



## CT TEACHERS' RETIREMENT BOARD

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[www.ct.gov/trb](http://www.ct.gov/trb)

### FILING FOR RETIREMENT / NEW RETIREE - QUESTIONS & ANSWERS

#### **I'm planning to retire. How soon should I file my application for retirement?**

We strongly recommend that you file your application for retirement at least six months prior to your retirement date.

#### **What do I need to file?**

You must file an Application for Retirement Benefits along with a copy of your birth certificate. If you are electing Plan D, Co-Participant Option, you must also file a copy of your co-participant's birth certificate.

#### **When do my benefits become effective?**

All benefits become effective on the first day of the month following the month you terminated service and filed your complete Application for Retirement Benefits, provided you qualify for an immediate benefit. By law, the application must be received by the Connecticut Teachers' Retirement Board (CTRB) by the last business day of the month or postmarked by the last day of the month preceding the effective date of your retirement.

#### **I can't make up my mind whether I want to retire July 1st. What will happen if I file my application in July rather than on or before June 30th?**

By law, your benefits will become effective on the first day of the following month, August 1<sup>st</sup>.

#### **Will the benefits be retroactive to July 1st?**

No. Because you filed in July rather than June, you will not receive a benefit payment for the month of July. In effect you have lost the benefit payment for July.

#### **I have service to purchase. When should I start the process to document my additional credited service?**

We strongly recommend that you start this process immediately, if you have not already done so, as additional credit can be paid for at any time.

#### **I'm having an extremely difficult time trying to document my additional credited service. What's the deadline for providing CTRB with documentation of my service?**

Beginning with retirement dates effective July 1, 2015, the complete documentation of service must be received or postmarked prior to the effective date of retirement to protect the potential opportunity to purchase the service. If the complete documentation is not received by TRB or postmarked by the day prior to the effective date of retirement, you will forfeit your right to purchase this service.

#### **If I want to change my retirement payment plan option or revoke/rescind my retirement application, when must I do so?**

You may only change your retirement payment plan option (Plan N, C or D) or revoke or rescind your retirement application prior to the effective date of your retirement. This means that if you are retiring as of July 1<sup>st</sup>, you may make the change in your plan option or revoke/rescind your retirement application on or before June 30<sup>th</sup>. To change your payment plan option, a new form must be filed with the CTRB or post-marked prior to the effective date of your retirement. Your request to revoke/rescind your retirement application must be *made in writing, must include your signature and must be filed* with the CTRB or post-marked prior to the effective date of your retirement. CTRB will accept faxed requests. E-mail requests are not accepted.

#### **Does that also apply to my election to receive my 1% Supplemental Account or Voluntary Account either as a lump sum or as an extra annuity?**

Yes. You may change your election (lump sum or extra annuity) prior to the effective date of your retirement. No change is permitted after the effective date of your retirement.

**Can I make separate elections for my 1% Supplemental Account and my Voluntary Account?**

Yes. You may make separate elections whether to receive the funds either as an extra monthly annuity or as a lump sum.

**Can I elect to have a portion of either my 1% Supplemental Account and/or my Voluntary Account paid as a monthly annuity and receive the remaining balance in a lump sum?**

No. The entire balance of each account must be either paid as an extra monthly annuity or as a lump sum.

**If I choose a lump sum, how will this be paid?**

You will receive an Application for Withdrawal of Supplemental and/or Voluntary form from CTRB and you will have the option of having the funds paid directly to you as a lump sum or rolled over to another qualified plan. If you choose to have the funds paid directly to you, CTRB is required by federal law to withhold 20% federal tax on the taxable portion (interest and pre-tax contributions) of the distribution. If you choose a rollover, the taxable funds will be sent directly to the custodian of the plan you have selected to receive these funds. Any after tax contributions will be sent directly to you and are not taxable.

**I've decided to use my 1% Supplemental Account and my Voluntary Account to purchase additional credited service. What will happen to the remaining balances that I might have?**

Any remaining balances that you may have will be paid to you directly as a lump sum or as a rollover.

**Can I use the balance of my 1% Supplemental Account or my Voluntary Account to receive an extra annuity?**

No. If you choose to use your 1% Supplemental Account or your Voluntary Account to purchase service, you do not have the option of receiving an extra monthly annuity on the remaining balance of your account.

**I elected to use my 1% Supplemental Account/Voluntary Account to purchase additional service. I've changed my mind and now want to use my own personal funds to buy my service. Can I now send in a check so that I can elect to receive an extra monthly annuity?**

The same rule applies. You may do so, provided payment is made prior to the effective date of your retirement.

