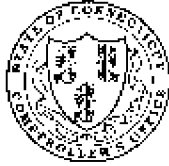


STATE EMPLOYEES
RETIREMENT COMMISSION

MEDICAL EXAMINING BOARD
for DISABILITY RETIREMENT

HEALTH CARE COST
CONTAINMENT COMMITTEE



55 ELM STREET
HARTFORD, CONNECTICUT 06106-1775
TELEPHONE (860) 702-3480
TELEFAX (860) 702-3489

STATE OF CONNECTICUT
RETIREMENT & BENEFIT SERVICES DIVISION
OFFICE OF THE STATE COMPTROLLER

RETIREMENT & BENEFIT SERVICES DIVISION MEMORANDUM

July 9, 1997

TO THE HEADS OF ALL STATE AGENCIES

ATTENTION: Personnel and Payroll Officers

SUBJECT: SEBAC V - Tier II Five Year Vesting; Reference Chart for Pension Benefits under Tier I, Tier II and Tier IIA

As announced in Comptroller's Memorandum dated May 12, 1997, the SEBAC V Collective Bargaining Agreement contains a five year vesting provision for certain members of the State Employees Retirement System's (SERS) Tier II Plan. This memorandum will clarify the information contained in that communication regarding this new provision.

Effective July 1, 1997, Tier II normal retirement benefits are available after completion of at least five but less than ten years of actual state service for members who have attained at least age sixty-two (62) and make a direct transition into retirement on and after August 1, 1997.

Tier II members with at least five but less than ten years of actual state service who terminate their state employment July 2, 1997 or later and prior to attaining age sixty-two will be in deferred vested status and may commence receipt of normal retirement benefits on the first of the month on or following their sixty-fifth (65) birthday.

The basic benefit will be calculated in accordance with the Tier II normal retirement formula for both those members who transition directly into retirement as well as for those who earn and retain a vested right to a benefit.

The [chart attached](#) to this memorandum has been developed to assist agency personnel and payroll officers responsible for disseminating retirement information. The chart (1) summarizes the retirement age and service requirements for non-disability retirement benefits in the Tier I, Tier II, and Tier IIA Plans, (2) contains the statutory and document references for pension benefits under the three Tiers, and (3) provides a guide regarding state-sponsored retiree health insurance and cost of living adjustment entitlement.

As a reminder, entitlement to the state-sponsored retiree health coverage is conditioned upon being eligible for normal, active group health coverage immediately prior to termination or being vested in SERS as of June 30, 1992. Refer to the Retirement Division memorandum entitled, "Retiree Eligibility for State-Sponsored Health Insurance" dated April 15, 1993 for more details. The attached chart may be utilized to determine entitlement for retiree health coverage provided one of the two preceding conditions is satisfied.

Questions concerning the new five year vesting provision or the reference chart may be directed to the Division's Counseling Services Unit at (860) 702-3490.

Very truly yours,

STATE EMPLOYEES RETIREMENT COMMISSION
NANCY WYMAN, SECRETARY EX OFFICIO

BY:

Steven Weinberger, Director
Retirement and Benefit Services Division

**STATE EMPLOYEES RETIREMENT SYSTEM (SERS)
TIER I, TIER II, AND TIER IIA ELIGIBILITY REQUIREMENTS
SUMMARY FOR NON-DISABILITY PENSION BENEFITS, RETIREE
HEALTH INSURANCE AND COST OF LIVING ALLOWANCES (COLA)**

TIER	RETIREMENT TYPE	STATUTE/ DOCUMENT REFERENCE	AGE AND SERVICE REQUIREMENTS FOR COMMENCEMENT OF PENSION BENEFITS	ENTITLED TO RETIREE HEALTH COVERAGE *	ENTITLED TO COLA
I	NORMAL	5-162/TIER I SUMMARY PLAN DESCRIPTION (SPD)	AGE 55 WITH 25 YEARS CREDITED SERVICE	YES	YES
			AGE 65 WITH 10 YEARS CREDITED SERVICE	YES	YES
			AGE 70 WITH 5 YEARS CREDITED SERVICE	YES	YES
	EARLY	5-162, 5-163/TIER I SPD	AGE 55 WITH 10 YEARS ACTUAL SERVICE	YES	YES
			AGE 60 WITH 10 YEARS CREDITED SERVICE	YES	YES
	HAZARDOUS DUTY	5-173/TIER I SPD/ 1988-1994 PENSION ARBITRATION AWARD (P.A.A.)	ANY AGE WITH 20 YEARS HAZARDOUS DUTY SERVICE	YES	YES
VESTED RIGHTS	5-166/TIER I SPD	AGE 55 WITH 10 YEARS ACTUAL SERVICE	YES	YES	
		AGE 60 WITH 10 YEARS CREDITED SERVICE	YES	YES	

