

# RETIREMENT PRIMER

2023  
2024

For Early Career Educators





# INTRODUCTION

This information is provided by your state teachers' association, the Connecticut Education Association (CEA), in an effort to familiarize you with the basics of your retirement system. It focuses on those issues of particular importance to teachers just entering the state retirement system as well as others who may be years away from retiring. Through this publication and workshops we offer, CEA hopes to make you more knowledgeable about the pension benefits to which you will be entitled as well as the steps you should take early in your career to maximize future opportunities. Proper planning will ensure your road to retirement will be less complicated, less stressful, and more productive.

## The State Teachers' Retirement Board (STRB)

The STRB is the state agency that administers the Connecticut State Teachers' Retirement System (STRS), a defined benefit pension plan that provides a guaranteed monthly lifetime benefit once you retire. The STRB is comprised of 16 members—four elected active teachers, four elected retired teachers, the Commissioner of Education, the State Treasurer, the Secretary of the Office of Policy and Management (OPM), and five public members appointed by the governor. The board usually meets monthly except during the summer.

## The role of the state legislature

Virtually all provisions governing teacher retirement benefits in Connecticut are statutory. As a result, the state legislature plays a critical role in determining any positive or adverse changes in retirement benefits, eligibility requirements, funding levels, retiree health insurance, and more. Consequently, maintaining contact with your state senator and state representative is vital. Your local board of education, on the other hand, is not involved in any aspect of your retirement system other than its reporting duties and matching Medicare contribution.

## Your membership

Membership in the STRS is mandatory for all public school teachers who work at least half-time.

Teachers working less than half-time are not members of the retirement system at that time, although time worked may be purchased at a later date if they begin working half-time or more. (See Purchasing Additional Service Credit section.) You must hold proper certification for the position that you occupy (such position must require certification), and you will not receive retirement credit for any time worked in a position for which you are not properly certified.

In order to qualify for a monthly pension, you must have a minimum of 10 years of Connecticut teaching service (commonly referred to as “vesting”).

## Your contributions

Currently, all teachers who are members of the STRS must contribute 8.25 percent of their annual salary into the state retirement fund. This contribution is made on a pre-tax basis. Of the 8.25 percent contribution, seven percent is posted to your Regular Account, and 1.25 percent is posted to the Retired Teachers' Health Insurance Fund. The Regular Account represents your own contributions toward your pension plus interest. The Retired Teachers' Health Insurance Fund is a general state fund that is used to subsidize the cost of health insurance for retired teachers and their spouses.

Annual salary does not include pay you receive for most extracurricular work (e.g., club advisors and athletic coaching), unused sick leave, terminal pay, or any payment predicated on your retirement. While no teachers in Connecticut pay Social Security taxes on the basis of their teaching service,<sup>1</sup> any teachers hired after 1986 are required to pay the federal Medicare tax.

Your Regular Account is credited with interest each June 30th, and the rate cannot exceed four percent.

<sup>1</sup> Except teachers at Norwich Free Academy

## Annual statements

Every year, you will receive a member statement from the STRS. It contains a comprehensive history of your salary, full-time equivalency (FTE) and credit, as well as your account balances, all as of the prior June.

If you note any discrepancy between your records and the STRS statement, you should make every effort to clarify the discrepancy immediately, while documentation is more readily available, rather than wait until you approach retirement age.

## Withdrawal from the STRS/refunds

If you terminate your teaching position in Connecticut, you may apply for a refund of your Regular Account contribution balance, including accrued interest. By withdrawing your funds, you forfeit your right to any monthly benefit you may have been eligible to receive. You also forfeit any right to participation in the retired teachers' health insurance program.

All mandatory contributions and all accrued interest are eligible for a rollover to a 403(b) plan or to another eligible plan. This rollover can be accomplished in two ways. You can have all or any portion of your payment paid either into a direct rollover or paid directly to you. If payment is made directly to you, the STRB is required to withhold 20 percent and send it to the IRS as income tax withholding to be credited against your taxes.

