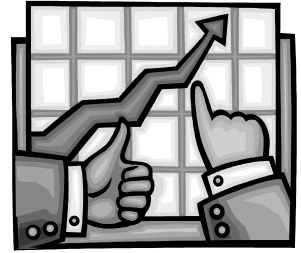


Why is House Bill 6141 the Right Solution for Connecticut?



- ***The Teachers' Retirement Fund (TRF) has been chronically under-funded...***

The current unfunded liability is \$6.9 billion and will continue to grow without a comprehensive plan like the POB proposal.

- ***Connecticut needs a solution to address the unfunded liability AND meet future funding requirements...***

The POB proposal would put \$2 billion from general obligation bond proceeds into the Teachers' Retirement Fund, which has historically earned an average of 8.9%.*

The POB sale would include requirements for the State to appropriate 100% of actuarial recommendation to the TRF for the life of the bonds (25 years).

The POB proposal includes structural changes to put the TRF, including a cost of living adjustment (COLA), on stronger financial footing without compromising benefits to teachers.

- ***The State can take advantage of low interest rates now...***

The projected rate of borrowing for the POB sale is 5.6%. (Right now the State is being charged 8.5% on the unfunded liability.)

Similar to the way a person could refinance a mortgage to lock in a lower interest rate, the State would be substituting high-interest debt (8.5%), for low-interest debt (5.6%).

- ***This is a plan approved by teachers, for teachers...***

The Connecticut Education Association (CEA), AFT Connecticut, and the Association of Retired Teachers of Connecticut support the POB proposal.

- ***Connecticut needs a long-term solution for the Teachers' Retirement Fund...***

The State needs to address this financial obligation to its teachers, take control of the growing unfunded liability, and come up with a long-term solution for financial stability in the Teachers' Retirement Fund.

- ***The POB proposal will SAVE TAXPAYERS MONEY...***

Taxpayers will have to pay the state approximately \$2.8 billion less over the next 25 years.

House Bill 6141... Protecting the Teachers' Retirement Fund... Saving Taxpayers Money

* Based on average earnings over the past 15 years.

