



STATE OF CONNECTICUT
TEACHERS' RETIREMENT BOARD
765 ASYLUM AVENUE HARTFORD, CT 06105

Minutes of Meeting
February 11, 2009

The regular meeting of the Teachers' Retirement Board was called to order at 3:00 p.m. by Chairperson Clare Barnett on Wednesday, February 11, 2009 at 765 Asylum Avenue, Hartford, Connecticut.

Board Members Present:

Clare Barnett, Teacher Member
Eugene Cimiano, Public Member
Astread Ferron-Poole, representing Commissioner Starkowski, Dept. of Social Services
Marion Jewell, Teacher Member
Jonathan Johnson, Public Member
Eric Judge, Public Member
Elaine Lowengard, Public Member
Brian Mahoney, representing Commissioner McQuillan, State Board of Education
William Murray, Teacher Member
Mary Nicholas, Teacher Member
Rosalyn Schoonmaker, Teacher Member

Board Members not in attendance:

Thomas Knox, MD –

Staff present:

Darlene Perez, TRB Administrator
Leanne Appleton, TRB Assistant Administrator
Jean Ouellette, TRB Administrative Assistant

Others present:

Edith Bloom, AFT
Leslie Cook, TRB Information Technology
Richard Follman, ARTC
Barbara Jiantonio, TRB Retirement and Benefit System Coordinator
Robyn Kaplan-Cho, CEA
Lou Laccavole, TRB Fiscal Administrative Supervisor
Karen Nolen, OPM
Raymond Powell, CAPSS
James Stirling, Stirling Benefits

MATTERS FOR BOARD ACTION

Item 1. Motion to approve the November 12, 2008 meeting minutes was made by Rosalyn Schoonmaker and Seconded by Mary Nicholas. William Murray abstained as he was not present for the November meeting. All other members voted in favor and the motion was passed.

Item 2. a. Motion to approve the granting of service retirement benefits for November and December 2008 was made by Rosalyn Schoonmaker. Seconded by William Murray, all members voted in favor and the motion was passed.

Item 2. b. Motion to approve the granting of survivorship benefits for November and December 2008 was made by Rosalyn Schoonmaker. Seconded by William Murray, all members voted in favor and the motion was passed.

Item 2. c. Motion to approve the reports and recommendations of the Medical Review Committee for November and December 2008 was made by Mary Nicholas. Seconded by Rosalyn Schoonmaker, all members voted in favor and the motion was passed.

Item 3. The five companies that bid on the actuarial contract were: Cavanaugh Macdonald Consulting, LLC, Cheiron, Inc., Gabriel Roeder Smith & Company, Hay Group Inc., and The Segal Group, Inc. The subcommittee consisting of Eric Judge, Mary Nicholas and William Murray reviewed the bids independently and selected Cavanaugh Macdonald Consulting, LLC and Gabriel Roeder Smith & Company as the two top companies. When they met they decided that Cavanaugh Macdonald Consulting, LLC had all the listed criteria in house to fulfill the contract. Another factor was Governor Rell's January 12, 2009 request to look for the best dollar wise value. Gabriel Roeder Smith & Company's bid was higher and they have been experiencing a changeover of staff. Edward Macdonald and John Garrett will be the representatives for Cavanaugh Macdonald Consulting, LLC.

William Murray made Motion to award Cavanaugh Macdonald Consulting, LLC the actuarial contract for the period of April 1, 2009 to March 31, 2012. Seconded by Rosalyn Schoonmaker, all members voted in favor and the motion was passed.

Item 4. a. and b. Administrator Perez highlighted Dr. Joseph Fields' recommendation to adopt a policy on Health Savings Accounts which takes the position that a health savings account is not a health insurance plan. Copies of the policy were provided to the Board members. She stated that Dr. Fields also recommends covering prescriptions for wigs following chemotherapy. Motion to approve the Teachers' Retirement Board Policy on Health Savings Accounts and adding prescription wigs was made by Rosalyn Schoonmaker and seconded by Mary Nicholas. All members voted in favor and the motion passed.

Item 4. c. Administrator Perez stated that Dr. Fields wanted to inform the Board that a pharmaceutical plant in India supplying generic drugs to the United States received a warning which could lead to sanctions. If sanctions are imposed it could result in some generic drugs not being available.