## Prior Connecticut service/returning to teaching

As previously noted, if you were a member of the STRS in the past and withdrew your funds, you effectively erased all prior service credit. In the future, if you return to the STRS as an active member, you may immediately reinstate this service by paying back the amount of money you withdrew plus interest in a lump sum from the date of refund to the date of final payment. The full credit will be posted to your account after you have made your final payment. Because the interest owed is based on a compounding formula, it's best to initiate repayment as soon as possible upon your re-entry into the teachers' retirement system.

## Accruing service credit

As a member of the STRS, you earn one month of credited service for each month worked from September through June. Ten months of teaching credit equals one year of service. No credit is ever earned for work performed in the months of July and August.

If your first day of teaching was not the first working day of the month, you will not receive credit for that month. Conversely, in your last month of teaching, you need only work on the first working day of the month to receive credit for the entire month. For example, if you began teaching on September 22, you would not receive any credit for that month. However, if your last day of teaching were March 6, you would receive credit for the entire month of March.

## Part-time service

At some point in your teaching career, you may decide to work part-time. To remain an active member of the STRS, you must work at least half-time. In terms of service credit, part-time service is counted in the same manner as full-time service.

That is, if you work for three years at half-time, you will accrue three additional years of credit, just as you would have by working full-time. However, the amount of your ultimate retirement benefit will be affected proportionately.

**Example:** You retire at age 60 with 20 years of service, eight of which were half-time. At retirement, you will be credited with 20 full years of teaching. Your monetary benefit, however, will reflect that eight years were worked on a half-time basis. Rather than receiving two percent for each of the 20 years, you will receive two percent for the 12 full-time years and half of two percent, or one percent, for each of the eight half-time years.

## Retirement eligibility

To qualify for a retirement benefit, you must meet one of the following eligibility requirements:

| NORMAL RETIREMENT   | EARLY RETIREMENT  | PRORATABLE RETIREMENT                             | VESTED DEFERRED RETIREMENT   |
|---|---|---|--|
| Age 60+ with 20 or more years of service (20 of Connecticut service) <i>or</i> Any age with 35 or more years of service (25 of Connecticut service) | Age 55+ with 20 or more years of service (15 of Connecticut service) <i>or</i> Any age with 25 or more years of service (20 of Connecticut service) | Age 60+ with 10–19.9 years of Connecticut service | Minimum of 10 but less than 20 years of Connecticut service and leave teaching before age 60 and leave the balances of your account on deposit with the STRS until you are eligible to collect at age 60 |

The chart on page 4 shows the percentage of your final average salary that you would receive based on your age and years at retirement. You can also obtain an estimate of your future retirement benefit using the STRB’s Benefit Estimator at ([ct.gov/trb](http://ct.gov/trb)).

## Purchasing additional service credit

Connecticut state law allows teachers to purchase certain types of other service into the STRS to increase their ultimate retirement benefit. You are not permitted, however, to purchase service credit from another system if you are receiving, or entitled to receive, a retirement benefit from that system. Credit is purchasable at any time, pursuant to an actuarial formula used by the STRB. To obtain an estimate of the cost, use the STRB’s Additional Service Credit Cost Estimator at [ct.gov/trb](http://ct.gov/trb). Additional service credit can be paid for with pre-tax dollars via a direct rollover from a qualified plan, such as a 403(b), or with after-tax funds. Regardless of when you choose to purchase service, it is very important to document this service as early as possible in your teaching career, since obtaining the requisite proof becomes increasingly difficult over time. The chart on page 6 shows the types of service that can be purchased and the necessary forms. All forms can be downloaded from the STRB website ([ct.gov/trb](http://ct.gov/trb)). Be sure to also check this website for additional rules pertaining to each specific type of service credit.

**Example:** You worked as a public school teacher in Massachusetts for three years prior to teaching in Connecticut. Upon becoming a member of the STRS, you should obtain the Outside State Service Form and send it to the appropriate entities in Massachusetts to document that service. The form is returned to the STRB and remains on file until you indicate that you wish to purchase those three years of service. You should not initiate this process until you are fully divested from the Massachusetts Teachers’ Retirement System.



