

State of Connecticut Retirement Plan Comparison

Revised 09/2017

This chart compares key features of the State's mandatory retirement plan options for full-time teachers and professional staff members in higher education. Part-time faculty covered under certain collective bargaining agreements also have a one-time option of waiving membership in these plans. For more details about each of these plans, please refer to the appropriate plan Web site under "For more information" identified below.

Plan	State Employees Retirement System Tier IV	State Employees Retirement System Hybrid Plan	Alternate Retirement Program	Teachers Retirement System
Type of Plan	Defined Benefit	Defined Benefit with a "Cash Out" Option	Defined Contribution	Defined Benefit
Eligibility	State employees, full-time and part-time	Teachers and professional staff members within CT higher education system and central office staff of Dept. of Higher Education	Teachers and professional staff members within CT higher education system and central office staff of Dept. of Higher Education	State employees in position requiring CT teaching certification, or employees teaching in CT high education system (half time or more) (may be limited by collective bargaining agreement)
Time for Selection By New Employees	Election must be made by first day of employment	Election must be made by first day of employment	Election must be made by first day of employment	Election must be made by first day of employment
Employee Contribution	5% of compensation (pre-tax) Mandatory 1% of compensation (pre-tax) to a defined contribution plan	8% of compensation (pre-tax) Mandatory 1% of compensation pre-tax to a defined contribution plan.	6.5% of compensation (pre-tax) is the default option. Can elect to opt-out and stay at 5% of compensation (pre-tax)	7.25% of compensation (pre-tax) Excludes earnings from coaching, summer school, or non-teaching
Employer Contribution	Actuarially determined 1% of compensation (pre-tax) to a defined contribution plan.	Actuarially determined 1% of compensation (pre-tax) to a defined contribution plan.	6.5% of compensation	Actuarially determined
Benefit Calculation	Formula based in part on average of 5 highest years earnings and years of service. See summary plan description (reference below)	Formula based in part on average of 5 highest years earnings and years of service. See summary plan description (reference below)	Based solely on contributions and investment performance of account	Formula based on average of 3 highest years earnings multiplied by years of service. See website (below) for details
Investment Method	Professionally managed	Professionally managed	Employee-directed, menu of mutual or annuity funds	Professionally managed
Investment Risk	Employer	Employer	Employee	Employer

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Plan	State Employees Retirement System Tier IV	State Employees Retirement System Hybrid Plan	Alternate Retirement Program	Teachers Retirement System
Earliest Benefit Eligibility	Age 58 + 10 years vesting service	Age 58 + 10 years vesting service	Age 55 (applies to employees with 5 or more years of participation)	20 years of service (15 in CT), age 55 25 years of service (20 in CT), any age
Normal Retirement Age	Age 63, 25 years vesting service Age 65, 10 years vesting service	Age 63, 25 years vesting service Age 65, 10 years vesting service	Age 65	Age 60 + 20 years of CT service 35 years service (25 in CT), any age
Disability Retirement	Yes, at any time for service-related disability, need 10 years vesting service if not service-related	Yes, at any time for service-related disability, need 10 years vesting service if not service-related	No, employer-provided disability insurance policies may continue 13% contributions to plan during disability	Yes, disability allowance available
Minimum Vesting Period	10 years vesting service	10 years vesting service	None	10 years CT service
Benefit Form	Lifetime monthly benefit payment	Lifetime monthly benefit payment OR One-time lump sum "cash out" option	Flexible (lump sum, periodic, or monthly payment)	Monthly benefit payment
Cost of Living Adjustments	Yes	Yes, if elect lifetime monthly benefit payment	Not applicable	Yes
Can employee make additional contributions?	No	No	No	Yes, into Voluntary Account (after tax only)

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Pre-retirement death benefit?	Spousal benefit if employee met age and service required for immediate retirement or completed 25 years service (at any age); otherwise contributions are refunded	Spousal benefit if employee met age and service required for immediate retirement or completed 25 years service (at any age); otherwise contributions are refunded	Account balance payable to spouse or named beneficiary, as applicable	Yes, spousal benefit payable if employee met age and service requirements for retirement; otherwise survivorship benefits will be paid
Purchase of service credit	Allowed (restrictions apply) See summary plan description (reference below)	Allowed (restrictions apply) See summary plan description (reference below)	Not applicable	Allowed (restrictions apply)
Rollovers from other retirement plans	Not allowed	Not allowed	Allowed	Not allowed
Limit on wages used to calculate contributions	\$270,000 (2017)	\$270,000 (2017)	\$270,000 (2017)	\$270,000 (2017)
Employee Social Security + Medicare Participation	Both	Both	Both	Medicare only
Portability	None	None	Yes, if employee separates from service before 5 years of plan participation	None
For more information	Not yet available	Not yet available	www.CTdcp.com (Click on ARP Plan)	Teachers Retirement Board www.ct.gov/trb

