



Senate Bill No. 1080

Public Act No. 21-186

AN ACT CONCERNING VARIOUS REVISIONS TO THE TEACHERS' RETIREMENT SYSTEM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 10-183b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

As used in this chapter, unless the context otherwise requires:

(1) "Actuarial reserve basis" means a basis under which the liabilities of the retirement system are determined under acceptable actuarial methods and under which assets are accumulated under a program designed to achieve a proper balance between the accumulated assets and the liabilities of the system.

(2) "Amortization of unfunded liabilities" means: (A) For fiscal years ending on or before June 30, 2019, a systematic program of annual payments determined as a level per cent of expected member annual salaries in lieu of a lump sum payment; and (B) for fiscal years ending on or after June 30, 2020, a systematic program of annual payments, transitioning equally over five consecutive fiscal years from a level per cent of expected annual member salaries to a level payment, in lieu of a lump sum payment.

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(3) "Annual salary" means the annual salary rate for service as a Connecticut teacher during a school year but not including unused sick leave, unused vacation, terminal pay, coaching or extra duty assignments, unless compensation for coaching or extra duty assignment was included in salary for which contributions were made prior to July 1, 1971. In no event shall annual salary include amounts determined by the board to be included for the purpose of inflating the member's average annual salary. The inclusion in annual salary of amounts paid to the member, in lieu of payment by the employer for the cost of benefits, insurance, or individual retirement arrangements which in prior years had been paid by the employer and not included in the member's annual salary, shall be prima facie evidence that such amounts are included for the purpose of inflating the member's average annual salary. Annual salary shall not (A) include payments the timing of which may be directed by the member, (B) include payments to a superintendent pursuant to an individual contract between such superintendent and a board of education, of amounts which are not included in base salary, or (C) exceed the maximum amount allowed under Section 401(a)(17) of the Internal Revenue Code for the applicable limitation year, provided in no event shall the limitation under Section 401(a)(17) of the Internal Revenue Code apply to the annual salary of a member whose membership began prior to January 1, 1996, if such limitation would reduce the amount of the member's annual salary below the amount permitted for calculation of the member's retirement benefit under chapter 167a, without regard to the limitation under Section 401(a)(17) of the Internal Revenue Code. Annual salary shall include amounts paid to the member during a sabbatical leave during which mandatory contributions were remitted, provided such member returned to full-time teaching for at least five full years following the completion of such leave.

(4) "Average annual salary" means the average annual salary received during the three years of highest salary.

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(5) "Board" means the Teachers' Retirement Board.

(6) "Child" means a natural child, an adopted child, or a stepchild of a deceased member who has been a stepchild for at least one year immediately prior to the date on which the member died. A child is a "dependent child" of a deceased member if at the time of the member's death (A) the member was living with the child or providing or obligated to provide, by agreement or court order, a reasonable portion of the support of the child, and (B) the child (i) is unmarried and has not attained age eighteen, or (ii) is disabled and such disability began prior to the child's attaining age eighteen.

(7) "Contributions" means amounts withheld pursuant to this chapter and paid to the board by an employer from compensation payable to a member. Prior to July 1, 1989, "mandatory contributions" are contributions required to be withheld under this chapter and consist of five per cent regular contributions and "one per cent contributions". From July 1, 1989, to June 30, 1992, "mandatory contributions" are contributions required to be withheld under this chapter and consist of five per cent regular contributions and one per cent health contributions. From July 1, 1992, to June 30, 2004, "mandatory contributions" are contributions required to be withheld under this chapter and consist of six per cent "regular contributions" and one per cent health contributions. From July 1, 2004, to December 31, 2017, "mandatory contributions" are contributions required to be withheld under this chapter and consist of six per cent regular contributions and one and one-fourth per cent health contributions. From January 1, 2018, to December 31, 2019, inclusive, "mandatory contributions" are contributions required to be withheld under this chapter and consist of seven per cent "regular contributions" and one and one-fourth per cent health contributions. On and after January 1, 2020, "mandatory contributions" are contributions required to be withheld under this chapter and consist of seven per cent "regular contributions" and one

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and one-fourth per cent health contributions, except that no health contributions shall be required for an employee of the state that (A) has completed the vesting service necessary to receive health benefits provided to retired state employees, and (B) does not participate in any group health insurance plans maintained for retired teachers. Nothing in this subdivision shall affect any other obligation of such a state employee to contribute to the state's retiree health care trust fund. "Voluntary contributions" are contributions by a member authorized to be withheld under section 10-183i, as amended by this act.

