

Retired Teachers of Connecticut



The Pension and Health Insurance Crisis

Pension Information

- Your pension fund is **underfunded** by more than 13 billion dollars.
- Active teachers saw an **increase** of 1% pension contribution. They now contribute 7% of their income to the retirement fund.
- The increase in teachers' contributions to the fund is being used to **reduce the State's contributions** to the fund - not to increase overall funding of the pension or to reduce the unfunded liability.

Health Insurance Fund

- The Teachers' Health Insurance Fund that active and retired teachers pay into is facing **insolvency** this year. The Fund was instituted to help lower insurance costs for teacher retirees.
- The State has failed to contribute its promised **33%** contribution since 2008.
- State funding is flat for the biennium at \$14 million per year. This amounts to **12%** of the medical plan costs in first year of the budget and **10%** of the plan's cost in the second year. Retired teachers pay all their Medicare premiums and the bulk of their supplemental costs.
- Because the State has short funded the Health Fund by well over **\$190 million** over past years, the TRB was forced into a Medicare Advantage Plan. This is a temporary fix. The TRB health insurance consultant estimates the 2019 deficit will be an additional 8 million dollars.
- Coverage and premiums for all retired teachers will change as of July 1, 2018.

State Income Tax on Pensions

- The State postponed the 50% income tax exclusion for retired teachers. Because teachers do not have Social Security, this is a fairness issue. There is also an economic issue since 26% of retired teachers, more than 9000, have chosen to leave the state upon retirement.

Retired Teachers do not have a union. We do not have a contract with the State. We rely on the Legislature to hear our voices and to keep the State's promises.