



Cavanaugh Macdonald
CONSULTING, LLC

The experience and dedication you deserve



GASB STATEMENT NO. 68 REPORT

FOR THE

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

PREPARED AS OF JUNE 30, 2014





Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

December 16, 2015

Board of Directors
Connecticut State Teachers' Retirement System
765 Asylum Avenue
Hartford, CT 06105

Members of the Board:

Presented in this report is information to assist the Connecticut State Teachers' Retirement System in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 68 and to identify the information to be provided by the actuary, Cavanaugh Macdonald Consulting (CMC). The information is presented for the period ending June 30, 2014 (the Measurement Date).

GASB Statement Number 68 establishes accounting and financial reporting requirements for governmental employers that provide pension benefits to their employees through a trust.

The annual actuarial valuation used as a basis for much of the information presented in this report, including the Net Pension Liability, was performed as of June 30, 2014. The valuation was based upon data, furnished by the Retirement System staff, for active, inactive and retired members along with pertinent financial information.

The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the System, and on actuarial assumptions that are internally consistent and individually reasonable based on the actual experience of the System. In addition, the calculations were completed in compliance with the laws governing the System and, in our opinion, meet the requirements of GASB 68. The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

3550 Busbee Pkwy, Suite 250, Kennesaw, GA 30144

Phone (678) 388-1700 • Fax (678) 388-1730

www.CavMacConsulting.com

Offices in Englewood, CO • Kennesaw, GA • Bellevue, NE



Board of Directors
December 16, 2015
Page 2

These results are only for financial reporting and may not be appropriate for funding purposes or other types of analysis. Calculations for purposes other than satisfying the requirements of GASB 67 and GASB 68 may produce significantly different results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

Sincerely yours,

A handwritten signature in blue ink that reads 'John J. Garrett'.

John J. Garrett ASA, FCA, MAAA
Principal and Consulting Actuary

A handwritten signature in blue ink that reads 'Cathy Turcot'.

Cathy Turcot
Principal and Managing Director

A handwritten signature in blue ink that reads 'Jonathan Craven'.

Jonathan Craven ASA, EA, FCA, MAAA
Senior Actuary

A handwritten signature in blue ink that reads 'Ben Mobley'.

Ben Mobley ASA, ACA, MAAA
Actuary



TABLE OF CONTENTS

<u>Section</u>	<u>Item</u>	<u>Page No.</u>
I	Introduction	1
II	Summary of Collective Amounts	3
III	Notes to Financial Statements	4
IV	Collective Pension Expense	9
V	Required Supplementary Information	11
 <u>Schedule</u>		
A	Schedule of Employer Allocations	12
B	Schedule of Pension Amounts by Employer	18
C	Summary of Benefit Provisions Evaluated	24
D	Statement of Actuarial Assumptions and Methods	27



**REPORT OF THE ANNUAL GASB STATEMENT NO. 68
REQUIRED INFORMATION FOR THE
EMPLOYERS PARTICIPATING IN THE
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

PREPARED AS OF JUNE 30, 2014

SECTION I – INTRODUCTION

The Governmental Accounting Standards Board issued Statement No. 68 (GASB 68), *“Accounting and Financial Reporting For Pensions”* in June 2012. GASB 68’s effective date is for an employer’s fiscal year beginning after June 15, 2014. The Connecticut State Teachers’ Retirement System (System) is a cost-sharing multiple employer defined benefit pension plan with a special funding situation.

This report, prepared as of June 30, 2014 (the Measurement Date), presents information to assist the employers participating in System in meeting the requirements of GASB 68 for the fiscal year ending June 30, 2015 (Reporting Date). Much of the material provided in this report is based on the data, assumptions and results of the annual actuarial valuation of the System as of June 30, 2014. The results of that valuation were detailed in a report dated October 29, 2014.

GASB 68 replaces GASB 27, and represents a significant departure from the requirements of the prior statement. GASB 27 required employers providing benefits through pension plans to report items consistent with the results of the plan’s actuarial valuations, as long as those valuations met certain parameters. GASB 68 creates disclosure and reporting requirements that may or may not be consistent with the basis used for funding the Plan.

Two major changes in GASB 68 are the requirements to include a proportionate share of a Net Pension Liability (NPL) and to recognize a proportionate share of a Pension Expense (PE) in the financial statements of each of the participating employers and non-employer contributing entities.

The NPL shown in the GASB Statement No. 67 Report for the Connecticut State Teachers’ Retirement System prepared as of June 30, 2014 and submitted October 27, 2014 is the collective NPL used for purposes of GASB 68. Please refer to that report for the derivation of the collective NPL.

Pension Expense includes amounts for service cost (the normal cost under the Entry Age Normal actuarial cost method for the year), interest on the Total Pension Liability (TPL), changes in benefit structure, amortization of increases/decreases in liability due to actuarial experience and actuarial



assumption changes, and amortization of investment gains/losses. The actuarial experience and assumption change impacts are amortized over the average expected remaining service life of the Plan membership as of the Measurement Date, and investment gains/losses are amortized over five years. The development of the collective PE is shown in Section IV.

The unamortized portions of each year's experience, assumption changes and investment gains/losses are used to develop deferred inflows and outflows, which also must be included in the employer's and non-employer contributing entities' financial statements. The development of the collective deferred inflows and outflows is shown in Section III.

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no NPL or deferred inflows or outflows to report in the financial statements of the districts, However, the notes to the financial statements must disclose the portion of the non-employer contributing entities' total proportionate share of the collective NPL that is associated with the employer, In addition, each district must recognize the total PE associated with the district as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective PE associated with the district. The State, as a non-employer contributing entity, would report the entire collective amounts of the NPL, Deferred Inflows and Outflows and PE.

Schedule A of this report shows the total amount of employer contributions from the State as support provided to the districts for the year ending June 30, 2014. Schedule A also shows the proportionate share percentages that have been determined based on these contributions.

Based on these percentages we have determined the proportionate share amounts of the NPL associated with each participating employer and the employer PE and revenue for State support for each participating employer. These amounts are shown in Schedule B.

Section II of this report is a summary of the principal results of the collective amounts under GASB 68. Section III provides the results of all the necessary calculations, presented in the order laid out in GASB 68 for note disclosure and Section V shows the Required Supplementary Information (RSI).