(8) "Credited interest" means interest at the rate from time to time fixed by the board consistent with industry standards and practices. Such interest shall be applied to a member's account based on the balance as of the previous June thirtieth. Credited interest shall be assessed on any mandatory contributions which were due but not remitted prior to the close of the school year for which salary was paid.

(9) "Current service" means service rendered in the current fiscal year.

(10) "Dependent former spouse" means a former spouse of a deceased member who (A) has in his or her care a dependent child of the deceased member; and (B) was receiving, or was entitled to receive, from the deceased member at the time of the death of the deceased member, at least one-half of his or her support; and (C) has not remarried; and (D) is the parent of the child or adopted the child while married to the member and before the child attained age eighteen or, while married to the member, both of them adopted the child before the child attained age eighteen.

(11) "Dependent parent" means a parent of a deceased member who (A) has reached the age of sixty-five; and (B) has not married after the death of the member; and (C) was receiving at least one-half of his or her support from the member at the time of the member's death and files proof of such support within two years of the date of the member's

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death; and (D) is not receiving, or entitled to a federal or state old age benefit based on the parent's own earnings, equal to or greater than the amount the parent would be entitled to as a dependent parent under this chapter. A "parent of a deceased member" is (i) the mother or father of a deceased member; or (ii) a stepparent of a deceased member by a marriage entered into before the member attained age sixteen; or (iii) an adopting parent of a deceased member who adopted the deceased member before the member attained age sixteen.

(12) "Designated beneficiary" means a person designated on a form prescribed by the board by a member to receive amounts which become payable under this chapter as the result of the member's death whether before or after retirement. If a designated beneficiary is not living at the time of the death of a member, the amounts that would have been payable to the designated beneficiary shall be paid to the member's estate.

(13) "Disabled" means the inability to perform any teaching service, whether or not such service is performed full-time or part-time, in a public or nonpublic school or a nonschool setting, on a volunteer basis or for compensation, within or without the state, or engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment [which] that (A) is permanent or can be expected to last continually for not less than twelve months from the onset of such impairment, or (B) can be expected to result in death or to be of long-continued and indefinite duration, except that during the first twenty-four months that a member is receiving a disability allowance, "disabled" means the inability to perform the usual duties of his occupation by reason of any such impairment.

(14) "Employer" means an elected school committee, a board of education, the State Board of Education, the Office of Early Childhood, the Board of Regents for Higher Education or any of the constituent units, the governing body of the Children's Center and its successors,

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the E. O. Smith School and any other activity, institution or school employing members.

(15) "Formal leave of absence" means any absence from active service in the public schools of Connecticut formally granted by a member's employer as evidenced by contemporary records of the employer, provided in the case of an absence due to illness, medical or other evidence of such illness may, at the discretion of the Teachers' Retirement Board, be accepted in lieu of evidence of the formal granting of a leave.

(16) "Formal application of retirement" means (A) the member's application, birth certificate or notarized statement supported by other evidence satisfactory to the board, in lieu thereof, (B) records of service, [when] if such records are required by the board to determine a salary rate or years of creditable service, (C) a statement of payment plan, [and,] including, if applicable, the fixed period of time selected by a member under Plan C or the coparticipant's share designated under Plan D, (D) in the case of an application for a disability benefit, a physician's or an advanced practice registered nurse's statement of health, and (E) any other documentation required by the board.