**I elected to use my 1% Supplemental Account, and my Voluntary Account and I also had to make a personal payment to complete the purchase of my additional service. Why did I receive an Application for Withdrawal of Supplemental and/or Voluntary form?**

When CTRB billed you for your service, we used the previous June 30<sup>th</sup> balances of your 1% Supplemental/ Voluntary Accounts to be applied to your service cost. Since CTRB does not know what rate of interest will be credited until June of the current year, you will have a balance remaining in your 1% Supplemental/Voluntary account as a result of interest credited to your account.

**How are the funds transferred from my 1% Supplemental Account and/or my Voluntary Account to purchase additional service?**

The transfer of funds is simply an internal accounting procedure. Generally, if you have a 1% Supplemental and a Voluntary account, your funds are transferred in this order: 1) post-tax Voluntary funds; 2) post-tax Supplemental funds; 3) pre-tax Voluntary funds; 4) pre-tax Supplemental funds. Exceptions to this rule are: if you have elected to annuitize either of these accounts, all funds to purchase service will be taken from the other account and if there are sufficient funds in the account with less money, all funds will be taken from that account.

**When will I receive my first monthly benefit payment?**

If you retired July 1<sup>st</sup>, you will normally receive your first benefit payment on the last business day of August. This payment will include benefits for the month of July and August. Thereafter, you will receive your benefit payment on the last business day of the month. For non-July retirees, benefit payments are usually issued on the last business day of the month in which you retired (January 1<sup>st</sup> - payment issued January 31<sup>st</sup>) assuming your additional service credit purchase is complete.

**How will I receive my payments?**

We strongly encourage members to have monthly benefit payments sent electronically to their checking or savings account at the financial institution of their choice. With your initial deposit, you will receive a letter detailing your benefit and any deductions. Thereafter, you will receive a letter any time there is a change in your monthly benefit. Or you can decline Electronic Funds Transfer (EFT) and CTRB will mail a paper check to the address on our records.

**How do I notify CTRB of a change of my address?**

Your signature is required to change your address. All address changes must be made in writing and received by CTRB prior to the first day of the month in order for the change to be made for the end of that month. CTRB will accept faxed requests.

**How do I change my federal/state tax withholding deductions?**

You may change your federal tax election at any time by completing CTRB's Federal Tax Withholding Change Form and submitting it to this office. You may change your Connecticut state tax election at any time by completing CTRB's Connecticut Tax Withholding Change Form CT-W4P and submitting it to this office. All changes must be received by CTRB prior to the first day of the month in order for the change to be made for the end of that month. CTRB will accept faxed requests.

**When will I receive my first cost of living adjustment?**

If your effective retirement date is May 1<sup>st</sup> through October 1<sup>st</sup> and you have been retired for at least nine months, your cost of living date will be July 1<sup>st</sup>. If your effective retirement date is November 1<sup>st</sup> through April 1<sup>st</sup> and you have been retired for at least nine months, your cost of living date will be January 1<sup>st</sup>.

**Do I receive a cost of living adjustment on the extra monthly annuity I am receiving from my 1% Supplemental and/or Voluntary Account?**

No. Extra annuity payments are not eligible for cost of living increases.

**Are my benefits taxable and when will I receive my tax statements?**

If you retired on or after March 1, 2002, CTRB will calculate the amount of your monthly benefit that is taxable. The non-taxable portion of your benefit is calculated based on the amount of your after-tax contributions and your age at retirement. CTRB will issue IRS Form 1099R at the end of January of each year indicating the gross amount paid, taxable amount and federal and state taxes withheld. If you received a refund or rollover of your 1% Supplemental and/or Voluntary Account, you will also receive an IRS Form 1099R.

**I am planning to move out of state. Since I will no longer be a resident of Connecticut, will I be liable for Connecticut State Income Taxes?**

No. As a non-resident, you will no longer be liable for Connecticut State Income Taxes for your CTRB benefit.

**Will you automatically stop deducting the state withholding tax if I move out-of-state?**

No. CTRB has no way of knowing whether your change of address is as a permanent non-resident of Connecticut. If you are moving out of Connecticut permanently, you should consider electing to have NO Connecticut income tax withheld from your CTRB benefit. You may accomplish this by checking the box at the bottom of the Address/Name Change Form.

**Will I receive a notice of my actual retirement benefit once it has been calculated?**

At the time your benefits commence, CTRB will send you an Award Document that will provide you with the details of how your benefit was calculated, a description of your payment plan, and the portion of your benefit that is non-taxable. In addition, you will receive a written letter detailing your benefit and any deductions that are taken from your benefit. Thereafter, you will receive a letter any time there is a change in your monthly benefit.

**Where may I obtain additional retirement planning information?**

CTRB Bulletins covering a wide variety of topics are available from our office or website under Publications . The following bulletins are of particular interest to members filing for retirement or those who are newly retired:

- 1% Supplemental and/or Voluntary Account
- Cost of Living Adjustments
- Health Insurance FAQs
- Post Retirement Reemployment Information Guide
- Taxability of Your Retirement Benefit