1	I'm confused about how the changes in the SEBAC Framework might affect me when I retire. I know the Pension and Health care agreement is extended and would now expire 6/30/27, but there are some changes. Can you explain how this work?	Sure. There are a few changes that would affect both current and future retirees – changes that improve benefits while at the same time producing savings. For under 65 retirees these include co-pay waivers and rebates for certain preferred providers, and for over 65 this includes using the Medicare Advantage vehicle to provide our plan benefits, which allows us to expand our network and improve benefits. You can read about those at Health Care Q&A and Med. Adv. Q&A. This Q&A will focus on pension and retiree health care changes that affect only future retirees.
2	What are the pension benefit changes that might affect me when I retire?	If you retire before the current agreement would have expired (6/30/22), there are no changes that affect you. You retire under the current pension plan as is. If you retire after 6/30/22, the only pension benefit change that affects you is a change to the Cost of Living Adjustment, or "COLA".
3	What does happen to the COLA effective for people retiring after 6/30/22?	There are two changes. One affects the COLA formula, the other affects the first date you receive a COLA. They are explained below.
4	Can you start with the COLA formula change? What happens that affects 7/1/22 and later retirees?	Since 1997, our COLA has been computed as a percentage of the increase in the most common consumer price index, called CPI-W. Currently our COLA is 60% of the increase in the CPI-W up to 6%, and 75% of the increase above 6%, with a minimum COLA of 2%, and a maximum of 7.5%. The new formula will provide the same COLA as the current formula except in years where the CPI-W goes up less than 2%. In those cases, while the current formula produces a COLA of 2% even if the CPI-W increase is less than 2%, the new COLA would provide an increase equal to the CPI-W increase.
5	What change affects the first date I receive a COLA?	Currently, depending upon the exact month you retire, the delay between retirement and your first COLA is 9 to 15 months, averaging 12 months. Starting with 7/1/22 retirees, your first COLA would be on the 30th month following the date of your retirement – so 18 months later than it is now – and then every 12 months thereafter. However, there may also be an additional COLA paid with your first annual COLA that provides some protection if the cost of living increase is unusually high during the first 18 months following your retirement.
6	How does the additional COLA work?	Effective the 30th month after retirement, in addition to your normal annual COLA, you will receive an additional COLA if during your first 18 months of retirement, the CPI-W goes up

		more than an annualized 5.5%. If so, the additional COLA is above formula, minus 2.5%, multiplied by 1.5 (because it's 18 months). This sounds complicated, but what it comes down to is if your 18-month delay happens to be in a very high cost of living increase year, you will get the same annualized COLA you would have received without that delay, minus 2.5%. So the delay still affects you, but it's effect is more limited.
7	What about Retiree Health Care ("RHC") Premium Shares? What happens there?	Two things affect the cost of retiree health care. They are the cost of the retiree's share of the health care premium, and for over 65 retirees, the State's reimbursement of the Medicare Part B premium, which is paid by the retiree to the Federal Government through their Social Security checks. We will cover the changes and effective dates of those changes below.
8	First, what is the earliest date of retirement that is affected by any of the premium share increases?	For under 65 retirees there are premium share changes depending on the effective date of their retirement. If you retire before the RHC Effective Date, which is the later of October 2, 2017 or the second of the month 60 days after legislative approval of the agreement, your retiree premium share is unchanged from the current rule. That is, you pay 1.5% of the premium if you choose a POS plan (by far the most common choice), and pay 0% of the premium if you chose a POE Plan. Over 65 retirees on Medicare pay no premium shares no matter what date they retire.
9	What happens if I retire after the RHC Effective Date?	Again, nothing changes in over 65 Medicare retiree premium shares – they remain zero. If you are under 65 and retire on or after the RHC Effective date, but before 7/1/22, here's what happens. Hazardous Duty Retirees, and other Retirees with 25 years or more of service, no change. Non-hazardous duty retires with fewer than 25 years of service pay an increase of 1.5%. That is, the POE plan goes to a 1.5% premium share, and the POS plan goes to 3%.
10	What happens to my under 65 retiree premium share if I retire after 6/30/22?	While you are under 65, you will pay a premium share of 3% hazardous duty, and 5% for non-hazardous duty retirees. Once you go on Medicare at age 65, your premium goes to zero as is current practice.
11	What about the State's reimbursement of the Medicare Part B premium, does that ever change?	In part. Medicare-covered retirees who retire(d) on or before 6/30/22 have no change at all. The State continues to reimburse the full Part B premium paid to the federal government by the retiree. For retirees who retire on or after 7/1/22, when they get Medicare covered, the State will continue to reimburse the full *standard* Medicare Part B premium charged by the feds. However, there is an additional premium charged by the feds for wealthier retirees, and a small number of our retirees are charged some of that extra premium. Starting with people retiring 7/1/22 or later,

		the State will split the extra cost the feds charge to wealthier retirees. In other words, the State will pay the full standard premium, plus half of any extra. The definition of "wealthy" is set by the federal government, and the extra Part B premium varies by the amount of a retiree's income, and all the numbers are indexed for inflation. You can read the current numbers here, although of course they will be different by 7/1/22 when the first retirees (those retiring on or after that date) could be affected. Medicare Part B Premiums. There is also a table at the end of this Q&A showing the impact using 2017 figures since we have no figures for 2022.
12	Are there any other changes affecting future retirees?	Retirees get the same benefits when they retire as they did when they are actives (except for benefit improvements the parties decide to add). Benefit improvements which are part of the Framework will affect all retirees. Other changes in active health care that are part of the Framework will affect future retirees beginning with people who retire on or after the RHC Effective date (see # 8) . These changes are designed to save money by incenting health enhancing and cost-effective choices by employees, while having little or no effect on member's pockets. They are described in detail in our Health Care Q&A, which can be found at Health Care Q&A.
13	Where can I get more information?	The best place is through your elected union leadership, staff, or through your union's website. You can also find helpful links here: CTStateEmployees

If your yearly income in 2015 (for what you pay in 2017) was			Part B Monthly Premium (in 2017)	State Reimburse (for 7/1/22 Retirees or Later)	Retiree's Net Cost
File individual tax return	**File joint tax return**	**File married & separate tax return**			
$85,000 or less	$170,000 or less	$85,000 or less	$134.00	$134.00	$0.00
above $85,000 up to $107,000	above $170,000 up to $214,000	Not applicable	$187.50	$160.75	$26.75
above $107,000 up to $160,000	above $214,000 up to $320,000	Not applicable	$267.90	$200.95	$66.95
above $160,000 up to $214,000	above $320,000 up to $428,000	above $85,000 and up to $129,000	$348.30	$241.15	$107.15
above $214,000	above $428,000	above $129,000	$428.60	$281.30	$147.30