



GABRIEL, ROEDER, SMITH & COMPANY

Consultants & Actuaries

1000 Town Center • Suite 1000 • Southfield, Michigan 48075 • 248-799-9000 • 800-521-0498 • fax 248-799-9020

January 27, 2000

Mr. William Sudol, Administrator
Connecticut Teachers' Retirement System
21 Grand Street
Hartford, Connecticut 06106

Re: Proposals to Modify Normal Retirement Benefit Eligibility - Part 2

Dear Bill:

In response to a request by Clare Barnett, we have prepared the enclosed supplemental actuarial report on the contribution rates required to support 3 proposed changes in the Connecticut Teachers' Retirement System (CTRS).

PROPOSED PLAN CHANGES:

Proposal #1: A member will be eligible for an unreduced Normal Retirement Benefit after the earlier of: Age 60 and 20 years of Credited Service in Connecticut, or any age and 33 years of Credited Service including at least 25 years of service in Connecticut.

Proposal #2: A member will be eligible for an unreduced Normal Retirement Benefit after the earlier of: Age 60 and 20 years of Credited Service in Connecticut, or any age and 32 years of Credited Service including at least 25 years of service in Connecticut.

Proposal #3: A member will be eligible for an unreduced Normal Retirement Benefit after the earlier of: Age 60 and 20 years of Credited Service in Connecticut, or any age and 30 years of Credited Service including at least 25 years of service in Connecticut.

In order that these results be comparable to those in our December 15, 1999 supplemental actuarial report, we have used the census date as of June 30, 1998.

Please call me with any questions.

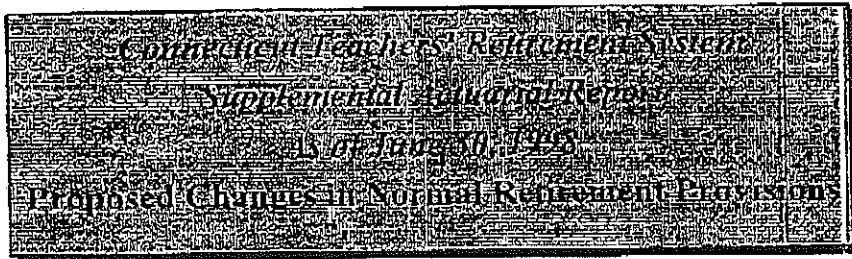
Sincerely,

Brian F. Dunn

BFD:cg
Enclosure

CC: Clare Barnett (Connecticut Teachers' Retirement System)
Mark Johnson (GRS)

Post-it® Fax Note	7671	Date	1/28	# of pages	8
To	Kathy Demsey	From	Christina		
Co./Dept.		Co.	Bellman		
Phone #		Phone #	240 0200		
Fax #	4186490	Fax #	240 0052		



PRESENT PLAN PROVISIONS:

◆ **NORMAL RETIREMENT**

Eligibility: Age 60 and 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Benefit: 2% times years of Credited Service times Average Annual Salary (maximum is 75%).

PROPOSED PLAN CHANGE #1:

◆ **NORMAL RETIREMENT**

Eligibility: Age 60 and 20 years of Credited Service in Connecticut, or any age and 33 years of Credited Service including at least 25 years of service in Connecticut.

Benefit: 2% times years of Credited Service times Average Annual Salary (maximum is 75%).

PROPOSED PLAN CHANGE #2:

◆ **NORMAL RETIREMENT**

Eligibility: Age 60 and 20 years of Credited Service in Connecticut, or any age and 32 years of Credited Service including at least 25 years of service in Connecticut.

Benefit: 2% times years of Credited Service times Average Annual Salary (maximum is 75%).

PROPOSED PLAN CHANGE #3:

◆ **NORMAL RETIREMENT**

Eligibility: Age 60 and 25 years of Credited Service in Connecticut, or any age and 30 years of Credited Service including at least 25 years of service in Connecticut.

Benefit: 2% times years of Credited Service times Average Annual Salary (maximum is 75%).

*Connecticut Teachers' Retirement System
Illustration of Proposals*

ILLUSTRATIONS:

Teacher was hired at age 23 and taught continuously in Connecticut ever since.

