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Election of Optional Form of Retirement Salary for State Employees

Sec. 5-165-1. Election of optional form of retirement salary

(a) An employee desiring to elect an optional form of retirement salary shall file with the retirement commission, before the commencement of his retirement salary, a written election on a form to be provided by the retirement commission.

(b) An election shall be approved immediately if the employee passes a health examination satisfactory to the retirement commission. Such health examination shall be made, without expense to the state, on a form to be provided by the retirement commission, by a physician legally licensed to practice medicine in the state of Connecticut.

(c) In other cases, the option application shall automatically be deemed to have been approved by the retirement commission three years after filing.

(d) After an election has been approved by the Retirement Commission it may not be revoked except upon the divorce of the employee and his spouse before the commencement of the retirement salary, and the fraction which the spouse is to receive may not be changed except upon the consent of the Commission, which will consider whether the proposed revocation or change would be detrimental to the State or to the Retirement Fund, and shall require evidence as to the health of the employee and/or his spouse, and may require the consent of the spouse, before making its decision. If an employee submits application for a fraction change, before approval of original application, the new application must be on file three years before the commission deems it to have been approved, or becomes effective immediately if the employee and/or spouse passes a health examination satisfactory to the retirement commission.

(e) The employee may, if he so elects, provide that the optional form shall not take effect if he is retired on account of disability.

(f) If the spouse shall die before the employee's retirement date, the election shall be void.

(Effective November 5, 1975)

Sec. 5-165-2. Conditions under which employee's spouse will receive retirement salary and amount of same

(a) If an employee retires after his election has been approved by the retirement commission and is outlived by his spouse, such spouse shall be entitled to a retirement salary commencing at the employee's death. In the case of an employee who did not participate in social security or who was a member of part A of the state employees retirement system with or without participation in social security, the amount of each payment to the spouse shall be the (reduced) amount which would have been payable if the employee were living at the time of such payment, or such fraction thereof as the employee shall have specified in his election. In the case of an employee who did participate in social security, but was not a member of said part A, the income payable to the spouse prior to the spouse's sixty-second birthday shall be the same as if the employee were not participating in social security, and the income thereafter shall be the same as that to which the employee was entitled, or to which he would have been entitled on or after his sixty-fifth birthday or such fraction thereof as the employee shall have specified in his election.

(b) If the employee shall die before his retirement date, the election shall be void, but the spouse shall be entitled to such income, if any, as is payable under the spouse option provided by section 5-16a of the 1969 supplement to the general statutes.

(Effective July 1, 1969)

Sec. 5-165-3. Amount of reduced retirement salary payable to employee if election of optional retirement salary approved

(a) The reduced retirement salary payable to the employee shall be a percentage of the retirement salary that would have been payable if an optional form of retirement salary had not been elected. In the case of (1) an employee not participating in social security, (2) an employee who was a member of part A of the state employees retirement system with or without participation in social security, or (3) an employee who retires or dies on or after his sixty-fifth birthday, and whose spouse has attained the age of sixty-two, the percentage shall be uniform. Otherwise there shall be two such percentages. The first shall be the same as if the employee were not participating in social security, and shall apply (1) to the total retirement salary that would have been payable to the employee prior to his sixty-fifth birthday, or prior to his becoming eligible for a social security disability insurance benefit if that shall occur earlier, and (2) to that part of the retirement salary that would have been payable thereafter arising from base salary in excess of the amount on which social security taxes were payable, if an optional form of retirement salary had not been elected. The second percentage shall apply to the remainder of the retirement salary that would have been so payable. The first and second percentages will be so computed that the resulting reduced retirement salary under this section and subsection (a) of section 5-165-2 shall be the actuarial equivalent, as determined by the retirement commission, of the retirement salary that would be payable were it not for the election of this option. If the second percentage would otherwise exceed one hundred per cent, it will be taken as one hundred per cent, and the first percentage increased accordingly. When a second percentage has become effective, and the age of either the employee or the spouse at which the second percentage becomes effective is changed by law or regulations, a new second percentage shall be appropriately calculated and shall apply after the effective date of such change. If an employee to whom a second percentage applies, after becoming entitled to social security disability insurance benefits, ceases to be so entitled before his sixty-fifth birthday, the first percentage will again apply, and the second percentage shall be appropriately recalculated.

(b) If the spouse shall have died before the employee shall have retired, the employee (on retirement) shall be entitled to the same retirement salary as if an optional form of retirement salary had not been elected.

(Effective July 1, 1969)

Sec. 5-165-4. Payment to beneficiary if election of optional retirement salary approved

If a retirement salary becomes payable either to the employee or to the spouse, the payment to the beneficiary provided for in sections 5-168 and 45-266 of the general statutes shall be made only after the death of the survivor of the employee and his spouse, and shall then be made in an amount equal to the excess, if any, of the employee's contributions to the retirement fund over the aggregate of the retirement salary payments made to him and to his spouse. The spouse shall have no right to name or change a beneficiary either before or after the death of the employee. If no named beneficiary survives the employee and his spouse, payments shall be made to the executor or administrator of the employee, except that, if the amount is less than one thousand dollars, the refund may, at the option of the comptroller, be made in accordance with the terms of section 45-266 of the general statutes.