Health Insurance

From 2005 until 2018, TRB offered retired teachers one health care plan. It was a Medicare Supplement plan administered by Stirling Benefits and was funded directly with 1/3 state subsidy, 1/3 teachers' Health Fund at TRB, and 1/3 premium share by the retiree. The Supplement met the needs of retired teachers to a very high degree. The service was excellent, it was portable to other states because it was based on the national Medicare provider network and the premium was reasonable.

2010 began a string of years with chronic state underfunding. The impact was a steady decline in the balance of the Health Fund. This occurred despite active teachers and retired teachers contributing their full share. The Fund balance reached an impending bankruptcy crisis in mid-2018. Retired teachers were not made aware of this situation until the TRB responded by introducing a "privatized" Advantage insurance plan on short notice. TRB moved all retirees to the Advantage plan unless they opted out and re-enrolled in the same Medicare Supplement plan but at much higher costs. This change created a premium disparity and a subsidy disparity where none had existed before. Sadly, retired teachers were made to face a difficult decision - pay a higher cost for the same insurance or take the lower cost plan without all the protections of Medicare. As more and more retired teachers discovered what happened, their feelings of unfairness and lack of equity grew.

It became clear by mid-2022 that the reason for the crisis in the teachers' Health Fund no longer existed. Since the 2018 crisis, the state has faithfully contributed its 1/3 share and the active teacher 1.25% payroll contribution no longer needs to make up for the state's failure to fully fund its share. The Health Fund has become robust again, gaining an average of $33M/yr. since mid-2018.

ARTC commends the Legislature for their action in 2022 of doubling the state subsidy for retired teachers (ineligible for Medicare) that are on high cost municipal health plans. However, those retired teachers on the TRB Supplement plan continue to be overlooked.

Teachers, who pay the vast majority of their own retirement health insurance, deserve the preservation of choice and a fair premium subsidy for both their plans. We ask the Legislature to pass HB 6013 restoring the 1/3 state subsidy to the full cost of the Medicare Supplement plan offered via the TRB. It is affordable, sustainable and it restores an earned benefit to retired teachers who spent decades serving the young people of Connecticut.

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ARTC
ASSOCIATION OF RETIRED TEACHERS OF CONNECTICUT

Association of Retired Teachers of Connecticut, Inc.

Congratulations on Your Election!

ARTC, Inc.
68 Loomis Street
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Congratulations and Thank You!

Congratulations on your election to the Connecticut Legislature and a special "thank-you" for your commitment to serving the people of Connecticut. The responsibilities of your position are formidable; the obligation to balance constituents' needs with the State's resources will be challenging. The time available to become acquainted with a variety of problems and possible solutions is limited. This brochure is aimed at assisting you in understanding the specific concerns of Connecticut's Retired Teachers.

Meet the ARTC

Since 1946 the Association of Retired Teachers of Connecticut has worked to secure and protect the pension and health insurance benefits of retired teachers. ARTC volunteers represent 10,000 retirees in their 13 affiliate chapters throughout the State. These volunteers share information about legislative, budgetary, and other concerns of importance to retired teachers.

ARTC and the Legislature

Many legislators, both newly-elected and experienced, are unaware that there is no union representing retired teachers. While both active and retired State employees are represented by the State Employee Bargaining Agent Coalition (SEBAC), no union exists for retired teachers. The Connecticut Legislature, working through the Teachers' Retirement Board, contributes to and invests teacher retiree pension funds. The TRB alone establishes health insurance charges and coverage.

Collective bargaining does not exist for retired teachers. Instead, ARTC encourages members to contact their legislators, provide them with information and encourage them to support issues important to teacher retirees.

Pension Information

Connecticut's Teachers' Retirement System (TRS) is a defined benefit pension administered by the Teachers' Reirement Board. The following affect the retirement benefits of retired teachers:

• Active teachers contribute 7% of their annual income to the Retirement Fund.

• Although money from the State's surplus has been put into the Retired Teacher Pension Fund the last two years, the fund still has an unfunded liability of over 17 billion dollars. The deficit was caused largely because the State did not meet its actuarial amount of contribution over the years between 1939 to 2008.

• The investment assumption rate determining the retired teacher pension COLA is 6.9%. The Retirement Fund investment returns for 2022 were under 6.9%, thus, the majority of retirees will receive 1% or 1.5% COLA this year.

•Because the Teachers Retirement System is considered a government pension, teachers do not pay into Social Security. However, many retirees who worked outside of public education during their working years fully paid into Social Security. They are penalized by the Federal WEP law and their benefits are significantly reduced. Also widowed retired teachers lose all or most of their spouses earned Social Security because of the Federal GPO law.

State Income Tax on Pensions

Getting the 50% tax exemption for 2021 involved ARTC initiating the effort along with the advocacy of many ARTC members for several years. A tax exclusion was rolled out over a period of years (10%, 15%, 25% and 50%) beginning in 2015. While we were successful at getting the current CT Income Tax exclusion on our pensions up to 50%, we are still competing with states that do not tax retirement pensions. Teachers moving out of the State upon retirement is a money drain on our State's economy. The lower tax exemption does not provide an incentive for attracting and retaining new teachers. The State should move toward a 100% tax exclusion on retired teacher pensions.