## Retirement benefits

The chart below illustrates what percentage of a teacher's final average salary (average of the highest three years) would be provided as an annual pension benefit, based on the teacher's age and years of service at retirement.

The retirement percentages shown in this table are based on all full-time Connecticut credited service.  
A minimum of 20 years of Connecticut service is required to use these tables.

| AGE | 20 YRS | 21 YRS | 22 YRS | 23 YRS | 24 YRS |
|-----|--------|--------|--------|--------|--------|
| 55  | 28.00% | 29.40% | 30.80% | 32.20% | 33.60% |
| 56  | 30.40% | 31.92% | 33.44% | 34.96% | 36.48% |
| 57  | 32.80% | 34.44% | 36.08% | 37.72% | 39.36% |
| 58  | 35.20% | 36.96% | 38.72% | 40.48% | 42.24% |
| 59  | 37.60% | 39.48% | 41.36% | 43.24% | 45.12% |
| 60  | 40.00% | 42.00% | 44.00% | 46.00% | 48.00% |

| AGE | 25 YRS | 26 YRS | 27 YRS | 28 YRS | 29 YRS | 30 YRS | 31 YRS |
|-----|--------|--------|--------|--------|--------|--------|--------|
| 50  | 25.00% | 28.08% | 31.32% | 34.72% | 38.28% | 51.00% | 54.56% |
| 51  | 27.00% | 28.08% | 31.32% | 34.72% | 38.28% | 51.00% | 54.56% |
| 52  | 29.00% | 30.16% | 31.32% | 34.72% | 38.28% | 51.00% | 54.56% |
| 53  | 31.00% | 32.24% | 33.48% | 34.72% | 38.28% | 51.00% | 54.56% |
| 54  | 33.00% | 34.32% | 35.64% | 36.96% | 38.28% | 51.00% | 54.56% |
| 55  | 35.00% | 36.40% | 37.80% | 39.20% | 40.60% | 51.00% | 54.56% |
| 56  | 38.00% | 39.52% | 41.04% | 42.56% | 44.08% | 52.80% | 54.56% |
| 57  | 41.00% | 42.64% | 44.28% | 45.92% | 47.56% | 54.60% | 56.42% |
| 58  | 44.00% | 45.76% | 47.52% | 49.28% | 51.04% | 56.40% | 58.28% |
| 59  | 47.00% | 48.88% | 50.76% | 52.64% | 54.52% | 58.20% | 60.14% |
| 60  | 50.00% | 52.00% | 54.00% | 56.00% | 58.00% | 60.00% | 62.00% |

| AGE | 32 YRS | 33 YRS | 34 YRS | 35 YRS | 36 YRS | 37 YRS | 37.5 YRS |
|-----|--------|--------|--------|--------|--------|--------|----------|
| 50  | 58.24% | 62.04% | 65.96% | 70.00% | 72.00% | 74.00% | 75.00%   |
| 51  | 58.24% | 62.04% | 65.96% | 70.00% | 72.00% | 74.00% | 75.00%   |
| 52  | 58.24% | 62.04% | 65.96% | 70.00% | 72.00% | 74.00% | 75.00%   |
| 53  | 58.24% | 62.04% | 65.96% | 70.00% | 72.00% | 74.00% | 75.00%   |
| 54  | 58.24% | 62.04% | 65.96% | 70.00% | 72.00% | 74.00% | 75.00%   |
| 55  | 58.24% | 62.04% | 65.96% | 70.00% | 72.00% | 74.00% | 75.00%   |
| 56  | 58.24% | 62.04% | 65.96% | 70.00% | 72.00% | 74.00% | 75.00%   |
| 57  | 58.24% | 62.04% | 65.96% | 70.00% | 72.00% | 74.00% | 75.00%   |
| 58  | 60.16% | 62.04% | 65.96% | 70.00% | 72.00% | 74.00% | 75.00%   |
| 59  | 62.08% | 64.02% | 65.96% | 70.00% | 72.00% | 74.00% | 75.00%   |
| 60  | 64.00% | 66.00% | 68.00% | 70.00% | 72.00% | 74.00% | 75.00%   |

