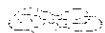
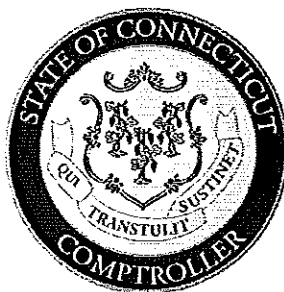


STATE EMPLOYEES  
RETIREMENT COMMISSION



MEDICAL EXAMINING BOARD  
for DISABILITY RETIREMENT



STATE OF CONNECTICUT  
RETIREMENT SERVICES DIVISION  
OFFICE of the STATE COMPTROLLER  
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## RETIREMENT SERVICES DIVISION MEMORANDUM 2017-03

March 24, 2017

### TO THE HEADS OF ALL STATE AGENCIES

**Attention: All Human Resources and Payroll Officers**

**Subject: Retirement Plan Election for New Higher Education Employees**

#### I. INTRODUCTION

The Office of the State Comptroller has been advised by legal counsel for the State Employees Retirement Commission that under the Internal Revenue Code (IRC) Section 414(h)(2) and based on Rev. Ruling 2006-43 **all** new higher education State Employees must make an irrevocable election to participate in an applicable retirement plan offered by the employer, the State of Connecticut, no later than their first day of employment (i.e. date of hire). **This requirement is a change to the current retirement plan election practice.**

#### II. ASSISTING NEW HIRES IN ELECTING A RETIREMENT PLAN

Each higher education agency must include the Form CO-931h - Designation of Retirement System-Tier-Plan Beneficiary with the new hire package to all individuals being provided with an offer and/or appointment letter for an effective date of **March 31, 2017 or later**, we strongly recommend that the letter to the new hire state that the retirement plan choice is irrevocable. A revised CO-931h form will be available under the Retirement Services Division forms on the State Comptroller's website shortly. The new hire package should include the **Retirement Plan Comparison Chart and the Condensed Retirement Plan Narrative for New Employees**, which are attached to this memorandum and are also available on the State Comptroller's website. To assist our Office in compliance with this requirement, higher education agencies must return the completed Form CO-931h immediately to our Office for processing without delay.

#### III. DEFAULT ELECTIONS

If the new employee fails to make a voluntary irrevocable retirement plan election by the first day of employment then the employee will *automatically* be defaulted into the applicable State Employee Retirement Plan depending on the respective bargaining unit as agreed upon through the collective bargaining process and is shown on the attached chart. The automatic default is irrevocable.

The Office of the State Comptroller is currently working with the staff at Core-CT to make the necessary programming changes to coincide with the March 31, 2017 implementation date.

#### IV. RETIREMENT PLAN ELIGIBILITY

In an effort to assist higher education state agencies with the appropriate retirement plan placement for new hires and rehires the Retirement Division has developed a Retirement Plan Eligibility Chart as a reference guide, see attached document.

#### V. AGENCY PAYROLL STAFF RESPONSIBILITY

It is imperative that the agency payroll staff ensure that the new employee is appropriately coded in a retirement plan, either the retirement plan of the employee's choice or the default retirement plan. **The proper retirement plan contributions must be deducted from the employee's first paycheck.** Compliance with this requirement will assist the Division with the collection of all mandatory contributions for higher education employees.

#### VI. CONCLUSION

It is our expectation that this information will be distributed to all of your applicable business units that participate in the hiring of new employees. All new hiring packets are to include the OSC form CO-931h, Designation of Retirement System –Tier-Plan-Beneficiary and the Retirement Plan Comparison Chart to assist higher education new hires in determining the proper retirement plan that best meets the needs of the employee. **It is important that each new hire understands the election of a retirement plan is an irrevocable decision.**

All applicable Summary Plan Descriptions (SPD's) on the State Comptroller website will be updated soon to include this new language.

The Retirement Services Division staff is available to assist your office with this new requirement and any questions should be directed to the Customer Service Center at 860-702-3480 or by email to [osc.rsd@ct.gov](mailto:osc.rsd@ct.gov). We appreciate your efforts in assisting our office with this change due to an Internal Revenue Code (IRC) requirement.

Very truly yours,

**STATE EMPLOYEES RETIREMENT COMMISSION  
KEVIN LEMBO, SECRETARY EX OFFICIO**

BY:



Brenda K. Halpin, Director  
Retirement Services Division

Four Attachments:  
Default Retirement Elections Chart  
Retirement Plan Eligibility Chart  
Retirement Plan Comparison Chart  
Condensed Retirement Plan Narrative

### Default Retirement Elections Chart

	<b>Collective Bargaining Unit</b>	<b>Default</b>
UConn – Faculty	AAUP	ARP
UCHC – Faculty	UCHCFac	ARP
Comm College Faculty - AFT	CCFACAFT	Hybrid
State University Faculty	CSUAAUP	Hybrid
State University Non-Faculty Prof	SUOAF	Hybrid
Comm College Faculty CCCC	CCFAC4C	Hybrid
UConn – Non-Faculty	UCPEA	Hybrid
Comm College Admin – CCCC	CCADM4C	Hybrid
Comm College Admin – AFSCME	CCADMAFS	Hybrid
Bd State Academic Awards Prof	BSAAProf	Hybrid
State Vocation Federation Teachers	SVFT	SERS Tier III
American Fed of School Admin	AFSA	SERS Tier III
UCHC Univ Health Professionals	AFTCFEPE	SERS Tier III
	CSEA Education Units	SERS Tier III

Part-time adjunct faculty members may elect to waive retirement plan membership. A part-time adjunct's election to waive is irrevocable.

Unclassified non-union employees would default to SERS Tier III.