(17) "Funding" means the accumulation of assets in advance of the payment of retirement allowances in accordance with a definite actuarial program.

(18) "Member" means any Connecticut teacher employed for an average of at least one-half of each school day, except that no teacher who under any provision of the general statutes elects not to participate in the system shall be a member unless and until the teacher elects to participate in the system. Members teaching in a nonpublic school classified as a public school by the board under the provisions of this section may continue as members as long as they continue as teachers in such school even if the school ceases to be so classified. A former

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teacher who has not withdrawn his or her accumulated contributions shall be an "inactive member". A member who, during the period of a formal leave of absence granted by his or her employer, but not exceeding an aggregate of ten school months, continues to make mandatory contributions to the board, retains his or her status as an active member.

(19) "Normal cost" means the amount of contribution which the state is required to make into the retirement fund in order to meet the actuarial cost of current service.

(20) "Public school" means any day school conducted within or without this state under the orders and superintendence of a duly elected school committee, a board of education, the State Board of Education, the Office of Early Childhood, the board of governors or any of its constituent units, the E. O. Smith School, the Children's Center and its successors, the State Education Resource Center established pursuant to section 10-4q of the 2014 supplement to the general statutes, revision of 1958, revised to January 1, 2013, the State Education Resource Center established pursuant to section 10-357a, joint activities of boards of education authorized by subsection (b) of section 10-158a and any institution supported by the state at which teachers are employed or any incorporated secondary school not under the orders and superintendence of a duly elected school committee or board of education but located in a town not maintaining a high school and providing free tuition to pupils of the town in which it is located, and which has been approved by the State Board of Education under the provisions of part II of chapter 164, provided that such institution or such secondary school is classified as a public school by the retirement board.

(21) "Retirement allowance" means payments for life derived from member contributions, including credited interest, and contributions from the state.

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(22) "School year" means the twelve months ending on June thirtieth of each year.

(23) "Surviving spouse" means a widow or widower of a deceased member who (A) was living with the member at the time of the member's death, or receiving, or entitled by court order or agreement to receive, regular support payments from the member, and (B) has not remarried.

(24) "Survivors" means a surviving spouse, a dependent former spouse, a dependent child and a dependent parent.

(25) "System" means the Connecticut teachers' retirement system.

(26) "Teacher" means (A) any teacher, permanent substitute teacher, principal, assistant principal, supervisor, assistant superintendent or superintendent employed by the public schools in a professional capacity while possessing a certificate or permit issued by the State Board of Education, provided on and after July 1, 1975, such certificate shall be for the position in which the person is then employed, except as provided for in section 10-183qq, (B) certified personnel who provide health and welfare services for children in nonprofit schools, as provided in section 10-217a, under an oral or written agreement, (C) any person who is engaged in teaching or supervising schools for adults if the annual salary paid for such service is equal to or greater than the minimum salary paid for a regular, full-time teaching position in the day schools in the town where such service is rendered, (D) a member of the professional staff of the State Board of Education, the Office of Early Childhood, or of the Board of Regents for Higher Education or any of the constituent units, and (E) a member of the staff of the State Education Resource Center established pursuant to section 10-4q of the 2014 supplement to the general statutes, revision of 1958, revised to January 1, 2013, or the State Education Resource Center established pursuant to section 10-357a, employed in a professional capacity while

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possessing a certificate or permit issued by the State Board of Education. A "permanent substitute teacher" is one who serves as such for at least ten months during any school year.

(27) "Unfunded liability" means the actuarially determined value of the liability for service before the date of the actuarial valuation less the accumulated assets in the retirement fund.

(28) "Internal Revenue Code" means the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and any regulations promulgated under or interpretations of said code that may affect this chapter.

(29) "Limitation year" means the twelve-month period beginning each July first and ending each June thirtieth.

Sec. 2. Section 10-183f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) A member is eligible to receive a normal retirement benefit [who] if such member (1) has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut, or (2) has attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut.

