



CT TEACHERS' RETIREMENT BOARD
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TRB BOARD MEETING

Wednesday, March 13, 2013

2:00 p.m.

The regular meeting of the Teachers' Retirement Board was called to order at 2:10 pm by Vice-Chairperson William Myers on Wednesday, March 13, 2013 at 765 Asylum Avenue, Hartford, CT.

BOARD MEMBERS PRESENT:

William Myers, Teacher Member
Michael Freeman, Teacher Member
Rosalyn Schoonmaker, Teacher Member
Maureen Honan, Teacher Member
Eugene Cimiano, Public Member
Jonathan Johnson, Public Member
Elaine Lowengard, Public Member
Clifford Silvers, Public Member
Charles Higgins, Public Member
Gregory Messner, Designee (Office of Policy and Management)
Brian Mahoney, Designee, (State Department of Education)
Lee Ann Palladino, Designee (Office of the Treasurer)

BOARD MEMBERS NOT IN ATTENDANCE:

Clare Barnett, Teacher Member
Lisa Mosey, Teacher Member

STAFF PRESENT:

Darlene Perez, TRB Administrator
Lou Laccavole, Fiscal Administrative Manager

OTHERS PRESENT:

James Stirling, CEO, Stirling Benefits, Inc.
Dr. Joseph A. Fields, PhD., Corporate Benefits Consulting
Karen Nolen, Office of Policy and Management
Richard Follman, Assoc. of Retired Teachers of Connecticut
Robyn Kaplan-Cho, Connecticut Education Association
Christina Gellman, Office of Fiscal Analysis
Kathleen Collins, Hartford Federation of Teachers - Retired
June Pinkin, Hartford Federation of Teachers -Retired

Vice Chairperson William Myers had Board members introduce themselves to Mr. Charles Higgins, who replaces Doug Dubitsky as a public member appointed by the Governor. Following the introductions Vice Chairperson William Myers turned the meeting over to Administrator Perez for the Agency Report.

AGENCY REPORT

Administrator Perez reported on the following:

- Open enrollment packages were mailed to over 20,000 health plan members in October for changes in coverage to become effective January 1, 2013.
- Aetna, who became our new dental plan vendor effective January 1, 2013, sent out new I.D. cards to over 16,000 plan members in December of 2012. Our health plan consultant, CBC, has been working diligently with Aetna to ensure the dental benefits are matched with what we had through our previous dental vendor Delta Dental of New Jersey. The benefits will then be incorporated into a dental plan summary of benefits and posted to the TRB website.
- The Hartford Board of Education (HBOE) has been receiving health insurance subsidy monies on behalf of teachers insured through an arrangement that the Administrator found questionable based on the construction of the statutes governing the agency. Communications between the HBOE and the agency have been less than productive, leading to strong disagreements about the agency's ability to stop the subsidy without any case history or legal opinion to do so. The resulting action was that the Administrator wrote to the Attorney General's office for advice approximately two years ago, who assigned the request to an Assistant Attorney General (AAG). Last week the Administrator spoke with the assigned AAG, who said the agency should proceed with administering the statutes based on our interpretation of them. Cliff Silvers requested the Administrator to take appropriate action and report back to the Board prior to the next meeting on the outcome.

Administrator Perez turned the Agency Report over to Lou Laccavole, the Accounting Division Manager, who reported on the following activity:

- Annual statements were mailed to over 59,000 active, inactive and deferred vested members reporting salary, contributions, service credit, account balances and the member's designated beneficiary. As with any other mailing, there have been hundreds of phone calls and inquiries regarding the statements.
- The IRS requires inactive members to take a Required Minimum Distribution (RMD) no later than April of the year following the year in which the member reaches age 70 ½. The laws governing the TRB only provide for full withdrawals, not partial withdrawals. Therefore, those affected by the IRS requirement were sent letters notifying them of the provision and providing them with a withdrawal application; additionally, if they have ten plus years of CT credit they were provided with the option of filing for retirement.

- 1099R forms were mailed out to over 36,600 persons who received a distribution from this system in 2012. As the deadline for filing annual income tax returns draws near, we are busy replacing lost or missing forms for those who want to file their income tax return(s). A request for a replacement must be made in writing to confirm the correct mailing address is used for the replacement.

