



CT TEACHERS' RETIREMENT BOARD

765 ASYLUM AVENUE HARTFORD, CT 06105-2822  
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"An Affirmative Action/Equal Opportunity Employer"  
[www.ct.gov/trb](http://www.ct.gov/trb)

July 13, 2016

To: Ben Barnes, Secretary of Policy and Management

From: Darlene Perez, Teachers' Retirement Board Administrator

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Re: Planning Process for FY 2017 & FY 2018

The Teachers' Retirement Board (TRB) is a governmental pension system regulated by the Internal Revenue Code, State Statutes, State Regulations and Board policy. We are charged with providing benefits and/or account maintenance to over 121,000 members and eligible beneficiaries. Our annual distribution of benefits exceeds \$1.7 billion per year. We also sponsor a health insurance program for eligible retirees and dependents with annual claims in excess of \$120 million per year. The health plan membership had a net growth of over 6,000 members in the past five years and has over 26,500 members in the plan. We have reduced our operating budget from \$20 per member per year down to \$17.

The agency was approved for three positions critical to our operations (Associate Accountant and two (2) Accountants). In order to stay within our budget and still hire individuals with the appropriate qualifications we elected to under fill the Accountants with Accounting Career Trainees. Though we have elected to under fill these critical positions, we are still scheduled to exhaust our Personal Service budget for FY'2017. Due to the layoffs and bargaining bumping rights; our employees are being displaced by individuals with higher salaries. Each reassigned employee cost's an additional \$20K in salary. For example, the Trainees hired were hired at the salary grade AR15 Step 5 which gives a salary of \$52,600.00. The reassigned employee is at a salary grade AR 23 Step 3 which pays a salary of \$71,000.00. Our last three (3) accounting hires have less than 6 months of service and are the least senior in their job class; we anticipate this scenario to continue. We anticipate that we will need about \$65K in additional funds to cover the shortage.

For fiscal year 2017 our approved Personal Service allotment is \$1,674,452.00 (including holdbacks of \$16,913.00) with projected payroll costs of \$1,693,850.00. The projected payroll cost includes one employee who elected to bump into the agency at a higher salary. We also anticipate a third quarter payout of about \$11K for accruals due to anticipated retirement. We have budgeted for this payout in pay period 13 (December 2016). This leaves us with a shortfall of approximately \$19,398.00. The Teachers' Retirement Board is requesting to cover the deficit with Other Expenses (SID 10020). If funding levels remain the same for FY 2018 and no other employees are displaced; Teachers' Retirement Board will be able to maintain current operations.

The Teachers' Retirement Board is committed to continue to review the operations of the agency to provide realistic and achievable reductions. Thank you for your continued support as we work hard to restructure our operations to continue to provide our teachers with the quality service they deserve.

Teachers' Retirement Board  
 FY 2017 Projected PS Costs

Agency	SID	Pay Period	Permanent Fulltime (50110)	Overtime (50170)	All Other	Total	
TRB77500	10010	1	67,000			67,000	
TRB77500	10010	2	67,000			67,000	134,000 July
TRB77500	10010	3	65,000			65,000	
TRB77500	10010	4	65,000			65,000	130,000 August
TRB77500	10010	5	64,667			64,667	
TRB77500	10010	6	64,667			64,667	
TRB77500	10010	7	64,667			64,667	194,000 September
TRB77500	10010	8	66,000			66,000	
TRB77500	10010	9	66,000			66,000	132,000 October
TRB77500	10010	10	67,500			67,500	
TRB77500	10010	11	67,500			67,500	135,000 November
TRB77500	10010	12	67,500			67,500	
TRB77500	10010	13	67,500		10,850	78,350	145,850 December
TRB77500	10010	14	64,000			64,000	
TRB77500	10010	15	64,000			64,000	128,000 January
TRB77500	10010	16	62,500			62,500	
TRB77500	10010	17	62,500			62,500	125,000 February
TRB77500	10010	18	62,333			62,333	
TRB77500	10010	19	62,333			62,333	
TRB77500	10010	20	62,333			62,333	187,000 March
TRB77500	10010	21	63,500			63,500	
TRB77500	10010	22	63,500			63,500	127,000 April
TRB77500	10010	23	64,000			64,000	
TRB77500	10010	24	64,000			64,000	128,000 May
TRB77500	10010	25	64,000			64,000	
TRB77500	10010	26	64,000			64,000	128,000 June

\$ 1,693,850.00 Total FY 2017 Projected PS Cost  
 \$ (1,674,452.00) FY 2017 PS Allotment  
 \$ (19,398.00) Deficit

Q1	Q2	Q3	Q4	Total
458,000	412,850	440,000	383,000	1,693,850

Teachers' Retirement Board  
 FY 2018 Projected PS Costs

Agency	SID	Pay Period	Permanent Fulltime (50110)	Overtime (50170)	All Other	Total	
TRB77500	10010	1	64,000			64,000	
TRB77500	10010	2	64,000			64,000	128,000 July
TRB77500	10010	3	64,000			64,000	
TRB77500	10010	4	64,000			64,000	128,000 August
TRB77500	10010	5	64,000			64,000	
TRB77500	10010	6	64,000			64,000	
TRB77500	10010	7	64,000			64,000	192,000 September
TRB77500	10010	8	64,000			64,000	
TRB77500	10010	9	64,000			64,000	128,000 October
TRB77500	10010	10	64,000			64,000	
TRB77500	10010	11	64,000			64,000	128,000 November
TRB77500	10010	12	64,000			64,000	
TRB77500	10010	13	64,000			64,000	128,000 December
TRB77500	10010	14	64,000			64,000	
TRB77500	10010	15	64,000			64,000	128,000 January
TRB77500	10010	16	64,000			64,000	
TRB77500	10010	17	64,000			64,000	128,000 February
TRB77500	10010	18	64,000			64,000	
TRB77500	10010	19	64,000			64,000	
TRB77500	10010	20	64,000			64,000	192,000 March
TRB77500	10010	21	64,000			64,000	
TRB77500	10010	22	64,000			64,000	128,000 April
TRB77500	10010	23	64,000			64,000	
TRB77500	10010	24	64,000			64,000	128,000 May
TRB77500	10010	25	64,000			64,000	
TRB77500	10010	26	64,000			64,000	128,000 June

\$ 1,664,000.00 Total FY 2018 Projected PS Cost  
\$ (1,674,452.00) FY 2018 Forecasted Budget  
 \$ 10,452.00 surplus

Q1	Q2	Q3	Q4	Total
448,000	384,000	448,000	384,000	1,664,000

FY 2017 Approved Budget

Teachers' Retirement Board	FY 2017	Adj #1	Adj #2	Adj #3	Adj #4	Adj #5	TOTAL ADJMTS	GOVERNOR'S FY 2017
	Biennial Budget	Annualize FY16 holdbacks	DMP Sec 3	Fringes	Agency Operations	Reduce Agency Oper Funds		MID-TERM BUDGET
10010 PERSONAL SERVICES	1,691,365	(16,913)		0		0	(16,913)	1,674,452
10020 TOTAL OTHER EXPENSES	490,868	(10,808)		0		0	(10,808)	480,060
16006 RETIREMENT CONTRIBUTNS	1,012,162,000	0	0	0	0	0	0	1,012,162,000
16023 RETIREE HEALTH	14,566,860	0		0	0	0	0	14,566,860
16032 MUNICIPAL RETIREE HEALTH	5,392,897	(37,744)		0	0	0	(37,744)	5,355,153
Total	1,034,303,990	(65,465)	0	0	0	0	(65,465)	1,034,238,525

