rules" and "future rules").
- (b) Notwithstanding the prior paragraph, any employee who on June 30, 1980 was eligible for immediate retirement (age 50 with 10 years) shall not suffer any reduction in the dollar amount of

retirement benefits he/she was eligible for on June 30, 1980 by reason of remaining in State employment on and after July 1, 1980.

(1) A grandparented employee who stays in State service after June 30, 1980 and who subsequently retires without having reached the retirement age specified under the "future rules" (Age 55 with 10 years) and who elects immediate benefits shall receive only his grandparented benefit, together with a refund of his/her pension contribution for service after June 30, 1980, and will not be entitled then or thereafter to a recomputation based on service after June 30, 1980.

(2) The "grandparented benefit" is calculated by multiplying the total accrued percentages as of June 30, 1980 under the "old rules" based on age and years of service as of that date times the final average salary determined on the date of retirement after June 30, 1980.

Example: An employee on June 30, 1980 is age 52 with 10 years of service and final average salary of \$10,000. The dollar amount of retirement benefits he is eligible for on June 30, 1980 is $1.12\% \times 10 \text{ years} \times \$10,000$. If the employee remains in State service after June 30, 1980, the amount of grandparented benefit percentage is determined by multiplying $1.12\% \times 10 \text{ years}$, or 11.2%. If the employee subsequently retires at age 53, with 11 years of

service with a final average salary of \$10,500 and elects immediate benefits at time of retirement, his benefit is determined by multiplying 11.2% x \$10,500. If the employee subsequently retires at age 55 with 13 years of service and a final average salary of \$12,000, his benefit is determined under the future rules by multiplying 1.2% x 13 years x \$12,000.

The grandparented benefit is not increased by any retirement COLA for the period prior to actual retirement. For the period subsequent to actual retirement after June 30, 1980, the retiring employee is understood to be eligible under current retirement law to a 3% retirement COLA.

(3) An employee with a grandparented benefit who retires on or after July 1, 1980 prior to age 55 and who takes immediate retirement benefits, waives any right to a redetermination of benefits when he/she attains age 55. If he/she does not elect immediate benefits (and does not withdraw his/her contributions), he/she remains eligible for deferred vested benefits otherwise payable at retirement on or after age 55 and is understood to have waived his/her grandparented benefit.

(c) Pension Grace Period. For those employees who are covered under the terms of this Section:

(1) Each employee retiring on or after July 1, 1979 but prior to January 1, 1980 and the spouse of any such

deceased employee who had elected the husband and wife retirement income option shall be eligible for an annual five (5%) percent cost of living allowance commencing on the first anniversary date following completion of nine (9) months in retirement. Such cost of living allowance shall be computed on the basis of the retirement allowance to which such employee was entitled on the day preceding his latest anniversary date. The anniversary date of such employee shall be the first day of January or the first day of July following completion of nine (9) months after the effective date of retirement. If on any subsequent applicable anniversary date, the retirement commission determines that the national consumer price index for urban wage earners and clerical workers for the previous twelve (12) month period has increased less than the cost of living allowance provided by this subsection, the cost of living allowance provided by this subsection shall be adjusted to reflect the change in such index, provided such cost of living allowance shall not be less than three (3) percent.

- (2) Each employee retiring on or after January 1, 1980 and the spouse of any such deceased employee who had

elected the husband and wife retirement income option shall be eligible for an annual three (3) percent cost of living allowance commencing on the first anniversary date following completion of nine (9) months in retirement. Such basis of the retirement allowance to which such employee was entitled on the day preceding his latest anniversary date. The anniversary date of such employee shall be the first day of January or the first day of July following completion of nine (9) months after the effective date of retirement.

Section 13. Disputes and Arbitration:

There shall be a labor-management review committee consisting of two representatives of the unions which are signatories to this agreement, who shall be designated the unions representing a majority of the bargaining units and a majority of state employees, and two representatives of the State employer. The committee shall name an impartial arbitrator to decide disputes which may arise under this Agreement. Unless the committee designates some other arbitrator to hear a dispute, the arbitrator shall be the Chairman or former Chairman of the retirement commission, provided that if the Chairman and a former Chair are both available, the person who will be first available shall hear the dispute.

Any dispute with regard to this Agreement, except for a claim under Section 1 submitted to the retirement commission pursuant to C.G.S. Sec. 5-

155 (j) and appealable therefrom pursuant to 5-155(k), may be submitted by any union to the labor-management review committee, which shall meet to consider the dispute within two weeks of the union's request. If the dispute is not resolved, the two union representatives may submit it to arbitration.

The standards articulated in the Steelworkers' Trilogy shall be applied in any challenge to the arbitrability of any dispute under this Agreement.

Section 14. Acceptance, Term and Duration:

By executing this Agreement, the undersigned parties, hereby accept and adopt the foregoing Agreement. This agreement shall be binding upon the parties named herein and their successors and assigns and shall be effective July 1, 1982, to and including June 30, 1988.

THE EMPLOYER:

Robert Finder, Director, Office of Labor Relations
For The Executive Branch

Joan Geeter, Vice President for Academic Affairs
For the Board of Trustees for the University
of Connecticut

Mike Pernal, For the Board of Trustees for
the Connecticut State Colleges

Jackson Foley, Assistant to the Executive Director
For the Board of Trustees of Regional Community
Colleges

James O'Brien, For the Board of Trustees for
the State Technical Colleges

Sherry Mooney, For the State Department of
Education

Robert Coffee, For the Judicial Branch

THE PENSION COORDINATING COMMITTEE:

For P-1, District 1199

For P-2, Council #4, AFSCME

For NP-4, Council #4, AFSCME

For NP-6, District 1199

For Judicial Professionals, CSFT/AFT

For Community College Professional Staff, CCCC

For Voc-Tech Administrators, Local 61, AFSA

For State Technical College Faculty, CSFT/AFT

For State Technical College Administrators,
Council #4, AFSCME

For State College Administrators, Council #4, AFSCME

For State College Faculty, CSC-AAUP

For University of Connecticut Faculty, UConn-AAUP

For University of Connecticut Administrators,
CSFT/AFT

For UConn Health Center, CSFT/AFT

SUPPLEMENTAL LETTER OF AGREEMENT

June 14, 1982

TO: The Pension Coordinating Committee
FROM: Robert Finder
RE: Pension Agreement

This is to confirm the following:

1. C.G.S. 5-192jj as written in Section 1 of the Agreement is not intended to alter current practice with regard to the calculation of retirement benefits for members of the system who may work part-time.

2. It is intended that the Retirement Division will make a disclosure to members of the system prior to the implementation of the provisions of the Agreement relating to plan and system transfers.

3. Section 9 of the Agreement (Competitive Selection) does not limit the right of the individual unions to bargain about improvements in health insurance benefits and coverage ^{in accordance with CBS 5-270 (et seq.)} ~~to be effective on or after June 30, 1984.~~

4. Section 13 is intended to refer to the Chairman of the retirement commission as re-created pursuant to C.G.S. 5-155 as revised in Section 1 of the Agreement; it is not intended to refer to the Chairman or any former chairman of the pre-existing retirement commission.

5. For the purposes of Section 13 unless and until the labor-management review committee designates some other arbitrator to hear a dispute, James J. Healy is and will be acceptable to the ^{Parties} ~~State/employer~~ as an impartial arbitrator to decide disputes which may arise under this Agreement.

6. As soon as possible after the ratification of the Agreement by all *State* bargaining units, the parties will jointly submit to a ~~regular~~ session of the Legislature technical legislation amending the General Statutes to conform with Section I of the Agreement.

RFinder