The prortable retirement percentages shown in this table are based on all full-time Connecticut credited service

| RESIGN AT AGE | 10 YRS | 11 YRS | 12 YRS | 13 YRS | 14 YRS |
|---------------|--------|--------|--------|--------|--------|
| 60 or older   | 10.00% | 12.10% | 14.40% | 16.90% | 19.60% |

  

| RESIGN AT AGE | 15 YRS | 16 YRS | 17 YRS | 18 YRS | 19 YRS | 20 YRS |
|---------------|--------|--------|--------|--------|--------|--------|
| 60 or older   | 22.50% | 25.60% | 28.90% | 32.40% | 36.10% | 40.00% |

## Leaves of absence

As the chart on page 6 illustrates, time spent on an unpaid leave of absence (from a Connecticut public school) can be purchased. However, state law also allows teachers to make the mandatory retirement contribution into the STRS while on a leave of absence (for maternity, family or personal illness, etc.) for up to a total of 10 months in your career. You would submit the "Current Leave of Absence" form and pay the monthly amount directly to the STRB. The payment must be initiated before the start of the leave period. If you choose not to make the mandatory payments while on leave, you would have to return to teaching full-time for one school year following the leave in order to purchase back this time at a later date.

## STRB INFORMATION

The STRB is located at 165 Capitol Ave, Hartford, CT 06106. You may reach them at 959-867-6333 or at their toll-free number, 1-800-504-1102. The STRB website contains important updates and notices, retirement planning information, and forms and applications that can be downloaded. Go to [ct.gov/trb](http://ct.gov/trb).

## Voluntary contributions

In addition to your mandatory STRS contributions, you may elect to accumulate extra savings in an STRS Voluntary Account. Deposits into this account may be achieved only through payroll deductions. Payroll deductions (payment is withheld by your employer and transmitted to STRB on a monthly basis) are made on an after-tax basis. To initiate payroll deductions:

- Obtain an Authorization for Voluntary Deductions Form from the STRB website ([ct.gov/trb](http://ct.gov/trb)).
- Complete the form and submit it to your employer.
- Your employer will begin withholding voluntary deductions from your check.
- To increase, decrease or cancel payroll deductions, submit a new form to your employer.

The credited interest rate on Voluntary Accounts is the *actual* rate of return of the Teachers' Retirement Fund. Consequently, depending on the Fund's actual rate of return, this could be a positive or negative number and will vary (sometimes widely) from year to year. See the STRB website for a list of interest rates from previous years. All voluntary contributions received on or before June 30 will be first credited with interest on June 30 of the following year.

Funds in your Voluntary Account can be withdrawn with regular interest to the date of withdrawal but are subject to the following conditions:

- While you are actively teaching, you are limited to one withdrawal as an active member. Partial withdrawals are not permitted; the *entire* account must be withdrawn.
- You may use some or all of the Voluntary Account to purchase additional credited service. Such a purchase is not considered a withdrawal.
- Upon your termination from public school teaching in Connecticut, you may withdraw your funds.