SECTION II - SUMMARY OF COLLECTIVE AMOUNTS
(\$ IN THOUSANDS)

	2014
Valuation Date (VD):	June 30, 2014
Measurement Date (MD):	June 30, 2014
Reporting Date (RD):	June 30, 2015
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	8.50%
Municipal Bond Index Rate at Measurement Date	4.35%
Fiscal Year in which Plan's Fiduciary Net Position is projected to be depleted from future benefit payments for current members	N/A
Single Equivalent Interest Rate	8.50%
Collective Net Pension Liability:	
Total Pension Liability (TPL)	\$ 26,349,209
Fiduciary Net Position (FNP)	<u>16,207,755</u>
Net Pension Liability (NPL = TPL – FNP)	\$ 10,141,454
FNP as a percentage of TPL	61.51%
Collective Pension Expense (PE):	\$760,899
Collective Deferred Outflows of Resources:	\$0
Collective Deferred Inflows of Resources:	\$856,674



SECTION III –NOTES TO FINANCIAL STATEMENTS

The material presented herein will follow the order presented in GASB 68. Paragraph numbers are provided for ease of reference. Amounts are shown in aggregate. Please refer to Schedule B of this report for the proportionate share of certain pension amounts as required by GASB 68.

Paragraphs 77 and 78(a)-(f): These paragraphs require information to be disclosed regarding the actuarial assumptions used to measure the TPL. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The complete set of actuarial assumptions utilized in developing the TPL are outlined in Schedule D. The TPL was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 percent
Salary increases, including inflation	3.75 – 7.00
Long-Term Investment Rate of Return, net of pension plan investment expense, including inflation	8.50 percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries. In our opinion, the Scale AA projection to 2019 of the RP-2000 mortality rates with two-year setbacks continues to provide a sufficient margin in the assumed rates of mortality to allow for additional improvement in mortality experience. The post-retirement mortality rates are multiplied by 75% for death in active service. The post retirement mortality rates are set forward ten years for the period after disability retirement.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:



Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Mutual Equity	25.0%	7.3%
Developed Markets ISF	20.0%	7.5%
Emerging Markets ISF	9.0%	8.6%
Core Fixed Income	13.0%	1.7%
Emerging Market Debt	4.0%	4.8%
High Yield	2.0%	3.7%
Inflation Linked Bonds	6.0%	1.3%
Liquidity Fund	6.0%	0.7%
Real Estate	5.0%	5.9%
Private Investment	10.0%	10.9%
Total	100.0%	

Discount rate. The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Paragraph 78 (g): This paragraph requires disclosure of the sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the System, calculated using the discount rate of 8.50 percent, as well as what the System’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate (\$ thousands):

	1% Decrease (7.50%)	Current Discount Rate (8.50%)	1% Increase (9.50%)
Collective net pension liability	\$12,941,927	\$10,141,454	\$7,760,969



Paragraph 80(a): This paragraph requires disclosure of the employer's proportionate share of the collective NPL and if an employer has a special funding situation the portion of the non-employer contributing entities' proportional share of the collective NPL that is associated with the employer. These amounts are shown in Schedule B.

Paragraph 80(b): This paragraph requires disclosure of the employer's proportion (percentage) of the collective NPL and the changes in proportion since the prior measurement date. 100% of the collective NPL is allocated to the State.

Paragraph 80(c): June 30, 2014 is the actuarial valuation date upon which the TPL is based.

Paragraph 80(d) and (e): There were no changes in assumptions or benefits that affected the measurement of the TPL since the prior measurement date.

Paragraph 80(f): Not applicable.

Paragraph 80(g): Please see Section IV of this report for the development of the collective pension expense. The PE for each employer is shown in Schedule B.

Paragraph 80(h): Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce collective pension expense they are labeled deferred inflows. If they will increase collective pension expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average expected remaining service life of the active and inactive Plan members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five year period.



The table below provides a summary in the difference between projected and actual earnings on plan investments.

Investment Earnings (Gain)/Loss as of June 30, 2014		
(\$ thousands)		
a	Expected asset return rate	8.50%
b	Beginning of year market value assets (BOY)	\$ 14,462,903
c	End of year market value assets (EOY)	16,207,755
d	Expected return on BOY for plan year (a x b)	1,229,347
External Cash Flow		
	Contributions - employer	948,540
	Contributions - member	261,213
	Refunds of contributions	0
	Benefits paid	(1,737,144)
	Admin expenses	0
	Other changes*	<u>(5,307)</u>
e	Net cash flow	(532,698)
f	Expected return on net cash flow (a x 0.5 x e)	(22,640)
g	Projected earnings for plan year (d + f)	1,206,707
h	Net investment income (c - b - e)	2,277,550
	Investment earnings (gain)/loss (g -h)	(1,070,843)

*Other changes are comprised of participating employer contributions for Early Retirement Incentive Plans, service purchases, etc.

The table below provides a summary of the determination of the average expected remaining service life for the entire Plan membership determined at the beginning of the year.

Category	Number (1)	Average Years of Working Lifetime (2)
a. Active Members	51,433	13.08
b. Inactive Members	47,321	0.00
c. Total	98,754	
Weighted Average Years of Working Lifetime [(a1 * a2) + (b1 * b2)]/c1		6.81



The table below provides a summary of the collective deferred inflows and outflows as of the Measurement Date. 100% of these amounts are allocated to the State.

	Collective Deferred Outflows of Resources (\$ thousands)	Collective Deferred Inflows of Resources (\$ thousands)
Differences between expected and actual experience	\$0	\$0
Changes of actuarial assumptions	0	0
Net difference between projected and actual earnings on plan investments	<u>0</u>	<u>856,674</u>
Total	<u>\$0</u>	<u>\$856,674</u>

Paragraph 80(i): Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the collective pension expense as follows. 100% of these amounts are allocated to the State.

Deferred Amounts to be Recognized in Fiscal Years Following the Reporting Date:	
Year 1	\$(214,169)
Year 2	(214,169)
Year 3	(214,169)
Year 4	(214,167)
Year 5	0
Thereafter	0

Paragraph 80(j): The amount of revenue recognized for the support provided by non-employer contributing entities for the participating employers is provided in Schedule B.



SECTION IV – COLLECTIVE PENSION EXPENSE

As noted earlier, the collective Pension Expense (PE) consists of a number of different items. GASB 68 refers to the first as Service Cost which is the Normal Cost using the Entry Age Normal actuarial funding method. The second item is interest on the beginning Total Pension Liability (TPL) and the cash flow during the year at the 8.50% rate of return in effect as of the previous measurement date. The next three items refer to any changes that occurred in the TPL due to:

- benefit changes, or
- actual versus expected experience, or
- changes in actuarial assumptions.

