



CT TEACHERS' RETIREMENT BOARD
 165 CAPITOL AVENUE HARTFORD CT 06106-1673
"An Affirmative Action/Equal Opportunity Employer"
 Toll-Free 1-800-504-1102 (959) 867-6333 Fax (860) 525-6018 www.ct.gov/trb

SOCIAL SECURITY AND YOUR CTRB BENEFIT

As a member of the Connecticut Teachers' Retirement System you do not pay 6.2% Social Security taxes on your earnings as a teacher or administrator. There are two Social Security provisions that may result in a reduction of the Social Security benefit for which you are qualified. The Government Pension Offset affects the Social Security benefit you receive as a spouse or widow(er). The Windfall Elimination Provision affects the way your earned Social Security benefit is calculated. Your CTRB pension benefit will NOT be reduced.

These provisions do not affect eligibility for Medicare at age 65.

In order for the Social Security Administration to accurately determine your potential Social Security benefit amount they will need to know the date that you were **first eligible to receive** an immediate retirement benefit from this system. At your request, CTRB will furnish you with a letter stating your date of earliest eligibility and current benefit amount (if required).

A member meets eligibility for an immediate retirement benefit upon **completion of:**

- 25 years of service at any age (20 in CT)
- 20 years of service at age 55 (15 in CT)
- 10 years of service at age 60 (10 in CT)

The following information is meant as a general overview of the offset and windfall provisions. For further information you should contact the Social Security Administration at 1-800-772-1213 or visit their website at www.ssa.gov.

GOVERNMENT PENSION OFFSET

A retired teacher who is claiming benefits based on a **spouse's work history** under Social Security may be affected by the government pension offset.

This offset will not apply if the member qualified for his/her CTRB benefit **before December 1, 1982**.

If the member qualified for an immediate CTRB benefit after December 1, 1982, an offset equal to **two-thirds** of the CTRB pension benefit would be applied to the Social Security benefit. In many cases, the offset will entirely eliminate the Social Security spouse's benefit.

Example:

Member A qualified for her CTRB pension on July 1, 1986. She retired July 1, 1995 and is applying for Social Security benefits based on her husband's earnings. Her CTRB pension is \$2,400. She expects to receive a Social Security spouse's benefit of \$500.00 monthly. However, since she qualified for her CTRB pension after December 1, 1982, two-thirds of her CTRB pension benefit would be applied against her expected Social Security benefit.

Unreduced Social Security Spouse's Benefit	\$ 500.00
- <u>2/3 X \$2,400.00 CTRB Pension Benefit</u>	<u>\$1,600.00</u>
Social Security Spouse's Benefit after Offset	\$ 0.00

WINDFALL ELIMINATION PROVISION

A retired teacher who is claiming benefits based on his/her **own work history** under Social Security may be affected by the windfall elimination provision.

This provision will not apply if the member qualified for his/her CTRB benefit **prior to January 1, 1986**.

The windfall elimination provision is rather complex. Basically, the Social Security Administration uses your Social Security "average indexed monthly earnings" (AIME) to calculate your earned Social Security benefit. When figuring your benefit, they separate your average earnings into three amounts and multiply the amounts using three different factors. The first factor is the 90 percent factor. This is the factor that is reduced in the modified formula. For workers who reached age 62 or became disabled between 1986 and 1989 the amount of the reduction in this factor is phased in. For those workers who reached 62 or became disabled in 1990 or later, the **90 percent factor is reduced to 40 percent**.

If you have "substantial" earnings in a job where you paid Social Security taxes, the factor used in the windfall elimination provision may be modified. You should contact the Social Security Administration to learn of the amount of earnings considered "substantial" for each year. Generally speaking, if you have 21 to 29 years of substantial earnings, the 90 percent factor is reduced to somewhere between 45 and 85 percent. If you have 30 or more years of substantial earnings under Social Security, the 90 percent factor will not be reduced.

FOR MORE INFORMATION

Contact the Social Security Administration at 1-800-772-1213 or visit their website at www.ssa.gov.

Recommended Social Security Administration Publications:

- Government Pension Offset (Publication No. 05-10007)
- A Pension From Work Not Covered By Social Security (Publication No. 05-10045)