(b) A member is eligible to receive a proratable retirement benefit [who] if such member has attained age sixty prior to termination of service and has accumulated at least ten years of credited service in the public schools of Connecticut.

(c) A member is eligible to receive an early retirement benefit [who] if such member has accumulated twenty-five years of credited service at least twenty years of which are service in the public schools of

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Connecticut, or [who] if such member has attained the age of fifty-five and has accumulated at least twenty years of credited service, at least fifteen of which are service in the public schools of Connecticut.

(d) A member is eligible to receive a deferred vested retirement benefit beginning at age sixty [who] if such member: (1) Has accumulated ten years of credited service in the public schools of Connecticut; and (2) terminates service before becoming eligible for any other retirement benefit; and (3) leaves his or her accumulated contributions with the system.

(e) Repealed by P.A. 79-541, S. 5, 6.

(f) The survivors of a member who dies (1) while in service in the public schools of Connecticut, (2) within two months after withdrawal from such service and prior to the effective date of such member's retirement or (3) while receiving a disability benefit under section 10-183aa, as amended by this act, shall receive survivors' benefits. [, except that, if a member who has elected a coparticipant option, under section 10-183j, dies after such option becomes effective, such coparticipant option shall be given effect and no survivors' benefits shall be payable.] Before any survivors' benefits are paid, the board shall receive such applications and other documents and information as it deems necessary.

(g) Notwithstanding any provision of this chapter, pursuant to Section 401(a)(9) of the Internal Revenue Code, a member shall begin receiving benefits under this chapter no later than April first of the calendar year following the calendar year in which (1) the member attains age seventy and one-half, or seventy-two for members who attain such age on or after January 1, 2020, or (2) if the member retires after age seventy and one-half, [the] or seventy-two for members who attain such age on or after January 1, 2020, in the calendar year in which such member retires.

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Sec. 3. Subsection (a) of section 10-183i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) A member may make voluntary contributions to the system and may, no more than once, withdraw such voluntary contributions from the system under rules of the board. Any voluntary contribution shall be made solely by payroll deduction of an amount subject to state, federal or local tax in the tax or income year in which such voluntary contribution is made. Voluntary contributions shall be subject to the limitations imposed under Section 415(c) of the Internal Revenue Code for the applicable limitation year. Such contributions shall earn credited interest. Upon retirement such member shall elect to receive the accumulated contributions plus credited interest either in a lump sum or in the form of an actuarially equivalent annuity for life. Such lump sum, [or] if elected, shall be paid not later than three months after the effective date of retirement, except the board may delay payment of such lump sum in the case of extenuating circumstances. If such delay occurs, the board shall submit a written notice to the member explaining the nature of the extenuating circumstances and an estimate as to when such lump sum shall be paid. Payment of such annuity, if elected, shall [be paid or commenced to be paid] commence when the first payment of such member's other retirement benefit is made. If such member dies before the effective date of his or her retirement, the accumulated contributions plus credited interest shall be paid to such member's designated beneficiary.

Sec. 4. Section 10-183l of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) (1) On and after July 1, 1991, the management of the system shall continue to be vested in the Teachers' Retirement Board, whose members shall include the Treasurer, the Secretary of the Office of Policy and Management and the Commissioner of Education, or their