Benefit changes, which are reflected immediately in PE, can be positive, if there is a benefit improvement for existing Plan members, or negative if there is a benefit reduction. For the year ended June 30, 2014, there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected Plan experience for the year. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership determined at the beginning of the year. The average expected remaining service life of active members is the average number of years the active members are expected to remain active. For the year ended June 30, 2014 this number of years for the active members is 13.08. The average expected remaining service life of the inactive members is, of course, zero. Therefore, the number of years to use for the amortization is the weighted average for all active and inactive members, or 6.81 years. Since this is the first year of implementation of GASB 68 and the beginning of year TPL is the expected measure determined using a standard roll-back technique, there were no changes due to actual versus expected experience to be recognized for the year.

The last item under changes in TPL are changes in actuarial assumptions. There were no changes in assumptions since the last measurement date. If there was a change in TPL due to changes in actuarial assumptions, recognition of the change would also be spread over the average expected remaining service life of the plan membership.

Member contributions for the year and projected earnings on the Fiduciary Net Position (FNP), again at the discount rate used to calculate the liabilities, are subtracted from the amount determined thus far. One-fifth of current period differences between projected and actual investment earnings on the FNP are recognized in the pension expense. The amount to be recognized due to investment experience for the year is \$(214,169,000).



The current year portions of previously determined experience, assumption and earnings amounts, recognized as deferred outflows and inflows (see Section V) are included also. Deferred outflows are added to the PE while deferred inflows are subtracted from the PE. Since this is the first year of implementation of GASB 68, there were no deferred inflows or outflows at the beginning of the year. Finally, administrative expenses and other miscellaneous items are included.

The calculation of the Collective Pension Expense determined as of the measurement date is shown in the following table:

Collective Pension Expense Determined as of the Measurement Date (\$ thousands)	
Service Cost at end of year	\$347,198
Interest on the TPL and net cash flow	2,090,483
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	0
Expensed portion of current-period changes of assumptions	0
Member contributions	(261,213)
Projected earnings on plan investments	(1,206,707)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(214,169)
Administrative expense	0
Other	5,307
Recognition of beginning deferred outflows of resources as pension expense	0
Recognition of beginning deferred inflows of resources as pension expense	<u>0</u>
Collective Pension Expense	<u>\$760,899</u>



SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

Paragraphs 81(a)-(b): CMC was not required to supply this information.

Paragraph 82:

Changes of assumptions. In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	22.4 years
Asset valuation method	4-year smoothed market
Inflation	3.00 percent
Salary increase	3.75-7.00 percent, including inflation
Investment rate of return	8.50 percent, net of investment related expense



SCHEDULE A

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
Schedule of Employer Allocations as of June 30, 2014**

Employers	2014 Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
ANDOVER BD OF ED	\$ 527,799	0.055643%
ANSONIA BD OF ED	3,044,430	0.320960%
ASHFORD BD OF ED	713,140	0.075183%
AVON BD OF ED	6,367,956	0.671343%
BARKAMSTED BD OF ED	430,923	0.045430%
BERLIN BD OF ED	5,383,909	0.567600%
BETHANY BD OF ED	784,039	0.082657%
BETHEL BD OF ED	5,130,481	0.540882%
HIGHVILLE CHARTER SCH	362,679	0.038235%
BLOOMFIELD BD OF ED	4,430,476	0.467084%
BOLTON BD OF ED	1,572,350	0.165765%
BOZRAH BD OF ED	457,017	0.048181%
BRANFORD BD OF ED	6,059,340	0.638807%
BRIDGEPORT BD OF ED	28,465,190	3.000948%
BRISTOL BD OF ED	13,218,971	1.393612%
BROOKFIELD BD OF ED	4,660,768	0.491362%
BROOKLYN BD OF ED	1,391,404	0.146689%
CHILDRENS CENTER COM PROG	112,505	0.011861%
CANAAN BD OF ED	234,829	0.024757%
CANTERBURY BD OF ED	813,601	0.085774%
CANTON BD OF ED	2,713,108	0.286030%
CHAPLIN BD OF ED	412,076	0.043443%
CHESHIRE BD OF ED	7,735,968	0.815566%
CHESTER BD OF ED	319,710	0.033705%
CLINTON BD OF ED	3,805,819	0.401229%
COLCHESTER BD OF ED	4,589,432	0.483842%
AMISTAD ACADEMY	792,698	0.083570%
COLEBROOK BD OF ED	212,998	0.022455%
COLUMBIA BD OF ED	1,009,934	0.106472%
CORNWALL BD OF ED	259,512	0.027359%
COVENTRY BD OF ED	2,955,217	0.311554%
CROMWELL BD OF ED	3,181,693	0.335431%
DANBURY BD OF ED	16,306,780	1.719145%
DARIEN BD OF ED	10,108,713	1.065713%
DEEP RIVER BD OF ED	378,845	0.039940%
DERBY BD OF ED	2,163,117	0.228047%
EASTFORD BD OF ED	312,332	0.032928%
EAST GRANBY BD OF ED	1,698,517	0.179066%



Employers	2014 Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
EAST HADDAM BD OF ED	\$ 2,240,468	0.236202%
EAST HAMPTON BD OF ED	3,370,274	0.355312%
EAST HARTFORD BD OF ED	12,606,719	1.329066%
EAST HAVEN BD OF ED	5,032,979	0.530603%
EAST LYME BD OF ED	4,968,069	0.523760%
EASTON BD OF ED	1,805,134	0.190307%
EAST WINDSOR BD OF ED	2,320,243	0.244612%
ELLINGTON BD OF ED	4,186,052	0.441315%
ENFIELD BD OF ED	9,381,053	0.988999%
ESSEX BD OF ED	614,831	0.064819%
FAIRFIELD BD OF ED	20,275,709	2.137570%
FARMINGTON BD OF ED	7,373,771	0.777381%
FRANKLIN BD OF ED	302,989	0.031943%
GLASTONBURY BD OF ED	11,243,165	1.185313%
GRANBY BD OF ED	3,340,830	0.352208%
GREENWICH BD OF ED	22,169,552	2.337229%
GRISWOLD BD OF ED	2,976,504	0.313798%
GROTON BD OF ED	8,754,959	0.922993%
GUILFORD BD OF ED	6,318,577	0.666137%
HAMDEN BD OF ED	10,612,417	1.118816%
HAMPTON BD OF ED	240,373	0.025341%
HARTFORD BD OF ED	37,618,586	3.965946%
HARTLAND BD OF ED	374,067	0.039436%
HEBRON BD OF ED	1,416,036	0.149286%
KENT BD OF ED	456,519	0.048129%
KILLINGLY BD OF ED	3,863,947	0.407357%
LEBANON BD OF ED	1,878,620	0.198054%
LEDYARD BD OF ED	4,219,133	0.444803%
LISBON BD OF ED	736,363	0.077631%
LITCHFIELD BD OF ED	1,961,293	0.206770%
MADISON BD OF ED	5,739,488	0.605087%
MANCHESTER BD OF ED	11,205,103	1.181300%
MANSFIELD BD OF ED	2,672,958	0.281797%
MARLBOROUGH BD OF ED	942,295	0.099342%
MERIDEN BD OF ED	12,883,290	1.358223%
MIDDLETOWN BD OF ED	8,122,119	0.856276%
MILFORD BD OF ED	12,307,189	1.297488%
MONROE BD OF ED	6,653,901	0.701489%
MONTVILLE BD OF ED	4,497,524	0.474152%
NAUGATUCK BD OF ED	6,931,908	0.730798%
NEW BRITAIN BD OF ED	16,567,076	1.746587%
NEW CANAAN BD OF ED	9,258,537	0.976083%
NEW FAIRFIELD BD OF ED	4,551,103	0.479801%



