



## CT TEACHERS' RETIREMENT BOARD

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### Teachers' Retirement Board Testimony Appropriations Committee February 23, 2023

Good morning, Chairperson Osten and Chairperson Walker. My name is Helen Sullivan, the Administrator for the Teachers' Retirement Board (TRB). I want to begin by thanking the Governor, and the Office of Policy and Management (OPM) for proposing a budget with full funding for the pension, and health benefits for the teachers of the State of Connecticut. We would also like to take this opportunity to thank OPM for providing funding to fill our three vacant positions requested in the 2024-2025 budget to reach our appropriated staffing level of twenty-seven positions.

The Teachers' Retirement System was established in 1917. Today the staff of twenty-four supports a system of over 106,000 members, spouses and beneficiaries with account maintenance and benefits as provided by the statutes governing this system. Total annual expenditures and revenues approximate \$2.1 billion and \$1.5 billion, respectively. Participation is mandatory for public school teachers employed in the public schools of Connecticut at least half-time or greater.

The Teachers' Retirement Board is a governmental plan with approximately 52,500 active members, 14,400 inactive members, and 39,900 retired members and beneficiaries. The pension plan assets are approximately \$21.5 billion dollars, all of which are invested by the Treasurer of the State of Connecticut. The retirement plan is a defined benefit plan funded by mandatory teacher contributions, investment earnings and annual appropriations by the State of Connecticut.

The teachers in the State of CT who are members of this pension system **do not contribute into Social Security**, so the benefits administered by this system are in lieu of Social Security benefits.

The active members of the system contribute seven percent of their annual reportable salary into the pension fund and an additional 1.25% into the Teachers' Health Fund (THF), which is used to offset the cost of health insurance (medical and prescription drug premiums) for eligible retired members and dependents.

## Teachers' Retirement Board Testimony (continued)

The TRB sponsors a choice of two fully insured comprehensive group retiree health benefit plans including medical, prescription, dental, vision and hearing for those members, spouses, surviving spouses, or disabled dependents if there is no spouse who is participating in Medicare Parts A and B. The TRB is statutorily required to and has identified the Medicare Advantage Plan as the base plan. The base plan is used for purposes of calculating the cost share of plan premiums. The cost is shared equally three ways: One-third is paid for by the member, one-third is paid for by the State of Connecticut and one-third is paid for by the active teacher's contributions into the health fund. The Medicare Supplement plan is offered to members as an alternative option to the base plan.

Members participating in the Medicare Supplement Plan are responsible for the additional cost share in excess of the base plan. Currently, the TRB retiree program has approximately 27,800 plan participants in the Medicare Advantage base plan and 4,500 in the Medicare Supplement plan. In January 2022 changes were made to the Medicare Advantage plan which integrated the medical with a fully insured prescription drug plan which is projected to result in a three-year savings of \$144 million dollars in total base premiums. Cigna continues to be the dental provider.

In December 2022, The State Bond Commission approved funding through the Information and Technology Capital Investment Program to move the Teachers' Retirement in-house pension system to CORE-CT's PeopleSoft pension system. The project is a collaboration with TRB, Accenture and the Office of the State Comptroller CORE team. The total project cost is approximately 12 million dollars with a two-phase implementation plan to be completed in December 2024.

Thank you again for providing the necessary staff and technology for the Teachers' Retirement Board to provide an exceptional level of customer service for both the active and retired teachers of the State of Connecticut.

It is a privilege to serve the teachers of Connecticut.

Thank you very much for your time and consideration.

Teachers' Retirement Board