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designees, who shall be voting members of the board, ex officio. (2) On or before June 15, 1985, and quadrennially thereafter, the members of the system shall elect from their number, in a manner prescribed by said board, two persons to serve as members of said board for terms of four years beginning July first following such election. Both of such persons shall be active teachers who shall be nominated by the members of the system who are not retired and elected by all the members of the system. On or before July 1, 1991, and quadrennially thereafter, the members of the system shall elect from their number, in a manner prescribed by said board, three persons to serve as members of said board for terms of four years beginning July first following such election. Two of such persons shall be retired teachers who shall be nominated by the retired members of the system and elected by all the members of the system and one shall be an active teacher who shall be nominated by the members of the system who are not retired and elected by all the members of the system. (3) On or before July 1, 2011, and quadrennially thereafter, the members of the system shall elect from their number, in a manner prescribed by said board, one person to serve as a member of said board for a term of four years beginning July first following such election. Such person shall be an active teacher who shall be nominated by the members of the system who are not retired, elected by all the members of the system and a member of an exclusive representative of a teachers' bargaining unit that is not represented by the members of the board elected under subdivision (2) of this subsection. (4) If a vacancy occurs in the positions filled by the members of the system who are not retired, said board shall elect a member of the system who is not retired to fill the unexpired portion of the term. If a vacancy occurs in the positions filled by the retired members of the system, said board shall elect a retired member of the system to fill the unexpired portion of the term. The Governor shall appoint five public members to said board in accordance with the provisions of section 4-9a, one of whom shall be the mayor, first selectman or chief elected official of a municipality. On and after [the effective date of this section] October 31, 2017, the Governor shall fill the

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next vacant position on the board that is appointed by the Governor with a person who is the mayor, first selectman or chief elected official of a municipality. The members of the board shall serve without compensation, but shall be reimbursed for any expenditures or loss of salary or wages which they incur through service on the board. [All decisions of the board shall require the approval of six members of the board or a majority of the members who are present, whichever is greater] A majority of the membership of the board shall constitute a quorum for the transaction of any business.

(b) In carrying out its duties, the board may employ [a secretary] a chief administrator with a title established by the board, who shall also serve as secretary of the board, an administrative officer and such [clerical and other assistance] staff as may be necessary. Their salaries shall be paid by said board with the approval of the Secretary of the Office of Policy and Management. Said board shall employ the services of one or more actuaries, each of which shall be an individual or firm having on its staff a fellow of the Society of Actuaries, to carry out the actuarial duties of this section and sections 10-183b, as amended by this act, 10-183r, and 10-183z and for such related purposes as the board deems advisable. The cost of such services shall be charged to the funds provided for in section 10-183r. Said board shall arrange for such actuary to prepare an actuarial valuation of the assets and liabilities of the system as of June 30, 1980, and at least once every two years thereafter. On the basis of reasonable actuarial assumptions approved by the board, such actuary shall determine the [normal cost] actuarially determined employer contribution required to meet the actuarial cost of current service and the unfunded accrued liability. Commencing December 1, 2002, such valuation shall be completed prior to December first biennially. Said board shall adopt all needed actuarial tables and may adopt regulations and rules not inconsistent with this chapter, including regulations and rules for payment of purchased service credits and repayment of previously withdrawn accumulated

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contributions. Said board shall establish [such funds as are] an operational budget necessary for the management of the system. The board may enter into such contractual agreements, in accordance with established procedures, as may be necessary for the discharge of its duties.

Sec. 5. Section 10-183p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

[(a) Any member of either the state employees retirement system or the teachers' retirement system, if eligible to belong to the other or in accordance with the provisions of subsection (h) of section 5-160 or section 5-192e, may transfer from the one to which such member belongs to the other or prior to the first of the month following three months after June 28, 1985, to an alternate retirement program, as defined in subsection (u) of section 5-154, when authorized to do so, in the case of a transfer between said systems or a transfer from the teachers' retirement system to an alternate retirement program, by the concurrent action of the State Employees Retirement Commission and the Teachers' Retirement Board. No person shall be eligible to membership in more than one such system or program at the same time, provided nothing contained herein shall affect the rights of any person who, on June 18, 1953, was a member of both systems. Any member of the teachers' retirement system who elects or has elected to participate in an alternate retirement program shall receive a refund of all contributions made by him into said system in lieu of any benefits under said system. Any former state employee who was, during such employee's period of employment, eligible to belong to either the state employees retirement system or the teachers' retirement system and who withdrew from the state employees retirement system after July 1, 1940, to become a member of the teachers' retirement system may be credited in the teachers' retirement system with such member's period of state service upon making application in writing to the secretary of

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the Teachers' Retirement Board and paying contributions for such period of service with credited interest from the date such service was rendered.