Employers	2014 Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
NEW HARTFORD BD OF ED	\$ 866,428	0.091343%
NEW HAVEN BD OF ED	32,974,508	3.476343%
NEWINGTON BD OF ED	7,625,243	0.803893%
NEW LONDON BD OF ED	4,826,962	0.508883%
NEW MILFORD BD OF ED	6,739,017	0.710462%
NEWTOWN BD OF ED	8,619,762	0.908740%
NORFOLK BD OF ED	187,793	0.019798%
NORTH BRANFORD BD OF ED	3,249,694	0.342600%
NORTH CANAAN BD OF ED	440,706	0.046461%
NORTH HAVEN BD OF ED	5,501,275	0.579973%
NORTH STONINGTON BD OF ED	1,415,124	0.149190%
NORWALK BD OF ED	20,321,493	2.142397%
NORWICH BD OF ED	4,951,135	0.521974%
NORWICH FREE ACADEMY	3,554,935	0.374780%
OLD SAYBROOK BD OF ED	2,803,258	0.295534%
ORANGE BD OF ED	2,192,880	0.231185%
OXFORD BD OF ED	2,883,495	0.303993%
PLAINFIELD BD OF ED	3,505,685	0.369587%
PLAINVILLE BD OF ED	4,250,316	0.448090%
PLYMOUTH BD OF ED	2,689,599	0.283551%
POMFRET BD OF ED	690,756	0.072823%
PORTLAND BD OF ED	2,130,482	0.224606%
PRESTON BD OF ED	772,369	0.081427%
PUTNAM BD OF ED	1,742,159	0.183667%
REDDING BD OF ED	2,627,794	0.277036%
RSD #1	1,657,622	0.174755%
RSD #4	1,631,469	0.171998%
RSD #5	4,470,438	0.471297%
RSD #6	1,931,679	0.203648%
RSD #7	1,838,741	0.193850%
RSD #8	2,923,499	0.308210%
RIDGEFIELD BD OF ED	9,719,645	1.024695%
ROCKY HILL BD OF ED	4,471,733	0.471433%
SALEM BD OF ED	767,478	0.080912%
SALISBURY BD OF ED	563,510	0.059408%
SCOTLAND BD OF ED	293,278	0.030919%
SEYMOUR BD OF ED	3,778,433	0.398342%
SHARON BD OF ED	400,766	0.042251%
SHELTON BD OF ED	8,217,500	0.866331%
SHERMAN BD OF ED	787,895	0.083064%
SIMSBURY BD OF ED	8,014,571	0.844938%
SOMERS BD OF ED	2,551,876	0.269032%
SOUTHINGTON BD OF ED	10,028,076	1.057212%



Employers	2014 Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
SOUTH WINDSOR BD OF ED	\$ 7,919,168	0.834880%
SPRAGUE BD OF ED	478,955	0.050494%
STAFFORD BD OF ED	2,856,882	0.301187%
STAMFORD BD OF ED	31,287,735	3.298515%
STATE BD OF ED	7,838,242	0.826348%
DCYS RECG HOME	447,294	0.047156%
STERLING BD OF ED	649,878	0.068514%
STONINGTON BD OF ED	3,915,641	0.412807%
STRATFORD BD OF ED	11,936,802	1.258439%
SUFFIELD BD OF ED	4,103,389	0.432600%
THOMASTON BD OF ED	1,618,730	0.170655%
THOMPSON BD OF ED	1,696,018	0.178803%
TOLLAND BD OF ED	4,265,282	0.449668%
TORRINGTON BD OF ED	6,978,715	0.735732%
TRUMBULL BD OF ED	12,077,667	1.273290%
UNION BD OF ED	133,076	0.014030%
VERNON BD OF ED	6,360,944	0.670604%
VOLUNTOWN BD OF ED	545,426	0.057502%
WALLINGFORD BD OF ED	11,533,095	1.215879%
WATERBURY BD OF ED	27,105,291	2.857580%
WATERFORD BD OF ED	5,255,415	0.554053%
WATERTOWN BD OF ED	4,189,817	0.441712%
WESTBROOK BD OF ED	1,816,882	0.191545%
WEST HARTFORD BD OF ED	17,666,901	1.862536%
WEST HAVEN BD OF ED	9,831,786	1.036518%
WESTON BD OF ED	5,194,602	0.547642%
WESTPORT BD OF ED	12,961,725	1.366492%
WETHERSFIELD BD OF ED	6,178,611	0.651381%
WILLINGTON BD OF ED	966,134	0.101855%
WILTON BD OF ED	8,816,541	0.929485%
WINCHESTER BD OF ED	1,221,119	0.128737%
WINDHAM BD OF ED	5,379,592	0.567144%
WINDSOR BD OF ED	7,074,834	0.745866%
WINDSOR LOCKS BD OF ED	3,365,275	0.354785%
WINSTED GILBERT SCHOOL	925,517	0.097573%
WOLCOTT BD OF ED	4,035,713	0.425466%
WOODBRIIDGE BD OF ED	1,481,778	0.156217%
WOODSTOCK BD OF ED	1,251,164	0.131904%
WOODSTOCK ACADEMY	1,715,187	0.180824%
UNIVERSITY OF CONN	382,973	0.040375%
RSD #9	2,269,617	0.239275%
CCI SOMERS	32,214	0.003396%
RSD #10	4,231,920	0.446151%