TIER	RETIREMENT TYPE	STATUTE/ DOCUMENT REFERENCE	AGE AND SERVICE REQUIREMENTS FOR COMMENCEMENT OF PENSION BENEFITS	ENTITLED TO RETIREE HEALTH COVERAGE *	ENTITLED TO COLA
II	NORMAL	5-192I/TIER II SPD/ 1988- 1994 P.A.A./ SEBAC V AGREEMENT	AGE 60 WITH 25 YEARS VESTING SERVICE	YES	YES
			AGE 62 WITH 10 YEARS VESTING SERVICE	YES	YES
			AGE 62 WITH 5 YEARS ACTUAL SERVICE - EFFECTIVE 7/1/97	YES	YES
	EARLY	5-192m/TIER II SPD/	AGE 55 WITH 10 YEARS	YES	YES

	1988-1994 P.A.A.	VESTING SERVICE		
HAZARDOUS DUTY	5-192n/TIER II SPD/ 1988-1994 P.A.A.	ANY AGE WITH 20 YEARS HAZARDOUS DUTY SERVICE	YES	YES
VESTED RIGHTS	5-192o/TIER II SPD/ 1988-1994 P.A.A./ SEBAC V AGREEMENT/ 1997-99 BIENNIAL BUDGET LEGISLATION	AGE 55 WITH 10 YEARS VESTING SERVICE	YES	YES
		AGE 65 WITH 5 YEARS ACTUAL SERVICE - EFFECTIVE 7/1/97	NO	YES

TIER	RETIREMENT TYPE	STATUTE/ DOCUMENT REFERENCE	AGE AND SERVICE REQUIREMENTS FOR COMMENCEMENT OF PENSION BENEFITS	ENTITLED TO RETIREE HEALTH COVERAGE *	ENTITLED TO COLA
IIA	NORMAL	5-193f, 5-193l/ SEBAC V AGREEMENT	AGE 60 WITH 25 YEARS VESTING SERVICE	YES	YES
			AGE 62 WITH 10 YEARS VESTING SERVICE	YES	YES
			AGE 62 WITH 5 YEARS ACTUAL SERVICE	YES	YES
	EARLY	5-193m/SEBAC V AGREEMENT	AGE 55 WITH 10 YEARS VESTING SERVICE	YES	YES
	HAZARDOUS DUTY	5-193n/SEBAC V AGREEMENT	ANY AGE WITH 20 YEARS HAZARDOUS DUTY SERVICE	YES	YES
	VESTED RIGHTS	5-193o/SEBAC V AGREEMENT	AGE 55 WITH 10 YEARS VESTING SERVICE	YES- if 10 years actual state service	YES- if 10 years actual state service
			AGE 65 WITH 5 YEARS ACTUAL SERVICE	NO	NO

*Entitlement to the State-sponsored retiree health coverage is conditioned upon (1) being eligible for normal, active group health coverage immediately prior to termination **or** (2) being vested in the SERS as of 6/30/92. The "Entitled to Retiree Health Coverage" column in this chart may be utilized only if one of these two conditions is satisfied.

RETIREMENT & BENEFIT SERVICES DIVISION 7/97

[Back to Comptroller's Home Page](#)

[Back to Index of Retirement & Benefit Services Division Memoranda](#)

There is no Retiree Premium Share for any Plan not listed below

	Anthem State Preferred POS		Anthem State BlueCare POS	Health Net Charter POS	Oxford Freedom Select POS
Plan	Non-ERIP Retirement Date 7/97 - 6/99	Retirement Date 7/1/99 and Later	Retirement Date 7/1/99 and Later		
1 Person on Medicare	\$0.05	\$0.00	\$0.00	\$0.00	\$0.00
1 Person not on Medicare	\$16.48	\$24.57	\$10.92	\$10.89	\$11.73
1 Person not on Medicare and 1 on Medicare	\$15.71	\$23.29	\$10.92	\$10.89	\$11.73
1 not on Medicare and 2 on Medicare	\$16.30	\$13.74	\$10.92	\$10.89	\$11.73
1 not on Medicare and 3 on Medicare	\$16.30	\$13.74	\$10.92	\$10.89	\$11.73
2 on Medicare	\$1.16	\$0.00	\$0.00	\$0.00	\$0.00
2 not on Medicare	\$36.71	\$54.52	\$24.02	\$23.96	\$25.81
2 not on Medicare and 1 on Medicare	\$38.03	\$54.75	\$24.02	\$23.96	\$25.81
2 not on Medicare and 2 on Medicare	\$37.87	\$54.52	\$24.02	\$23.96	\$25.81
2 not on Medicare and 3 on Medicare	\$37.87	\$54.52	\$24.02	\$23.96	\$25.81
3 or more on Medicare	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3 or more not on Medicare	\$41.30	\$63.20	\$29.48	\$29.40	\$31.67
3 or more not on Medicare and 1 on Medicare	\$47.78	\$68.76	\$29.48	\$29.40	\$31.67
3 or more not on Medicare and 2 on Medicare	\$52.60	\$74.34	\$29.48	\$29.40	\$31.67
3 or more not on Medicare and 3 on Medicare	\$42.46	\$63.20	\$29.48	\$29.40	\$31.67

Health Net knows what matters when choosing a health care plan. In addition to strong benefits and access to quality care, we offer our members tools and resources that assist you in making healthcare decisions with confidence.

Participating Hospitals: 253 hospitals including every hospital in Connecticut, 94 in New York, and 81 in New Jersey.