(b) No person who has creditable service as a member of the state employees retirement system and who transfers, on or after May 6, 1975, to the teachers' retirement system shall be entitled to benefits from the teachers' retirement system until such person has been a member of and contributed to said system for a period of one year. If such transferee dies or becomes disabled before completion of that one year, such transfer shall be deemed to be cancelled and such person shall be deemed to be a member of the state employees retirement system.]

Any member who is also a participant in an alternate retirement program, as defined in subsection (u) of section 5-154, the state employees retirement system or any other retirement system may purchase service credit in the Connecticut teachers' retirement system in accordance with section 10-183e, provided such member withdraws any and all employee funds and forfeits all employer contributions and earnings thereon in the respective system, other than the Social Security System or the nonregular military retirement system under 10 USC Chapter 1223, as amended from time to time. No person shall be eligible for membership in more than one such system or program at the same time for the same service.

Sec. 6. Section 10-183v of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) (1) Except as provided in subdivisions (2) and (3) of this subsection and subsection (b) of this section, a teacher receiving retirement benefits from the system may not be employed by an employer in a teaching position receiving compensation paid out of public money appropriated for school purposes except that such teacher may be employed in such a position and receive no more than forty-five per cent of the maximum

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salary level for the assigned position for each school year. Any teacher who receives in excess of such amount shall reimburse the board for the amount of such excess.

(2) Commencing July 1, 2016, to June 30, 2020, inclusive, the provisions of subdivision (1) of this subsection establishing a limitation on the compensation of a reemployed teacher and requiring the reimbursement of any amount received in excess of that limitation shall not apply to a teacher who (A) is receiving retirement benefits from the system based on thirty-four or more years of credited service, (B) is reemployed as a teacher in a district designated as an alliance district pursuant to section 10-262u, and (C) was serving as a teacher in that district on July 1, 2015.

(3) On and after July 1, 2016, a teacher receiving retirement benefits from the system may be employed in a teaching position and receive (A) compensation paid out of public money appropriated for school purposes, (B) health insurance benefits, and (C) other employment benefits provided to active teachers employed by such school system, provided such teacher does not receive a retirement income during such employment. Payment of such teacher's retirement income shall resume on the first day of the month following the termination of such employment. The compensation under subparagraph (A) of this subdivision shall be provided in accordance with subsection (c) of this section.

(4) Notice of employment under this subsection shall be sent to the board by the employer at the beginning and end of the school year, or assignment within the school year when reemployed for less than the full school year.

(b) A teacher receiving retirement benefits from the system may be reemployed for up to one full school year by a local board of education, the State Board of Education or by any constituent unit of the state

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system of higher education (1) in a position designated by the Commissioner of Education as a subject shortage area for the school year in which the teacher is being employed, (2) at a school located in a school district identified as a priority school district, pursuant to section 10-266p, for the school year in which the teacher is being employed, (3) if the teacher graduated from a public high school in an educational reform district, as defined in section 10-262u, or (4) if the teacher graduated from an historically black college or university or a Hispanic-serving institution, as those terms are defined in the Higher Education Act of 1965, P.L. 89-329, as amended from time to time, and reauthorized by the Higher Education Opportunity Act of 2008, P.L. 110-315, as amended from time to time. Notice of such reemployment shall be sent to the board by the employer and by the retired teacher at the time of hire and at the end of the assignment. Such reemployment may be extended for [an] one additional school year, not to exceed two school years over the lifetime of the retiree, provided the local board of education (A) submits a written request for approval to the Teachers' Retirement Board, (B) certifies that no qualified candidates are available prior to the reemployment of such teacher, and (C) indicates the type of assignment to be performed, the anticipated date of rehire and the expected duration of the assignment.

(c) The employment of a teacher under subsections (a) and (b) of this section shall not be considered as service qualifying for continuing contract status under section 10-151 and the salary of such teacher shall be fixed at an amount at least equal to that paid other teachers in the same school system with similar training and experience for the same type of service.