Employers	2014 Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
SUPERVISORY DISTRICT #4	\$ 796,988	0.084023%
NORTHWESTERN CTC	48,970	0.005163%
MANCHESTER CTC	102,137	0.010768%
NORWALK CTC	39,405	0.004154%
WESTERN CSU	116,851	0.012319%
CENTRAL CSU	264,347	0.027869%
EASTERN CSU	165,008	0.017396%
SOUTHERN CSU	363,593	0.038332%
RSD #11	566,372	0.059710%
CAPITAL CTC	45,571	0.004804%
HOUSATONIC CTC	96,835	0.010209%
NAUGATUCK VALLEY CTC	130,332	0.013740%
MIDDLESEX CTC	112,289	0.011838%
EDUCATION CONNECTION	418,528	0.044123%
RSD #12	2,078,252	0.219100%
GATEWAY CTC	193,464	0.020396%
RSD #13	3,609,670	0.380550%
RSD #14	3,419,426	0.360494%
BOARD OF TRUSTEES CSU	-	0.000000%
CCI CHESIRE	34,850	0.003674%
SHARED SERVICES	303,294	0.031975%
CREC	16,397,397	1.728699%
RSD #15	7,043,449	0.742557%
RSD #16	3,581,203	0.377549%
THREE RIVERS CC	71,824	0.007572%
TUNXIS CTC	80,397	0.008476%
QUINEBAUG CTC	17,672	0.001863%
ODYSSEY CHARTER SCH	421,958	0.044485%
CES	2,770,584	0.292089%
ACES	5,227,729	0.551134%
PROJECT LEARN	3,220,758	0.339549%
RSD #17	4,100,409	0.432286%
ASNUNTUCK CTC	100,109	0.010554%
PROJECT OCEANOLOGY	97,676	0.010298%
RSD #18	2,979,121	0.314074%
DCF MENTAL HEALTH	45,054	0.004750%
EASTCONN	1,518,929	0.160133%
SERVICES FOR THE BLIND	227,123	0.023945%
RSD #19	2,208,199	0.232800%
UConn HEALTH CENTER	90,093	0.009498%
CCI SUFFIELD	18,101	0.001908%
CHILDRENS CENTER	262,308	0.027654%
BRIDGE ACADEMY CHARTER SCH	355,284	0.037456%



Employers	2014 Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
COMMON GROUND CHARTER SCH	\$ 255,000	0.026883%
EXPLORATIONS CHARTER SCH	137,426	0.014488%
INTEGRATED DAY SCHOOL	395,485	0.041694%
ISAAC CHARTER SCH	435,946	0.045960%
JUMOKE ACADEMY CHARTER SCH	673,151	0.070967%
SIDE BY SIDE CHARTER SCH	333,798	0.035191%
TRAILBLAZERS ACADEMY	293,336	0.030925%
NEW BEGINNINGS	528,547	0.055722%
ELM CITY COLLEGE PREP	272,917	0.028772%
STAMFORD ACADEMY	171,626	0.018094%
PARK CITY PREP	251,243	0.026487%
AF BRIDGEPORT ACADEMY	377,507	0.039799%
SERC	190,823	0.020118%
AF HARTFORD ACADEMY	677,306	0.071405%
BRASS CITY	<u>89,717</u>	<u>0.009458%</u>
Total	\$ <u>948,540,000</u>	<u>100.000000%</u>



SCHEDULE B

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
Schedule of Pension Amounts by Employer as of June 30, 2014

Employers	State's Proportionate Share Of the Net Pension Liability Associated with the District	Pension Expense and Revenue For State Support
ANDOVER BD OF ED	\$ 5,643,040	\$ 423,389
ANSONIA BD OF ED	32,549,965	2,442,178
ASHFORD BD OF ED	7,624,636	572,066
AVON BD OF ED	68,083,931	5,108,241
BARKAMSTED BD OF ED	4,607,278	345,678
BERLIN BD OF ED	57,562,846	4,318,859
BETHANY BD OF ED	8,382,665	628,940
BETHEL BD OF ED	54,853,282	4,115,564
HIGHVILLE CHARTER SCH	3,877,634	290,933
BLOOMFIELD BD OF ED	47,369,076	3,554,035
BOLTON BD OF ED	16,811,006	1,261,306
BOZRAH BD OF ED	4,886,267	366,610
BRANFORD BD OF ED	64,784,314	4,860,676
BRIDGEPORT BD OF ED	304,339,743	22,834,182
BRISTOL BD OF ED	141,332,557	10,603,983
BROOKFIELD BD OF ED	49,831,280	3,738,771
BROOKLYN BD OF ED	14,876,402	1,116,155
CHILDRENS CENTER COM PROG	1,202,860	90,249
CANAAN BD OF ED	2,510,705	188,375
CANTERBURY BD OF ED	8,698,737	652,654
CANTON BD OF ED	29,007,591	2,176,399
CHAPLIN BD OF ED	4,405,767	330,559
CHESHIRE BD OF ED	82,710,234	6,205,632
CHESTER BD OF ED	3,418,225	256,465
CLINTON BD OF ED	40,690,469	3,052,949
COLCHESTER BD OF ED	49,068,579	3,681,546
AMISTAD ACADEMY	8,475,250	635,886
COLEBROOK BD OF ED	2,277,295	170,862
COLUMBIA BD OF ED	10,797,852	810,148
CORNWALL BD OF ED	2,774,609	208,175
COVENTRY BD OF ED	31,596,131	2,370,613
CROMWELL BD OF ED	34,017,535	2,552,288
DANBURY BD OF ED	174,346,320	13,080,959
DARIEN BD OF ED	108,078,782	8,108,999
DEEP RIVER BD OF ED	4,050,474	303,901
DERBY BD OF ED	23,127,278	1,735,207
EASTFORD BD OF ED	3,339,345	250,546
EAST GRANBY BD OF ED	18,159,943	1,362,515



