BE AN INFORMED VOTER

The outcome of the November elections could steer the future of Connecticut teacher retirement benefits. All teachers and retired teachers should vote for the candidate who understands and will support the Connecticut Teacher Retirement System.

QUESTIONS FOR CANDIDATES

- **Do you support maintaining the teachers <u>defined benefit pension plan</u>?** (See facts 1 & 2)
- **Do you foresee a need to increase <u>active teacher contributions</u> to the retirement fund? If so, will the increase be used to reduce the unfunded liability?** (See fact 3)
- **Will you support contributing the promised <u>1/3 contribution to the Teacher's Health Fund</u>?** (See fact 4)
- **Will you support the implementation of the <u>50% tax exclusion bill</u> in the next biennium budget?** (See fact 5)

FACTS

1. The CT Teacher Retirement System is a defined benefit pension. In this plan, the State promises to pay the retired teachers a specific benefit for life beginning at retirement. [In contrast, a defined contribution plan is similar to an IRA and is dependent on the fluctuation of the stock market and is not guaranteed for life.]

2. The State has established a Commission on Pension Sustainability to study the feasibility of placing state capital assets in a trust and for the sole benefit of the state pension system. Ben Barnes, Secretary of the Office of Policy and Management, in addition to looking at means to increase the State's funding of the Teachers Pension System, has cautioned 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.

3. Teachers now contribute 7% of their income to the retirement fund. This 1% 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 dollar unfunded liability.

4. Because the State has short funded its 1/3 contribution to the Health Fund by well over $190 million over past years, the TRB was forced into a Medicare Advantage Plan. Retired teachers pay all their Medicare premiums and the bulk of their supplemental costs. The intent of the Health Insurance Fund that teachers contributed to all their working years was to help defray these costs. We are being told the fund, your money, is fast becoming insolvent.

5. The State postponed the 50% income tax exclusion bill for retired teachers. Because teachers do not have Social Security and their pension is considered a "government" pension, 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. This is a drain on the State's economy.

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