(d) No person shall be entitled to survivor's benefits under subsection (f) of section 10-183f, as amended by this act, as a result of reemployment under this section.

(e) The same option plan of retirement benefits in effect prior to

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reemployment shall continue for a reemployed teacher during reemployment.

(f) Any member in violation of any provision of this section, as determined by the board, shall be required to reimburse the board for all amounts such member received in excess of the amount permitted under this section. Such reimbursement shall be accomplished through an offset of all or a portion of the excess amount which can be recaptured commencing with the next immediate retirement benefit payment issued to such member. Such member may request an alternative payment method to reimburse the board for the excess amount through an acceptable alternative method agreed to by the board.

(g) In no event shall a retired member be permitted to revert to active status after the effective date of retirement, except a member may suspend their retirement benefit for reemployment purposes.

~~[(f)]~~ (h) The provisions of this section in effect on June 30, 2003, revision of 1958, revised to January 1, 2003, shall be applicable to any person making contributions to the Teachers' Retirement System on June 30, 2003, in accordance with said provisions.

(i) For purposes of this section, "employed" and "reemployed" mean to hire, retain or otherwise procure the services of a retired teacher or member by an employer.

Sec. 7. Section 10-183y of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

Any member may appeal to the Teachers' Retirement Board for reconsideration of a decision of the board affecting such member. Such member shall submit with such appeal a written statement identifying the section of the general statutes that provides for the benefit to which such member claims he or she was entitled and denied and received a written denial for such request. Such appeal shall be made within ninety

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days of the date of issuance of written notice of such decision. The board shall meet to review such member's records and, if requested in writing, allow such member to appear at such meeting. The board shall render a written decision within sixty days of receipt of such request for reconsideration.

Sec. 8. Section 10-183aa of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) (1) An active member is eligible for a disability allowance if he or she has ~~[(1)]~~ (A) become disabled as a result of any sickness or injury incurred in the performance of his or her duty as a teacher, without regard to the member's accumulated years of service at the time the disability is incurred; or ~~[(2)]~~ (B) accumulated at least five years of service in the public schools and becomes disabled, without regard to whether the disability was incurred in the performance of his or her duty as a teacher.

(2) Any active member seeking a disability allowance shall submit to the board a formal application for disability allowance, which shall include the following: (A) The member's application; (B) the member's birth certificate or, in lieu thereof, a notarized statement supported by other evidence satisfactory to the board; (C) records of service, if such records are required by the board to determine a salary rate or years of creditable service; (D) a physician's statement of health for the member, including, but not limited to, medical reports and office notes from such physician; (E) in the case of a member who is married, a marriage certificate; (F) an employer's statement regarding work performance, attendance records and any other information regarding the member's disability; (G) the member's statement outlining the effect his or her impairment has on the ability to perform the duties of his or her occupation; and (H) any other documentation required by the board. For any formal application for disability allowance filed on or after July 1, 1986, upon a finding by the board that extenuating circumstances

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relating to the health of an active member caused a delay in the filing of such member's complete formal application for disability allowance, the board may deem such application to have been filed up to three months earlier than the actual date of such filing.

(b) The disability allowance is computed as follows: Two per cent times credited service to the date of disability multiplied by average annual salary, provided such allowance shall not be less than fifteen per cent or more than fifty per cent of the member's average annual salary. In no case shall such disability allowance, less cost of living adjustments, plus any initial award of Social Security benefits and workers' compensation, exceed seventy-five per cent of the member's average annual salary.

(c) The board shall designate a medical committee to be composed of no more than five physicians. If required, other physicians may be employed to report on special cases. Such medical committee shall review each application for a disability allowance and shall make findings and recommendations in writing to the board. The medical committee shall perform additional examinations or case reviews as deemed necessary by the board. Members of such committee shall receive compensation for their services at a rate to be determined by the board.