| TYPE OF SERVICE REQUIRED  | DOCUMENTATION   |
|---|---|
| Wartime Military Service  | Discharge papers (DD214)  |
| Peacetime Military Service  | Discharge papers (DD214)  |
| Military Dependents School  | Department of Defense Dependents School (DODDS) Form  |
| Outside State Teaching Service  | Outside State Teaching Service Form   |
| Previous Leave of Absence   | Previous Leave of Absence Form  |
| Previous Absence or Terminations Due to Pregnancy   | Special Rules for Absences Due to Maternity Form  |
| Previous Leave of Absence for Child Rearing Purposes When Not Granted by CT Local School District           | Child Rearing Leave of Absence – Special Board Policy   |
| Full-time State of CT Employment (including but not limited to (DMV, DPW, DPH)                              | State of CT Non-Teaching Form   |
| Teaching Service at American School for the Deaf; CT Institute for the Blind; Newington Children’s Hospital | American School for the Deaf Teaching Service Form; CT Institute for the Blind Teaching Service Form; Newington Children’s Hospital Teaching Service Form |
| Substitute Service  | Substitute Teaching Service Form  |
| Service as an Elected Official  | Elected Official Form   |
| Federal Teacher Corps Service   | Federal Teacher Corps Form  |
| Part-time Service (less than 50%)   | Less Than Half-Time CT Public School Employment Form  |
| Peace Corps Service   | Verification of Service Letter  |
| Social Work Assistant in a Public School from 1969 to 1986  | Social Work Assistant Public School Form  |
| VISTA Service   | Verification of Service Letter  |
| Part-Time Lecturer  | Part-Time Lecturer Form   |
| Adult Education Assignments – High School Credit Diploma Program Only – Not GED                             | Adult Education Assignment Form   |
| Prior CT Service Withdrawn  | Prior Connecticut Teaching Service Buy Back Request Form  |
| Hourly Paid Certified Teaching Service (Tutoring, CETA, etc.)   | Hourly Paid Certified Teacher Form  |
| State of CT Employment – Teaching (UConn, colleges, RVTHs, State of CT agencies, i.e., DOC, DMR)            | State of CT Employment Teaching Form  |
| State Education Resource Center Teaching  | State Education Resource Center Teaching Service Form   |
| New York City Dept. of Education Teaching Service   | New York City Dept. of Education Teaching Service Form  |



If you die before retirement, payment will be made to your designated beneficiary. Voluntary Accounts must be liquidated at retirement in one of the following ways:

- As a lump sum or direct rollover
- As an additional annuity payment
- To purchase additional credited service (i.e. military, substitute, etc.)

At the time of withdrawal, any after-tax contributions will not be considered taxable income. The interest accrued on these contributions will be considered taxable income if a lump sum withdrawal is made. If a member elects to apply voluntary contributions toward the purchase of additional service credit or as an additional monthly annuity, any after-tax portion will be added into the “investment in contract” for purposes of determining the portion of the monthly benefit that is non-taxable.

## **Disability benefits**

Any teacher who has accrued five or more years of teaching service in Connecticut’s public schools is eligible to apply for a disability allowance administered through the STRB. A teacher with less than five years of service would qualify for these benefits only if the disability were service related. Moreover, the teacher must have an active employment status with the local board of education and be a contributing member of the retirement system (note: there is a three-month grace period). To qualify, the teacher must prove, through personal and medical documentation, that he or she cannot perform the duties of the assigned job due to a physical or mental impairment.

The application process is relatively simple, requiring the following information: a personal statement that outlines the effect the illness has had on the teacher’s ability to perform the job and the effect on day-to-day personal activities; all relevant medical reports, tests, evaluations, diagnoses, and medical treatments; and a statement from your human resources office that provides background on the teacher’s employment status, including days missed from school, difficulties at work, and additional assistance required at work. Once the application is completed, the physicians comprising the STRB’s Medical Review Committee review it. It is important to note that all physical examinations are performed by the teacher’s own doctors. The Medical Review Committee then makes a recommendation to the members of the STRB to either approve or reject the application.

If approved, the teacher will be entitled to a monthly benefit equal to two percent for every year of service completed, up to a maximum of 50 percent of the average of the highest three years of salary (the minimum benefit is 15 percent of salary). For example, if you had 14 years of full-time service as of the date of the application, you would receive a benefit equal to 28 percent of the average of your highest three years of salary. However, while on disability, you continue to accrue teaching service credit, to a maximum of 30 years. When you turn 60 with at least 20 years of service credit (this may occur before reaching the maximum limit of 30 years), the disability allowance will be converted to a normal retirement benefit automatically.

Some teachers also have a private disability plan obtained either on their own or through their local board of education. You are permitted to apply for both the STRS disability benefit as well as a disability benefit through such a private plan. While the STRB disability allowance is not affected by such a private plan, the reverse may not be true. Therefore, you should check your private policy to better understand how the STRB disability may affect those benefits.