Employers	State's Proportionate Share Of the Net Pension Liability Associated with the District	Pension Expense and Revenue For State Support
EAST HADDAM BD OF ED	\$ 23,954,286	\$ 1,797,256
EAST HAMPTON BD OF ED	36,033,775	2,703,563
EAST HARTFORD BD OF ED	134,786,583	10,112,847
EAST HAVEN BD OF ED	53,810,829	4,037,351
EAST LYME BD OF ED	53,116,835	3,985,281
EASTON BD OF ED	19,299,853	1,448,041
EAST WINDSOR BD OF ED	24,807,218	1,861,251
ELLINGTON BD OF ED	44,755,792	3,357,964
ENFIELD BD OF ED	100,298,894	7,525,285
ESSEX BD OF ED	6,573,554	493,205
FAIRFIELD BD OF ED	216,780,701	16,264,750
FARMINGTON BD OF ED	78,837,748	5,915,085
FRANKLIN BD OF ED	3,239,454	243,052
GLASTONBURY BD OF ED	120,207,941	9,019,032
GRANBY BD OF ED	35,718,969	2,679,944
GREENWICH BD OF ED	237,029,005	17,783,952
GRISWOLD BD OF ED	31,823,730	2,387,690
GROTON BD OF ED	93,604,919	7,023,045
GUILFORD BD OF ED	67,555,987	5,068,630
HAMDEN BD OF ED	113,464,208	8,513,060
HAMPTON BD OF ED	2,569,978	192,822
HARTFORD BD OF ED	402,204,608	30,176,845
HARTLAND BD OF ED	3,999,392	300,069
HEBRON BD OF ED	15,139,759	1,135,915
KENT BD OF ED	4,880,935	366,210
KILLINGLY BD OF ED	41,311,951	3,099,577
LEBANON BD OF ED	20,085,545	1,506,990
LEDYARD BD OF ED	45,109,473	3,384,500
LISBON BD OF ED	7,872,936	590,695
LITCHFIELD BD OF ED	20,969,447	1,573,308
MADISON BD OF ED	61,364,571	4,604,097
MANCHESTER BD OF ED	119,800,991	8,988,500
MANSFIELD BD OF ED	28,578,321	2,144,191
MARLBOROUGH BD OF ED	10,074,687	755,890
MERIDEN BD OF ED	137,743,578	10,334,706
MIDDLETOWN BD OF ED	86,838,821	6,515,394
MILFORD BD OF ED	131,584,110	9,872,570
MONROE BD OF ED	71,141,153	5,337,620
MONTVILLE BD OF ED	48,085,933	3,607,820
NAUGATUCK BD OF ED	74,113,510	5,560,632
NEW BRITAIN BD OF ED	177,129,315	13,289,763
NEW CANAAN BD OF ED	98,988,998	7,427,005
NEW FAIRFIELD BD OF ED	48,658,784	3,650,800



Employers	State's Proportionate Share Of the Net Pension Liability Associated with the District	Pension Expense and Revenue For State Support
NEW HARTFORD BD OF ED	\$ 9,263,541	\$ 695,030
NEW HAVEN BD OF ED	352,551,770	26,451,462
NEWINGTON BD OF ED	81,526,397	6,116,811
NEW LONDON BD OF ED	51,608,173	3,872,088
NEW MILFORD BD OF ED	72,051,189	5,405,899
NEWTOWN BD OF ED	92,159,442	6,914,593
NORFOLK BD OF ED	2,007,816	150,644
NORTH BRANFORD BD OF ED	34,744,581	2,606,837
NORTH CANAAN BD OF ED	4,711,872	353,525
NORTH HAVEN BD OF ED	58,817,682	4,413,008
NORTH STONINGTON BD OF ED	15,130,003	1,135,183
NORWALK BD OF ED	217,270,209	16,301,478
NORWICH BD OF ED	52,935,788	3,971,698
NORWICH FREE ACADEMY	38,008,103	2,851,694
OLD SAYBROOK BD OF ED	29,971,441	2,248,715
ORANGE BD OF ED	23,445,492	1,759,082
OXFORD BD OF ED	30,829,304	2,313,079
PLAINFIELD BD OF ED	37,481,542	2,812,187
PLAINVILLE BD OF ED	45,442,874	3,409,515
PLYMOUTH BD OF ED	28,756,238	2,157,540
POMFRET BD OF ED	7,385,318	554,110
PORTLAND BD OF ED	22,778,364	1,709,029
PRESTON BD OF ED	8,257,892	619,578
PUTNAM BD OF ED	18,626,549	1,397,524
REDDING BD OF ED	28,095,448	2,107,962
RSD #1	17,722,703	1,329,709
RSD #4	17,443,091	1,308,731
RSD #5	47,796,339	3,586,092
RSD #6	20,652,824	1,549,552
RSD #7	19,659,168	1,475,000
RSD #8	31,257,017	2,345,170
RIDGEFIELD BD OF ED	103,919,009	7,796,897
ROCKY HILL BD OF ED	47,810,191	3,587,131
SALEM BD OF ED	8,205,604	615,655
SALISBURY BD OF ED	6,024,852	452,036
SCOTLAND BD OF ED	3,135,624	235,261
SEYMOUR BD OF ED	40,397,664	3,030,980
SHARON BD OF ED	4,284,847	321,486
SHELTON BD OF ED	87,858,598	6,591,907
SHERMAN BD OF ED	8,423,896	632,033
SIMSBURY BD OF ED	85,688,952	6,429,121
SOMERS BD OF ED	27,283,753	2,047,062
SOUTHINGTON BD OF ED	107,216,638	8,044,313



Employers	State's Proportionate Share Of the Net Pension Liability Associated with the District	Pension Expense and Revenue For State Support
SOUTH WINDSOR BD OF ED	\$ 84,668,946	\$ 6,352,592
SPRAGUE BD OF ED	5,120,815	384,208
STAFFORD BD OF ED	30,544,767	2,291,731
STAMFORD BD OF ED	334,517,386	25,098,368
STATE BD OF ED	83,803,713	6,287,674
DCYS RECG HOME	4,782,311	358,810
STERLING BD OF ED	6,948,268	521,319
STONINGTON BD OF ED	41,864,643	3,141,045
STRATFORD BD OF ED	127,624,060	9,575,453
SUFFIELD BD OF ED	43,871,978	3,291,653
THOMASTON BD OF ED	17,306,889	1,298,511
THOMPSON BD OF ED	18,133,226	1,360,510
TOLLAND BD OF ED	45,602,885	3,421,520
TORRINGTON BD OF ED	74,613,949	5,598,179
TRUMBULL BD OF ED	129,130,140	9,688,452
UNION BD OF ED	1,422,799	106,751
VERNON BD OF ED	68,008,966	5,102,617
VOLUNTOWN BD OF ED	5,831,500	437,529
WALLINGFORD BD OF ED	123,307,771	9,251,608
WATERBURY BD OF ED	289,800,181	21,743,299
WATERFORD BD OF ED	56,189,042	4,215,785
WATERTOWN BD OF ED	44,796,041	3,360,984
WESTBROOK BD OF ED	19,425,463	1,457,465
WEST HARTFORD BD OF ED	188,888,252	14,172,019
WEST HAVEN BD OF ED	105,117,977	7,886,854
WESTON BD OF ED	55,538,844	4,167,001
WESTPORT BD OF ED	138,582,181	10,397,626
WETHERSFIELD BD OF ED	66,059,519	4,956,353
WILLINGTON BD OF ED	10,329,566	775,013
WILTON BD OF ED	94,263,340	7,072,446
WINCHESTER BD OF ED	13,055,770	979,556
WINDHAM BD OF ED	57,516,697	4,315,397
WINDSOR BD OF ED	75,641,625	5,675,284
WINDSOR LOCKS BD OF ED	35,980,325	2,699,553
WINSTED GILBERT SCHOOL	9,895,304	742,431
WOLCOTT BD OF ED	43,148,419	3,237,365
WOODBIDGE BD OF ED	15,842,649	1,188,652
WOODSTOCK BD OF ED	13,377,003	1,003,658
WOODSTOCK ACADEMY	18,338,174	1,375,887
UNIVERSITY OF CONN	4,094,609	307,213
RSD #9	24,265,938	1,820,639
CCI SOMERS	344,423	25,842
RSD #10	45,246,190	3,394,758



