

# Retired Teachers of Connecticut Pension and Health Insurance Crisis



## Pension Fund

- **Our pension is under attack!** The State has established a Commission on Pension Sustainability. Ben Barnes, Office of Policy Management, while looking for State assets to benefit the pension fund, has cautioned the commission members that the State needs to control retirement benefits. Any changes to the defined benefit pension will significantly impact new hires as well as future retirees.
- 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 13 billion unfunded liability.

## Health Insurance Fund

- The Teachers' Health Insurance Fund that active and retired teachers pay into is compromised.
- 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.
- Coverage and premiums for all retired teachers changed as of July 1, 2018.
- Retired teachers pay all their Medicare premiums and the bulk of their supplemental costs. The intent of the Health Insurance Fund was to help defray these costs.

## State Income Tax on Pensions

- The State postponed the 50% income tax exclusion bill 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, about 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.*