****

 **STATE OF CONNECTICUT**

 ***OFFICE OF POLICY AND MANAGEMENT***

 **Office of Labor Relations**

## January 21, 2014

**General Notice No. 2014-05**

**TO: Labor Relations Designees**

# SUBJECT: SEBAC 2011 Agreement – Breakpoint Negotiations

The 2011 SEBAC Agreement provided that the parties would negotiate over a change in the Breakpoint in Tier II, IIA and III. The change could not cost more than .5% of payroll.

The current formula for Tier II, IIA and III is:

|  |  |
| --- | --- |
| 1.33% (.0133) x average salary at or below the breakpoint |  |
| PLUS |  |
| 1.833% (.01833) x average salary over the breakpoint | x Years of credited service up to 35 |
| PLUS |  |
| 1.625% (.01625) x average salary  | x Years of credited service over 35 |

The revised formula for individuals retiring on or after July 1, 2013 in Tier II, IIA and III is:

|  |  |
| --- | --- |
| 1.4% (.014) x average salary at or below the breakpoint |  |
| PLUS |  |
| 1.833% (.01833) x average salary over the breakpoint | x Years of credited service up to 35 |
| PLUS |  |
| 1.625% (.01625) x average salary  | x Years of credited service over 35 |

The Retirement Division will be sending out a memorandum with more details. Additionally, as this change is effective July 1, 2013, those individuals who retired/retire on or after that date will have their retirement benefit recomputed when their benefit is finalized. The benefit formula will not be changed for individuals who retired or otherwise separated from service prior to July 1, 2013 including deferred vested employees, whose benefit would be determined under the formula in affect when they retired or otherwise left state service.

Employee questions about this notice should be addressed to the Agency’s Human Resources office or the Retirement Division. Agency Labor Relations Designees with questions may contact the Office of Labor Relations at 418-6447.

### *Linda J. Yelmini*

## Linda J. Yelmini

Director of Labor Relations