



CT TEACHERS' RETIREMENT BOARD

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MINUTES

September 7, 2016

2:00 pm

The meeting of the Teachers' Retirement Board was called to order at 2:00 pm by Chairperson Clare Barnett on Wednesday, September 7, 2016 at 765 Asylum Avenue, Hartford, CT.

BOARD MEMBERS PRESENT:

Clare Barnett, Teacher Member
Bill Myers, Teacher Member
Al Bredehorst, Teacher Member
Jonathan Johnson, Public Member
Maureen Honan, Teacher Member
Lisa Mosey, Teacher Member
Clifford Silvers, Public Member
Rosalyn Schoonmaker, Teacher Member
Charles Higgins, Public Member
Gregory Messner, Office of Policy and Management

BOARD MEMBERS NOT IN ATTENDANCE:

Deborah Spalding, Office of the State Treasurer
Kathy Demsey, State Department of Education
Elaine Lowengard, Public Member

STAFF PRESENT:

Darlene Perez, Administrator
Shantelle Varrs, Fiscal Administrative Manager
Charlene Hill, Assistant to the Administrator

OTHERS PRESENT:

Robyn Kaplan-Cho, CEA
Karen Nolen, OPM
Dr. Joe Fields, TRB Health Insurance Consultant
Felicia Victoria, Stirling Benefits
Christina Gellman, OFA
Walt Ciplinski, Retired Teacher
Rick Follman, ARTC

Open meeting:

Chairperson, Clare Barnett and Administrator, Darlene Perez opened the meeting with a moment of silence in memory of a TRB staff member, Darlene “Darcy” Corbin who lost her battle with cancer and passed away on September 4, 2016. Darcy was a member of the “TRB family” for eleven (11) years.

1. Agency Report:

RX Claims Audit:

Joe Fields discussed a Request for Proposal (RFP) that was published on September 1, 2016 to obtain an outside vendor to conduct an audit on the prescription drug claims. We are expecting to hear back from interested vendors in the next week. A lot of the audit has to do with performance reports with regard to meeting the targets that are in the contracts we have with the prescription drug vendor. This is the last vendor to be audited and this will mean that all of our vendors have been audited within the last two years.

Refund Project, Inactive Non Vested Members:

Darlene Perez discussed one of the pieces of legislation that was passed last year had to do with former members who are inactive for 10 or more years who are non-vested. The Bill that was passed and became effective July 1, 2016 allows TRB to cease posting interest on these inactive members after they have been inactive for 10 years. One of the projects we are going to be taking on this year will be to write letters to these inactive members providing them with notices that interest has ceased accruing on their account and if we do not hear from them within 90 days their funds will be considered unclaimed funds. We will be sending out letters to approximately 2,800 members who we have valid addresses for. Those members we do not have valid addresses for and those who do not respond will have their names posted to the unclaimed funds website.

Health Fund:

Joe Fields discussed that the health fund at the end of last month was at approximately \$78 million which is substantially lower than what it has been in the recent past and it continues to shrink relatively rapidly. The source of the problem stems from a growth in the program from under 6,000 retired program members and 49,000 active teachers in 1999. Currently there are approximately 27,000 retired program members and around the same number of active teachers at 51,000. The percentage of retired teachers grew from 12% to 54%. The State has also been going through fiscal difficulties and has limited the contribution to approximately 14.5 million dollars and the contribution has been flat funded.

Joe will be doing some financial analysis and explore if there are any cost saving opportunities or changes that may be necessary. He will provide an update on his analysis to the Board from his analysis at the end of this year.

A discussion followed.

2. Consideration and Approval of the Appeals Sub Committee recommendation:

The Appeals Sub Committee made a recommendation to the Board to deny a TRB member's request to change three (3) years of purchased peacetime military service to three (3) years of wartime military service under Chapter 167a*, Section 10-183ff. The recommendation by the Appeals Sub Committee to deny the request is because Section 10-183ff does not apply because the staff responded to the documents received from the member appropriately, in the sequence in which they were received and with the member's full consent (demonstrated by receipt of payment in full by the member for each invoice).

A motion was made by Maureen Honan and seconded by Bill Myers to approve the Appeals Sub Committee's recommendation to deny the appeal. All members voted in favor and the motion was passed.

3. Approval of the June 22, 2016 Meeting Minutes:

A motion was made by Rosalyn Schoonmaker and seconded by Al Bredehorst to approve the June 22, 2016 meeting minutes. All members voted in favor and the motion was passed.

4. Consideration and Approval of the Administrator's actions regarding:

- a. Granting of service retirement benefits for the months of June, July and August, 2016.
- b. Survivor benefits for the months of June, July and August, 2016.
- c. Reports & recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the June, July and August, 2016 meetings.

A motion was made by Rosalyn Schoonmaker and seconded by Lisa Mosey to approve the granting of service retirement, survivor benefits and applications for a disability allowance for the months of June, July and August, 2016. All members voted in favor and the motion was passed.

5. Consideration and Approval of premium changes to become effective January 1, 2017 for the health benefit programs offered by the TRB as recommended and presented by the Board's Benefit Consultant, Joe Fields.

Joe discussed the new rates for the medical and drug, dental, vision and hearing programs effective January 1, 2017. The retiree contribution per member per month for the medical and drug will be \$92.00, the dental contribution will be \$44.00, and the vision and hearing contribution will be \$5.00, for a total combined contribution of \$141.00 for all coverages.

A motion was made by Bill Myers and seconded by Lisa Mosey to approve the new health benefit program rates effective January 1, 2017. All members voted in favor and the motion was passed.

MATTERS FOR THE BOARD INFORMATION:

Retirement Statistics for the months of June, July and August, 2016.
2015-2016 Administrative Report

COMMENTS FROM OBSERVERS:

Rick Follman asked how much money is sent to the districts and how much money is saved by the districts joining the plan?

Darlene Perez advised that approximately \$20 million is sent to the districts and not having to send that money to the districts if they join the plan would be an offset but not a savings because the cost of the plan far exceeds the amount that is being sent to the districts.

ADJOURNMENT – 2:40 PM