### **Pre-retirement death benefits**

If you die while an active member of the STRS, certain benefits will be paid to your beneficiaries. If at the time of your death you were not eligible to retire and you have any statutory survivors (a spouse and/or child under age 18), the following benefits will be paid to them:

- \$300 per month to each minor child under age 18
- \$300 per month to each disabled child
- \$300 to \$600 per month to the surviving spouse (\$300 plus \$25 for each year of service over 12 to a maximum of \$600)

The family survivors' benefit is \$1,500 per month. A one-time lump sum death payment of up to \$2,000 maximum (dependent on length of service) will be paid to your surviving spouse. If there is no surviving spouse, such payment will be issued to the person who paid for the funeral expenses. If at the time of your death you were not eligible to retire and did not have a surviving spouse or minor children, the balance of your STRS account will be paid to your designated beneficiary. Once you become eligible to retire from the STRS, the preretirement death benefits will change. Check the STRB website for additional information about what these options will be.

### **Provisions affecting your future Social Security benefits**

Although Connecticut public school teachers do not make Social Security contributions,<sup>2</sup> many teachers have made such contributions through prior or part-time employment. Other teachers are married to spouses who participate in Social Security, and these teachers may anticipate collecting a spousal Social Security benefit in the future. Two federal laws affect how much a Connecticut teacher will be allowed to collect in Social Security benefits while also collecting an STRS pension. These provisions do not affect Medicare eligibility or the STRS benefit.

## **HOW TO CONTACT CEA**

CEA is located at Capitol Place, Suite 500, 21 Oak Street, Hartford, CT 06106.  
Visit [cea.org](http://cea.org) or call 860-525-5641.

<sup>2</sup> Except teachers at Norwich Free Academy

## RETIREMENT SERVICES FOR CEA MEMBERS

Throughout its long history, CEA has been a strong advocate at the state legislature for the protection and improvement of retirement benefits for Connecticut's teachers. Representatives of CEA also attend all meetings of the STRB and the State Treasurer's Investment Advisory Council to monitor their activities and ongoing changes.

Every year, CEA conducts in-depth retirement workshops in order to educate members about their retirement benefits and how best to plan for retirement. Moreover, throughout the year, if you have questions about the STRS, call CEA Retirement Specialist **Robyn Kaplan-Cho** at **860-525-5641** or email her at [robynk@cea.org](mailto:robynk@cea.org).

### Windfall Elimination Provision (WEP)

The WEP applies to any teacher who, in addition to receiving an STRS pension, also has earned 40 or more Social Security credits. Under the WEP, a modified formula is used to calculate the anticipated Social Security benefit. The result is generally a reduction of 40-50 percent of the Social Security benefit. In no case should you ever lose your entire Social Security benefit. If you had "substantial earnings" under Social Security for 21-29 years, this reduction will be less. If you have 30 or more years of "substantial earnings" under Social Security, you will be totally exempt from the WEP.

### Government Pension Offset (GPO)

Because spousal benefits from Social Security are intended for non-working and low-paid spouses, once you retire from teaching you likely will not receive any Social Security spousal benefit.

Under the GPO, two-thirds of a teacher's STRS pension is deducted from the anticipated spousal benefit from Social Security. Because two-thirds of the STRS pension is almost always more than the anticipated Social Security benefit, teachers rarely receive a spousal benefit at all.

For years, CEA and NEA have lobbied Congress to repeal these two provisions—WEP and GPO. For the latest on work in these areas, visit [cea.org/wep-gpo/](http://cea.org/wep-gpo/).

### 403(b) and 457 plans

Although not part of the STRS, 403(b) and 457 plans provide teachers with an excellent opportunity to save money by setting aside pre-tax dollars via payroll deduction to grow on a tax-deferred basis for retirement. CEA strongly encourages its members to take advantage of 403(b) and 457 plans administered through local school districts. Check with your district's business office for more information on the investment options available to you.



Connecticut Education Association  
Capitol Place, Suite 500  
21 Oak Street, Hartford, CT 06106  
860-525-5641  
[cea.org](http://cea.org)