Mr. Laccavole turned the Agency Report back over to Administrator Perez, who reported on the following:

- Affidavits were mailed out to surviving spouses receiving surviving spouse benefits to have certified stating that they have not remarried prior to age 60. Eight did not respond resulting in termination of their monthly benefit.
- Income reporting forms were mailed out to disability allowance recipients. The majority responded, resulting in a handful of offsets against earned income. The disability allowance program is small with only several hundred members on the program at this time. However, 2nd requests will be sent to those who didn't respond and that failure to respond will result in termination of the monthly benefit.
- The agency receives federal funds for sponsoring a prescription program for Medicare participants. It is referred to as the Retiree Drug Subsidy (RDS). We suspect we are leaving dollars on the table and will be working with our Pharmacy Benefits Manager, Caremark, to determine why. We have a conference call scheduled for next week with them. .
- Two staff members left TRB in March. One retired while the other took an assignment in another state agency. Under the Governor's proposed budget we anticipate we will be able to fill those two positions with proper written justification.
- Also under the Governor's proposed budget was the elimination of state funding for retired teachers' health insurance for fiscal years ending in 2014 and 2015. This would have no immediate impact on health insurance benefits for the two year budget cycle, however it does deplete the reserve that was built up with active teacher money intended to provide those future retirees some relief with their health insurance premium when they retire.

Clifford Silvers made request for a motion to have written a "position" paper or letter, supporting full funding for the health insurance programs sponsored by the Board to be sent to the Governor and the Appropriations Committee. Some conversation followed, the motion was seconded by Rosalyn Schoonmaker. Mr. Higgins refrained from voting on the motion as he stated he was unfamiliar with the issue; all other Board members present voted in favor of the motion. A draft letter was to be circulated by e-mail and voted on by reply e-mail for mailing as soon as possible before the next Board meeting given the short time left in the legislative session.

Administrator Perez indicated there were more matters to report on that could be deferred to the April Board meeting and then turned the meeting over to Vice Chairperson Myers.

MATTERS FOR BOARD ACTION

1. A motion was made to approve the October 24, 2012 meeting minutes by Rosalyn Schoonmaker and seconded by Michael Freeman. All members voted in favor and the motion was passed.
2. Consideration and Approval of the Administrator's actions:
 - a. Regarding the granting of service retirement benefits for the months of October, through December 2012, and January thru February 2013.
 - b. Regarding the granting of survivor benefits for the months of October through December of 2012 and January through February 2013.
 - c. Consideration and Approval of the reports and recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the October through December of 2012 and January through February of 2013.

A motion was made to approve the service retirement benefits, Survivor benefits and applications for Disability Payments for the months of October, through December 2012, and January thru February 2013 by Rosalyn Schoonmaker and seconded by Michael Freeman. All members voted in favor and the motion passed.

3. A motion to approve the Cost of Living Adjustments (COLA) granted in January, 2013. The rate for the pre September 1992 retirees is 3% and the rate for those who retired on or after September 1, 1992 is 1.5% by Rosalyn Schoonmaker and seconded by Elaine Lowengard. All members voted in favor and the motion passed.

MATTERS FOR BOARD INFORMATION.

1. Retirement statistics for the months of October through December, 2012 and January through February of 2013.

COMMENTS FROM OBSERVERS

James Stirling is improving services to the teachers through a newly designed id card that includes the Prescription Plan and Dental Plan telephone numbers. Jamie invited people to come and take a tour and meet the staff at Stirling Benefits in New Milford.

Rick Follman supports the Board's position on the state paying their full share of the retired teachers health insurance benefits, in response to the Governor's proposal to eliminate the entire state's share. Rick Follman wants Darlene to write a certified letter to the Hartford Board of Education and the Mayor of Hartford explaining your position about paying \$110 to them which is illegal which they are using illegally to buy Health Insurance on the open marker.

June Pinkin supports the Board's position on the state paying their full share of the retired teachers health insurance benefits, in response to the Governor's proposal to eliminate the entire state's share. June Pinkin suggested the money be placed in a trust fund.

Robyn Kaplan-Cho appreciates the position the Board is taking on the health fund and the fact that now that the Board has taken a position it allows Board members to provide testimony to the Appropriations Committee. Robyn suggested the written "position" paper or letter, supporting full funding for the health insurance programs sponsored by the Board be posted to the TRB website.

ADJOURNMENT: 4:10pm