

Agency Option Submission

Teachers' Retirement Board

Signed (Agency Head)	Title	Date
<i>Darlene Perez</i>	<i>Admin.</i>	<i>9/10/16</i>

Fund	Agency Priority	Adjustment Title	FY 2018 Amount	FY 2019 Amount
11000 - General Fund				
	1	PS Option Accountant	(85,000)	(85,000)
	Total		(85,000)	(85,000)
Total			(85,000)	(85,000)

Teachers' Retirement Board

11000 - General Fund

Adjustment Type: Reductions

Agency Title: PS Option Accountant

Agency Description:

Budget Reduction Option: Defer filling an Accountant position that will become vacant December 1, 2016. Annualized Savings of \$85,000 in FYE 18 and FYE 19.

The Connecticut Teachers' Retirement Board is governed under Chapter 167a of the CGS Sec. 10-183c. Teachers' retirement system established. Benefits contractual. (a) The Connecticut teachers' retirement system is established to provide retirement and other benefits for teachers, their survivors and beneficiaries. On or after a member vests in the system by becoming eligible to receive a retirement benefit pursuant to section 10-183f, or accumulates ten years of credited service in the system, as defined in subsection (a) of section 10-183e, whichever is later, the member's benefit under sections 10-183e, 10-183f, 10-183g, 10-183h and 10-183aa is contractual in nature and no public or special act of the General Assembly shall diminish such benefit, provided this section shall apply only to an active member who is vested on October 1, 2003, or to a member who vests or accumulates ten years of credited service on or after October 1, 2003, and shall apply to the member's benefit in existence on October 1, 2003, or to the member's benefit in existence on the date the member vests or accumulates ten years of credited service, respectively, whichever is later.

(b) In addition to the benefits described in subsection (a) of this section, upon the issuance of bonds authorized by section 10-183qq, all benefits of all members of the teachers' retirement system as of said issuance shall be construed to be contractual in nature, as long as the bonds issued in accordance with section 10-183qq or any subsequent reauthorizations of said bonds remain outstanding. Nothing in this subsection shall be construed to bestow any vested rights upon a member of the Connecticut teachers' retirement system until such time as those rights are earned in accordance with provisions in place upon issuance of the bonds pursuant to section 10-183qq.

The covenant to the bond requires full funding of the retirement contributions, masking those ineligible for reduction options.

Our pension and health insurance benefits are contractual in nature, we are unable to eliminate either program or the staff associated with administering those two programs.

With the expertise of our Health Benefit Consultant, we have been able to stabilize the unit cost of our health insurance program over the last ten years, however the growth rate continues to experience a net increase of approximately 8 percent per year, which results in a higher cost. Due fiscal challenges that face the state, the state has been unable to meet it statutory obligation to fully fund it's cost share of our health plan programs. This has contributed to the TRB Health Fund balance reaching an all-time low in more than a decade. Therefore, we do not feel that an additional cut to the state share is a prudent choice.

We have over 60,000 active and inactive members, over 36,000 members and eligible beneficiaries receiving monthly benefits from this system, and over 43,000 retirees and eligible dependents either enrolled in the TRB sponsored health plan or receiving a health insurance subsidy if they are enrolled in the retired member's health insurance program. Our annual accounts payables on the pension side is fast approaching \$2 billion dollars per year, which must be properly accounted for. We currently have 25 full-time staff members and two vacancies, our primary accountant (with 35 years of service here) is retiring on December 1, 2016. Ten of the 25 staff are assigned to our fiscal unit. The retiring accountant is training two new employees (his 4th and 5th as the first through the third are no longer here). An assistant accountant died suddenly in August, part of her role was to train new employees in our fiscal area, all of whom are in their training phase. Both of the trainees the primary accountant is training are likely to be bumped as they are both on the low end of the seniority list. Two temporary workers, hired by OPM were here from August 2014 through August of 2015. Their findings were that this agency needed to increase our staffing level in order to meet our obligations. We had the same number of staff when they were here that we have now. We are willing to defer the filling of an Accountant position, however, if we don't achieve some stabilization of staff, we will be unable to meet our statutory and fiscal responsibilities.

Agency Priority: 1

System ID: 6961

SID	Account	Program	Agency 2018	Agency 2019
Financials				

10010 - Personal Services		50110 - Salaries & Wages-Full Time	(85,000)	(85,000)
		Total-10010 - Personal Services	(85,000)	(85,000)
Total Financials			(85,000)	(85,000)
Positions				
		13010 - Funding of System	1	1
		Total-	1	1
Total Positions			1	1