(d) The disability allowance being paid to a member shall cease when and if the disability ends. The board may determine that a member's disability has ended if it finds, upon the recommendation of its medical committee, that the member has failed to pursue an appropriate program of treatment. In either event, such member shall receive credited service for the years he received such disability allowance subject to a maximum total credit of thirty years, or actual years of credited service to the date the disability commenced, whichever is greater. Such member, if eligible, may then (1) retire on a normal, early or proratable retirement benefit, or (2) retain a vested right to a deferred

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normal, early or proratable retirement benefit. Upon attainment of the member's normal retirement date, as determined by his age and credited service, including the credited service granted by this subsection, the member's disability allowance shall convert to a normal or other service retirement, which shall be payable either in the normal form or under an optional payment form under section 10-183j. The board may require periodic medical examinations.

(e) No credit for a period of service of any kind prior to the months in which contribution therefor is made shall be given under this chapter or any special act in determining service in connection with an application for disability allowance other than for injury received in performance of duty as a teacher if such disability occurred within five years after contributions and required interest on account of such period were paid in full. The foregoing limitation shall not apply to (1) any reinstatement of prior Connecticut teaching service, or (2) credit obtained immediately after transfer from the state employees retirement system under this chapter for service previously credited in said system; but in the case of such transfer, no allowance on account of disability occurring within such five-year period, other than for injury received in performance of duty as a teacher, shall exceed the benefit which would have been payable by said system if transfer had not been made.

(f) During the first twenty-four months of payment of the disability allowance to a member, twenty per cent of all of such member's outside earned income or wages shall be offset against the disability allowance payable, unless the board determines that such earned income or wages are being paid as part of the rehabilitation of the member. At the expiration of such twenty-four-month period, if the total of the disability allowance and outside earned income exceeds one hundred per cent of average annual salary, the disability allowance will be reduced by the amount of such excess over one hundred per cent. The board shall adopt regulations, in accordance with the provisions of chapter 54, concerning

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procedures for verification of the income of members in receipt of a disability allowance.

(g) All members of the teachers' retirement system who are receiving disability payments under subsection (e) of section 10-183g of the general statutes, revision of 1958, revised to 1979, may, using a form provided by the board, elect to have their disability payments recomputed with regard to the percentage basis and pursuant to the provisions of this section and section 10-183bb. Such election shall not be revocable.

Sec. 9. (NEW) (*Effective July 1, 2021*) (a) The Teachers' Retirement Board shall establish a rollover account for each active, inactive and disabled member who submits a formal application of retirement, as defined in section 10-183b of the general statutes, as amended by this act. Any such member may make rollover contributions of any pretax assets maintained in an eligible retirement plan to such rollover account at any time within two months prior to such member's retirement date, as designated in such application. The board shall not accept any such rollover contribution after a member's retirement date. For purposes of this section, "eligible retirement plan" means an eligible retirement plan as defined in Section 402(c)(8)(B) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time.

(b) Commencing with retirements effective September 1, 2021, or later, any amount in a retired member's rollover account shall be distributed to such member in the form of an actuarially equivalent annuity for life, using the annuity rates adopted by the board for the selected retirement date and under the terms and conditions of the payment plan option the member selected on his or her formal application of retirement, as defined in section 10-183b of the general statutes, as amended by this act. If such member dies prior to the date of his or her retirement, the accumulated rollover funds shall be

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distributed under the terms and conditions of the payment plan option the member elected on such application.

(c) The board shall adopt policies and procedures regarding the prudent and efficient operation of rollover accounts established pursuant to subsection (a) of this section, which shall include, but need not be limited to, application and payment procedures for such accounts.

(d) The funds in a member's rollover account shall be used only for distributions in accordance with subsection (b) of this section. The funds in such account may not be applied toward the purchase of additional credited service pursuant to section 10-183e of the general statutes. No interest shall be applied to any funds contained in a member's rollover account.

(e) Rollover contributions made in accordance with this section shall not be treated as contributions, as defined in section 10-183b of the general statutes, as amended by this act, and the board shall not subject such contributions to the limitations imposed under Section 415(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time.

Approved July 7, 2021