UNDER THE CURRENT PROVISIONS

When she has completed 35 years of Credited Service, her accrued annual normal retirement benefit will be 70% (2% x 35 years of Credited Service) of her Average Annual Salary, payable at age 58.

UNDER THE PROPOSED CHANGE #1

When she has completed 33 years of service, her normal retirement benefit would be 66% (2% x 33 years) of her Average Annual Salary, payable at age 56.

UNDER THE PROPOSED CHANGE #2

When she has completed 32 years of service, her normal retirement benefit would be 64% (2% x 32 years) of her Average Annual Salary, payable at age 55.

UNDER THE PROPOSED CHANGE #3

When she has completed 30 years of service, her normal retirement benefit would be 60% (2% x 30 years) of her Average Annual Salary, payable at age 53.

Connecticut Teachers' Retirement System

Age	Current Retirement Rates*		
	Normal	Early	Proratable
45		1.0%	
46		1.0	
47		1.0	
48		1.0	
49		1.0	
50		2.0	
51	**	2.0	
52	**	3.0	
53	**	3.0	
54	**	4.0	
55	20.0%	5.0	
56	20.0	6.0	
57	20.0	7.0	
58	20.0	7.0	
59	20.0	7.0	
60	20.0		10.0%
61	20.0		10.0
62	20.0		10.0
63	20.0		10.0
64	20.0		10.0
65	30.0		10.0
66	30.0		10.0
67	30.0		10.0
68	30.0		10.0
69	30.0		10.0
70	50.0		100.0
71	50.0		100.0
72	50.0		100.0
73	50.0		100.0
74	50.0		100.0
75	100.0		100.0

* Modified retirement rates apply only when a member's eligibility for normal retirement benefits is effected by the proposed change(s). The modified rate at a given age, up to but not including 75, = the current rate + 10.0%.

** Rate of 30.0% applies to members who qualify for normal retirement under the proposed change(s) at these ages.

Connecticut Teachers' Retirement System
Actuarial Statement

The probable effect on State contributions of each Proposal is as follows:

Proposal #1: Unreduced benefits after the earlier of age 60 and 20 years of service or any age and 33 years of service	Increase in Computed State Contributions as a % of Member Payroll
Normal Cost	0.23%
Unfunded Actuarial Accrued Liability	0.47
Total	0.70%
Dollar Increase in Unfunded Actuarial Accrued Liability	\$ 222,935,070
Projected Teacher Payroll for 2000-01 Fiscal Year	\$2,661,242,595
Estimated Increase in State Contribution 2000-01 Fiscal Year	\$ 18,628,698

Proposal #2: Unreduced benefits after the earlier of age 60 and 20 years of service or any age and 32 years of service	Increase in Computed State Contributions as a % of Member Payroll
Normal Cost	0.36%
Unfunded Actuarial Accrued Liability	0.70
Total	1.06%
Dollar Increase in Unfunded Actuarial Accrued Liability	\$ 332,775,989
Projected Teacher Payroll for 2000-01 Fiscal Year	\$2,661,242,595
Estimated Increase in State Contribution 2000-01 Fiscal Year	\$ 28,209,172

35	34	33	32	31	30
				1.42	1.78
	35	.70	1.06		
			.36	.36	.36
			.34		
			.35		

Connecticut Teachers' Retirement System
Actuarial Statement (Continued)

Proposal #3: Unreduced benefits after the earlier of age 60 and 20 years of service or any age and 30 years of service	Increase in Computed State Contributions as a % of Member Payroll
Normal Cost	0.64%
Unfunded Actuarial Accrued Liability	1.14
Total	1.78%
Dollar Increase in Unfunded Actuarial Accrued Liability	\$ 538,330,215
Projected Teacher Payroll for 2000-01 Fiscal Year	\$2,261,242,595
Estimated Increase in State Contribution 2000-01 Fiscal Year	\$ 47,370,118

We have also been asked to estimate the increase in computed State contribution rate if each of these proposals were to be "phased-in" over a specified number of years: 2 years for Proposal #1, 3 years for Proposal #2, and 5 years for Proposal #3.

Approximate results are as follows:

Proposal	Years to Phase-in	Per Year Increase in Computed State Contribution Rate
#1	2	0.35%
#2	3	0.35%
#3	5	0.36%