

**SUPPLEMENTARY REMARKS OF ROBERT E. PATRICELLI  
CO-CHAIR, COMMISSION ON FISCAL STABILITY AND ECONOMIC GROWTH**

**TO THE HEARING HELD BY THE  
TEACHERS' RETIREMENT SYSTEM VIABILITY COMMISSION  
AUGUST 17, 2018**

My colleague from the Commission, Jim Smith, has provided comprehensive testimony regarding the recommendations we made for changes in the TRS. I would like to amplify those remarks in just two respects, touching on matters that were not dealt with in our report.

1. First, as Jim indicated, we would urge you to go beyond our proposal for a reformed TRS to bring teacher contributions more in line with comparable states. At the current rate of 7%, CT's level is well below where it should be. The attachment shows 2014 data listing teacher contribution levels in various states. The right hand column showing the 13 states—including CT—where teachers do not participate in Social Security is the relevant comparison. This data, presented to us by PEW, shows that the average of the 12 other relevant states is 9.74%. We believe that the teacher contributions in CT, especially given the proposed increment in funding to the plan, should be at that level.
2. Second, the Commission did not address the state's current practice of funding one-third of teacher OPEB, at a cost of \$40 million at the current time. We find little rationale for the state participating in this cost at all. The state makes no contribution to OPEB for other local employees, and the future cost of these benefits could become very large. The responsibility for funding teacher OPEB should be with the local districts, where the benefits contracts are negotiated. One funding possibility might be for teachers to be enrolled in Medicare—which they can do even though they do not participate in Social Security. To be eligible to participate in Medicare requires having participated in paying the Medicare payroll tax for 10 years. We would urge you to consider whether the state might participate in funding catch-up payments where needed to enable current teachers to be eligible for Medicare.

Teachers – New hires w/ SS	SS Employee Contribution Rate	Teachers – New hires w/o SS	No SS Employee Contribution Rate
Alabama	6.0%	Alaska	8.0%
Arizona	10.9%	California	8.0%
Arkansas	6.0%	Colorado	8.0%
Delaware	5.0%	Connecticut	7.0%
Florida	3.0%	Illinois	9.0%
Georgia	6.0%	Kentucky	11.0%
Hawaii	0.0%	Louisiana	8.0%
Idaho	6.0%	Maine	7.7%
Indiana	0.0%	Massachusetts	11.0%
Iowa	6.0%	Missouri	14.2%
Kansas	6.0%	Nevada	12.0%
Maryland	7.0%	Ohio	14.0%
Michigan	7.0%	Texas	6.0%
Minnesota	6.5%		
Mississippi	9.0%		
Montana	7.0%		
Nebraska	8.9%		
New Hampshire	7.0%		
New Jersey	7.0%		
New Mexico	10.0%		
New York	3.0%		
North Carolina	6.0%		
North Dakota	10.0%		
Oklahoma	7.0%		
Oregon	0.0%		
Pennsylvania	8.0%		
Rhode Island	4.0%		
South Carolina	7.0%		
South Dakota	6.0%		
Tennessee	5.0%		
Utah	0.0%		
Vermont	5.0%		
Virginia	5.0%		
Washington	5.0%		
West Virginia	6.0%		
Wisconsin	6.0%		
Wyoming	7.0%		

Data from Urban Institute through 2014. CT has been updated to reflect more recent change to 7% from 6%.