Employers	State's Proportionate Share Of the Net Pension Liability Associated with the District	Pension Expense and Revenue For State Support
SUPERVISORY DISTRICT #4	\$ 8,521,114	\$ 639,327
NORTHWESTERN CTC	523,566	39,282
MANCHESTER CTC	1,092,017	81,932
NORWALK CTC	421,309	31,610
WESTERN CSU	1,249,330	93,735
CENTRAL CSU	2,826,308	212,054
EASTERN CSU	1,764,206	132,366
SOUTHERN CSU	3,887,407	291,667
RSD #11	6,055,445	454,331
CAPITAL CTC	487,229	36,556
HOUSATONIC CTC	1,035,326	77,679
NAUGATUCK VALLEY CTC	1,393,467	104,550
MIDDLESEX CTC	1,200,550	90,076
EDUCATION CONNECTION	4,474,752	335,734
RSD #12	22,219,931	1,667,130
GATEWAY CTC	2,068,451	155,193
RSD #13	38,593,309	2,895,602
RSD #14	36,559,289	2,742,992
BOARD OF TRUSTEES CSU	-	-
CCI CHESIRE	372,600	27,956
SHARED SERVICES	3,242,717	243,296
CREC	175,315,163	13,153,650
RSD #15	75,306,069	5,650,108
RSD #16	38,288,958	2,872,767
THREE RIVERS CC	767,916	57,616
TUNXIS CTC	859,574	64,493
QUINEBAUG CTC	188,938	14,176
ODYSSEY CHARTER SCH	4,511,426	338,486
CES	29,622,107	2,222,505
ACES	55,893,025	4,193,575
PROJECT LEARN	34,435,208	2,583,625
RSD #17	43,840,126	3,289,263
ASNUNTUCK CTC	1,070,335	80,306
PROJECT OCEANOLOGY	1,044,319	78,354
RSD #18	31,851,707	2,389,789
DCF MENTAL HEALTH	481,705	36,142
EASTCONN	16,239,847	1,218,453
SERVICES FOR THE BLIND	2,428,323	182,194
RSD #19	23,609,280	1,771,371
UCONN HEALTH CENTER	963,238	72,270
CCI SUFFIELD	193,527	14,520
CHILDRENS CENTER	2,804,507	210,418
BRIDGE ACADEMY CHARTER SCH	3,798,574	285,002



Employers	State's Proportionate Share Of the Net Pension Liability Associated with the District	Pension Expense and Revenue For State Support
COMMON GROUND CHARTER SCH	\$ 2,726,365	\$ 204,555
EXPLORATIONS CHARTER SCH	1,469,306	110,240
INTEGRATED DAY SCHOOL	4,228,382	317,250
ISAAC CHARTER SCH	4,660,978	349,707
JUMOKE ACADEMY CHARTER SCH	7,197,097	539,988
SIDE BY SIDE CHARTER SCH	3,568,851	267,766
TRAILBLAZERS ACADEMY	3,136,247	235,308
NEW BEGINNINGS	5,651,042	423,990
ELM CITY COLLEGE PREP	2,917,933	218,928
STAMFORD ACADEMY	1,834,960	137,674
PARK CITY PREP	2,686,196	201,541
AF BRIDGEPORT ACADEMY	4,036,174	302,828
SERC	2,040,207	153,074
AF HARTFORD ACADEMY	7,241,520	543,321
BRASS CITY	<u>959,221</u>	<u>71,969</u>
Total	\$ <u><u>10,141,454,000</u></u>	\$ <u><u>760,899,000</u></u>



SCHEDULE C

SUMMARY OF BENEFIT PROVISIONS EVALUATED

Covered Employees

Any teacher, principal, superintendent or supervisor engaged in service of public schools, plus professional employees at State schools of higher education if they choose to be covered.

Annual Salary

Annual Salary rate for service as a Connecticut teacher during a school year excluding amounts paid for extra duty assignments, coaching, unused sick time, unused vacation or terminal pay.

Average Annual Salary

Average of Annual Salary received during three years of highest salary.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching service, State employment, or war-time military service may be purchased prior to retirement, if the Member pays one-half the cost.

Normal Retirement

Eligibility - Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Benefit - 2% of Average Annual Salary times years of Credited Service (maximum benefit is 75% of Average Annual Salary)

In addition, amounts derived from the accumulation of 6% contributions made prior to July 1, 1989 and voluntary contributions by the teacher are payable.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Early Retirement

Eligibility - 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.

Benefit - Reduced normal retirement benefit. The early retirement factors currently in effect are 6% per year for the first five years by which early retirement precedes the minimum normal retirement age and 4% per year for the next five years by which early retirement precedes the minimum normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% for each year by which early retirement precedes the minimum retirement age.



Proratable Retirement

Eligibility - Age 60 with 10 years of Credited Service.

Benefit - 2% less 0.1% for each year less than 20 years of Average Annual Salary times years of Credited Service in Connecticut, plus 1% of Average Annual Salary times years of additional Credited Service time.

Disability Retirement

Eligibility - 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.

Benefit - 2% of Average Annual Salary times Credited Service to date of disability, but not less than 15% of Average Annual Salary, nor more than 50% of Average Annual Salary. In addition, disability benefit under this plan (without regard to any cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed Average Annual Salary.

Termination of Employment

Less than 5 years of Credited Service - Return 6% contributions with interest.

5 or more years of Credited Service - Return 6% contributions with interest and 1% contributions made prior to July 1, 1989 without interest.

10 or more years of Credited Service - Member is 100% vested in the accrued benefit based on Credited Service and Average Annual Salary as of the date of termination of covered employment. Benefits are payable at age 60 and early retirement reductions are based on the number of years of service the member would have had if they had continued to work until age 60.

Member may elect return of all contributions plus interest on 6% contributions in lieu of vested benefit.

Pre-Retirement Death Benefits

A lump sum plus one of the following: survivor's benefit, return of all contributions with interest, or surviving spouse's benefit.

