

## **General Information on SEBAC Tier IV – Defined Benefit/Defined Contribution Plan**

SEBAC 2017 provided for the implementation of the new SERS Tier IV retirement plan for new employees first hired on or after July 31, 2017. The SERS Tier IV plan is comprised of both a traditional Defined Benefit component and a new Defined Contribution component.

The Tier IV Defined Benefit component provides a pre-defined monthly retirement income for life, with the amount being affected by years of service, retirement age, and the member's final average earnings for members that satisfy the Tier IV minimum age and service eligibility requirements.

The Tier IV Defined Contribution component establishes an account consisting of an accumulation of employee and employer contributions, as well as investment gains or losses. Each Tier IV member will have an account with Prudential Retirement the current third party administrator of the State of Connecticut 457 Plan, the 403(b) Plan and the Alternate Retirement Program (ARP). Information about this new plan is expected to be included on the State of Connecticut Defined Contribution website, [www.CTDCP.com](http://www.CTDCP.com) effective April 16, 2018.

The retirement plan contribution rates required for the respective Tier IV Defined Benefit and Defined Contributions components are as follows:

<b>Tier IV – Mandatory Retirement Contributions</b>	
<b>Defined Benefit Component:</b>	5% of salary (employee contribution) (Tier IV Hybrid and Hazardous Duty Members contribute 8%)
<b>Defined Contribution Component:</b>	1% of salary (employee contribution)  -plus-  1% of salary (employer matching contribution)