MATTERS FOR BOARD INFORMATION

Item 1. Chairman Barnett noted that retirement statistics for the months of November and December 2008 were provided to the Board.

ADDITIONAL ITEMS FOR AGENDA

Item 1. Administrator Perez outlined three changes developed by Board members that are being submitted to the Legislature. The changes have already been approved by the Governor's office.

Change 1 – Language discrepancies in the statutes. The definition of vested includes language that states if you complete 10 years of service after age 60 then you would collect you benefit at age 65. This contradicts the definition of prorable that provides that if you complete 10 years after age 60 you are under a prorable benefit and get an immediate benefit. Therefore, the language regarding waiting until 65 if your 10 years are completed after 60 needs to be removed.

Change 2 – The removal of obsolete language regarding the health insurance subsidy that was later superseded by language that states the subsidy will be fixed at \$110.00 as of a certain date.

Change 3 – Clarification of the statute allowing a member to co-pay for service under a board of education offered early retirement incentive program. The teacher payment portion should be made in a lump sum not in installments as it now reads.

Rosalyn Schoonmaker made Motion to accept the changes as presented. Seconded by William Murray, all members voted in favor and the motion was passed.

Item 2. Administration Perez stated that she forwarded Governor Rell's January 12, 2009 letter regarding state contracts to TRB's vendors. Dr. Fields, Corporate Benefit Consultants, LLC, responded stating that CBC is willing to forgo the contractual increase for 2009-2010. Mary Nicholas made Motion to accept CBC's proposal. Seconded by Astread Ferron-Poole, all members voted in favor and the motion was passed.

OLD MATTERS FOR BOARD DISCUSSION

There were no old matters for discussion.

NEW MATTERS FOR BOARD DISCUSSION

There were no new matters for discussion.

COMMENTS FROM OBSERVERS

Administrator Perez clarified for Edith Bloom that the \$110.00 subsidy is only available to a retired member towards the purchase of health insurance through their last employing board of education. Edith Bloom suggested that we look into questionable drugs coming from India.

Richard Follman provided an article on generic drugs to the Board.

James Stirling, Stirling Benefits, reported that a computer glitch was discovered in their system. Claims for 200 – 300 Hartford Board of Education teachers were not automatically being crossed over from Medicare. The situation is corrected for the March claims.

Richard Follman, stated that he has received calls from ARTC members regarding Medco's denial of drugs that a member has taken for several years because Medco can't find it in their system. Administrator Perez will contact Medco account representatives to resolve this problem.

Administrator Perez pointed out that she has also been communicating with Medco regarding the pricing of a generic bone loss drug.

The scheduled March 11, 2009 Board Meeting will not be held. Administrator Perez stated that another Appeal needs to be heard in March and a written response must be provided within 60 days. Therefore Board members will be notified if a Board meeting is needed before the scheduled June 24th meeting.

Administrator Perez gave an overview of the Appeal that was heard prior to the Board meeting. She stated that TRB had tried since 2002 to have the teacher divest from another state so that service could be added to her Connecticut service. A pension cannot be received from two systems using the same service. She was sent a bill in June 2008. The payment was received a month after the due date for an amount in excess of the amount due. She is appealing the decision to deny her payment. The Appeals committee was provided a detailed accounting of all the correspondence regarding this appeal. Decisions are based on the statutes. Mary Nicholas made Motion to deny the appeal. Seconded by Rosalyn Schoonmaker, all members voted in favor and the motion was passed.

Administrator Perez thanked Astread Ferron-Poole, Mary Nicholas, and Rosalyn Schoonmaker for serving on the Appeals Sub-Committee. She also thanked Eric Judge, Mary Nicholas, and William Murray for serving on the Vendor Sub-Committee.

Administrator Perez stated that 892 members have been approved for the additional \$110 subsidy. Documentation is needed to determine that the member is not eligible for Medicare Part A through their work history or their spouse's.

ADJOURNMENT

Rosalyn Schoonmaker made Motion for the Board to adjourn. Seconded by Astread Ferron-Poole, all members voted in favor and the meeting adjourned at 3:40 p.m.

Respectfully submitted,

Jean Ouellette, Administrative Assistant

February 19, 2008

Date Submitted

Attest:

Darlene Perez, Administrator

June 24, 2009

Date Approved