- Lump Sum: \$1,000 for the first 5 years of Connecticut service plus \$200 per year thereafter. Maximum benefit: \$2,000.
- Survivor's Benefit: For active teachers who die while in service, the family maximum benefit payable to survivors is \$1,500 per month. Each minor child is entitled to \$300 per month. The surviving spouse's benefit is \$300 per month if the member has 12 or less years of service. For each additional year of service, the surviving spouse's monthly benefit is increased \$25, up to a maximum of \$600.
- Accumulated contributions with interest plus dependent children's benefits as described in the "Survivor's Benefit" paragraph.
- Surviving Spouse's Benefit: An active member who is eligible for immediate retirement and who has named his or her spouse as primary beneficiary will be covered by a 100% Plan D co-participant option in the event of his or her death prior to retirement.



Benefit Options

Normal form: Partial Refund Option – 75% of total benefit is paid as a life annuity. If 25% of the benefits paid prior to death do not exceed the Member's 6% contributions plus interest frozen at the date of the benefit commencement, the difference is paid to the Member's beneficiary.

Optional Forms: 5-, 10-, 20-, or 25-year certain and life and 33-1/3%, 50%, 66-2/3%, 75%, or 100% co-participant annuity (if co-participant dies first, benefit reverts to unreduced amount).

Amounts payable under the optional forms are determined on an actuarially equivalent basis. Actuarial equivalence is determined using mortality as described in Section F of the report, 8.5% interest, and 2% compound COLA. A unisex mortality blend of 60% male was used for certain benefit forms, and a blend of 80% male was used for co-participant annuity forms.

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Teachers' Required Contribution

Effective July 1, 1992, each teacher is required to contribute 6% of annual salary for the pension benefit.

State Contribution

The State's contribution requirement is determined in accordance with Section 10-183z (which reflects Public Act 79-436 as amended).

Early Retirement Incentive

A local or regional board of education may establish a retirement incentive plan. The plan shall provide for purchase of additional credited service by a board of education and a member of the system who chooses to participate in the plan, of additional credited service for such member and for payment by the board of education of not less than fifty per cent of the entire cost of such total cost. Any such plan shall specify a maximum number of years to be purchased, not to exceed five. Members must have attained age 50 and be eligible for retirement with the additional purchased service. The amount of service purchased cannot exceed the lesser of five years and one-fifth of the member's credited service.



SCHEDULE D

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

Investment Rate of Return

Assumed annual rate of 8.50% net of investment expenses.

Rates of Annual Salary Increase

Rates of Annual Salary Increase Assumption	
Years of Service	
0	7.00%
1	7.00
2	7.00
3	7.00
4	7.00
5	7.00
6	7.00
7	7.00
8	7.00
9	7.00
10	5.50
11	5.50
12	5.50
13	5.50
14	5.50
15	4.00
16	4.00
17	4.00
18	4.00
19	4.00
20+	3.75



Active Member Decrement Rates

a. Table below provides a summary of the assumed rates of service retirement.

Annual Rates of Retirement						
Age	Unreduced		Proratable		Reduced	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	27.5%	15.0%			2.0%	2.0%
55	38.5%	30.0%			4.5%	6.0%
60	22.0%	20.0%	6.0%	5.4%		
65	36.3%	30.0%	20.0%	13.5%		
70	100.0%	40.0%	35.0%	10.8%		
75	100.0%	40.0%	40.0%	18.0%		
80	100.0%	100.0%	100.0%	100.0%		

b. Table below provides a summary of the assumed rates of mortality while actively employed and disability.

Annual Rates of Death and Disability				
Age	Pre-Retirement Mortality		Disability	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
20	0.0164%	0.0108%	0.0455%	0.0500%
25	0.0210%	0.0109%	0.0455%	0.0500%
30	0.0268%	0.0140%	0.0455%	0.0410%
35	0.0431%	0.0249%	0.0455%	0.0410%
40	0.0645%	0.0343%	0.0715%	0.0720%
45	0.0790%	0.0527%	0.1625%	0.1200%
50	0.1027%	0.0761%	0.3250%	0.2630%
55	0.1490%	0.1316%	0.7150%	0.4380%
60	0.2911%	0.2675%	1.2805%	0.5000%
64	0.4928%	0.4539%	1.2805%	0.5000%



- c. Table below provides a summary of the assumed rates of withdrawal for active members prior to eligibility for retirement.

Annual Rates of Withdrawal					
10 or more years of service					
Years of Service	Male	Female	Age	Male	Female
0-1	14.00%	12.00%	25	1.20%	3.50%
1-2	8.50	9.00	30	1.20	3.50
2-3	5.50	7.00	35	1.20	3.50
3-4	4.50	6.00	40	1.20	2.30
4-5	3.50	5.50	45	1.26	1.30
5-6	2.50	5.00	50	1.96	1.25
6-7	2.40	4.50	55	2.76	1.60
7-8	2.30	3.50	59	3.00	1.90
8-9	2.20	3.00			
9-10	2.10	2.50			

Post-Retirement Mortality

For healthy retirees and beneficiaries, the RP-2000 Combined Mortality Table projected forward 19 years using scale AA, with a two-year setback for males and females. A separate table of mortality rates is used for disabled retirees. The following are sample rates for the retirees and beneficiaries:

Annual Rates of Death				
Age	Healthy		Disabled	
	Male	Female	Male	Female
50	0.1369%	0.1015%	0.3881%	0.3567%
55	0.1986%	0.1755%	0.7659%	0.6953%
60	0.3881%	0.3567%	1.3671%	1.2224%
65	0.7659%	0.6953%	2.2802%	2.0100%
70	1.3671%	1.2224%	4.1439%	3.2898%
75	2.2802%	2.0100%	7.7020%	5.4696%
80	4.1439%	3.2898%	13.6910%	9.9435%
85	7.7020%	5.4696%	22.0697%	16.4072%

Marriage Assumption

85% of males and 75% of females assumed to be married, with female spouses being 3 years younger than males.

Asset Valuation Method

Market value of assets is used for GASB 67 disclosure purposes.



Actuarial Cost Method

The Entry Age Normal actuarial cost method allocates the plan's actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level percent of payroll necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is partially funded with active member contributions with the remainder funded by employer contributions.

The unfunded accrued liability is determined by subtracting the actuarial value of assets from the actuarial accrued liability.

Future Cost-of-living Increases

Members who retired prior to September 1, 1992 are assumed to receive an annual Cost-of-Living Adjustment (COLA) of 3.0%. Members who retired on or after September 1, 1992 are assumed to receive an annual Cost-of-Living Adjustment (COLA) of 2.0%.

Administrative and Investment Expenses

The investment return assumption represents the expected return net of all investment expenses. Administrative expenses are paid from the State's General Fund.

Payroll Growth Rate

The total annual payroll of active members is assumed to increase at an annual rate of 3.75%. This rate does not anticipate increases in the number of members.