

# State of Connecticut Retirement Plan Comparison

Revised 03/2019

This chart compares key features of the State’s mandatory retirement plan options for full-time teachers and professional staff members in higher education. Part-time faculty covered under certain collective bargaining agreements also have a one-time option of waiving membership in these plans. For more details about each of these plans, please refer to the appropriate plan Web site under “For more information” identified below.

Plan	State Employees Retirement System Tier IV	State Employees Retirement System Hybrid Plan	Alternate Retirement Program	Teachers Retirement System
<b>Type of Plan</b>	Defined Benefit	Defined Benefit with a “Cash Out” Option	Defined Contribution	Defined Benefit
<b>Eligibility</b>	State employees, full-time and part-time	Teachers and professional staff members within CT higher education system and central office staff of Dept. of Higher Education	Teachers and professional staff members within CT higher education system and central office staff of Dept. of Higher Education	State employees in position requiring CT teaching certification or employees teaching in CT high education system (half time or more) (may be limited by collective bargaining agreement)
<b>Time for Selection By New Employees</b>	<b>Election must be made by first day of employment</b>	<b>Election must be made by first day of employment</b>	<b>Election must be made by first day of employment</b>	<b>Election must be made by first day of employment</b>
<b>Employee Contribution</b>	5% of compensation (pre-tax) Mandatory 1% of compensation (pre-tax) to a defined contribution plan	8% of compensation (pre-tax) Mandatory 1% of compensation pre-tax to a defined contribution plan.	6.5% of compensation (pre-tax) is the default option. Can elect to opt-out and stay at 5% of compensation (pre-tax)	7.25% of compensation (pre-tax) Excludes earnings from coaching, summer school, or non-teaching
<b>Employer Contribution</b>	Actuarially determined 1% of compensation (pre-tax) to a defined contribution plan.	Actuarially determined 1% of compensation (pre-tax) to a defined contribution plan.	6.5% of compensation	Actuarially determined
<b>Benefit Calculation</b>	Formula based in part on average of 5 highest years earnings and years of service. See summary plan description (reference below)	Formula based in part on average of 5 highest years earnings and years of service. See summary plan description (reference below)	Based solely on contributions and investment performance of account	Formula based on average of 3 highest years earnings multiplied by years of service. See website (below) for details
<b>Investment Method</b>	Professionally managed	Professionally managed	Employee-directed, menu of mutual or annuity funds	Professionally managed
<b>Investment Risk</b>	Employer	Employer	Employee	Employer

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<b>Plan</b>	<b>State Employees Retirement System Tier IV</b>	<b>State Employees Retirement System Hybrid Plan</b>	<b>Alternate Retirement Program</b>	<b>Teachers Retirement System</b>
<b>Earliest Benefit Eligibility</b>	Age 58 + 10 years vesting service	Age 58 + 10 years vesting service	Age 55 (applies to employees with 5 or more years of participation)	20 years of service (15 in CT), age 55 25 years of service (20 in CT), any age
<b>Normal Retirement Age</b>	Age 63, 25 years vesting service Age 65, 10 years vesting service	Age 63, 25 years vesting service Age 65, 10 years vesting service	Age 65	Age 60 + 20 years of CT service 35 years service (25 in CT), any age
<b>Disability Retirement</b>	Yes, at any time for service-related disability, need 10 years vesting service if not service-related	Yes, at any time for service-related disability, need 10 years vesting service if not service-related	No, employer-provided disability insurance policies may continue 13% contributions to plan during disability	Yes, disability allowance available
<b>Minimum Vesting Period</b>	10 years vesting service	10 years vesting service	None	10 years CT service
<b>Benefit Form</b>	Lifetime monthly benefit payment	Lifetime monthly benefit payment OR One-time lump sum “cash out” option	Flexible (lump sum, periodic, or monthly payment)	Monthly benefit payment
<b>Cost of Living Adjustments</b>	Yes	Yes, if elect lifetime monthly benefit payment	Not applicable	Yes
<b>Can employee make additional contributions?</b>	No	No	No	Yes, into Voluntary Account (after tax only)

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Plan	State Employees Retirement System Tier IV	State Employees Retirement System Hybrid Plan	Alternate Retirement Program	Teachers Retirement System
<b>Pre-retirement death benefit?</b>	Spousal benefit if employee met age and service required for immediate retirement or completed 25 years service (at any age); otherwise contributions are refunded	Spousal benefit if employee met age and service required for immediate retirement or completed 25 years service (at any age); otherwise contributions are refunded	Account balance payable to spouse or named beneficiary, as applicable	Yes, spousal benefit payable if employee met age and service requirements for retirement; otherwise survivorship benefits will be paid
<b>Purchase of service credit</b>	Allowed (restrictions apply) See summary plan description (reference below)	Allowed (restrictions apply) See summary plan description (reference below)	Not applicable	Allowed (restrictions apply)
<b>Rollovers from other retirement plans</b>	Not allowed	Not allowed	Allowed	Not allowed
<b>Limit on wages used to calculate contributions</b>	\$270,000 (2017)	\$270,000 (2017)	\$270,000 (2017)	\$270,000 (2017)
<b>Employee Social Security + Medicare Participation</b>	Both	Both	Both	Medicare only
<b>Portability</b>	None	None	Yes, if employee separates from service before 10 years of plan participation	None
<b>For more information</b>	<b>Not yet available</b>  <a href="http://www.osc.ct.gov/rbsd/stateretire.htm">www.osc.ct.gov/rbsd/stateretire.htm</a>	<b>Not yet available</b>	<a href="http://www.CTdep.com">www.CTdep.com</a> (Click on ARP Plan)	Teachers Retirement Board <a href="http://www.ct.gov/trb">www.ct.gov/trb</a>