

Sec. 10-183l-25. Reporting of annual salary for purposes of contributions to and benefits from the teachers' retirement system

(a) Definitions.

As used in this section:

(1) "Base salary" means that element of compensation specifically and separately stated and paid to a superintendent of schools pursuant to an individual contract of employment in installments throughout the term of the contract or the school year, except that if a portion of such separately stated salary is deferred by means of a legally binding salary reduction agreement for the purpose of making premium payments on a tax sheltered annuity, such deferred salary shall be included in the superintendent's base salary.

(2) "Benefits" means retirement allowances, disability payments, and survivor payments made to members of the system pursuant to chapter 167a of the Connecticut General Statutes.

(3) "Contributions" means mandatory contributions as specified in section 10-183n of the Connecticut General Statutes withheld from the teachers' salary prior to July 1, 1991 or paid by the employer after June 30, 1991 pursuant to the employer pick-up plan set out in Conn. Gen. Stat. section 10-183kk.

(4) "Elective deferrals" means tax sheltered annuity premiums paid by an employer from salary deferred under a legally binding salary reduction agreement.

(5) "Employer" means an elected school committee, a board of education, the state board of education, the board of governors or any of its constituent units, the governing body of the Children's Center, the E. O. Smith School and any other activity, institution of school employing members.

(6) "Expenses" means payment of or on account of costs incurred by an employee in connection with the performance of his duties.

(7) "Extra duty assignments" means assignments unrelated to a teacher's professional certification, or additional assignments which, although covered by the member's certification, are performed on an irregular or unscheduled basis including but not limited to assignments which are less than one full month in duration.

(8) "Fringe benefits" means items of compensation purchased or provided for an employee over and above the cash compensation paid to the employee.

(9) "Longevity" means additional payments based on the accrual of a certain number of years of service with the employer.

(10) "Member" means any Connecticut teacher employed for an average of at least one-half of each school day, except that no teacher who under any provision of the general statutes elects not to participate in the system shall be a member unless and until the teacher elects to participate in the system. Members teaching in a nonpublic school classified as a public school by the board under the provisions of Conn. Gen. Stat. section 10-183b may continue as members as long as they continue as teachers in such school even if the school ceases to be so classified. A former teacher who has not withdrawn his or her accumulated contributions shall be an "inactive member." A member who, during the period of a formal leave of absence granted by his or her employer, but not exceeding an aggregate of ten school months, continues to make mandatory contributions to the board, retains his or her status as an active member.

(11) “Nonelective contributions” means tax sheltered annuity premiums paid by an employer as additional compensation.

(12) “Tax sheltered annuity” means an annuity purchased by a public school employer for an employee pursuant to provisions of the Internal Revenue Code, the premiums for which are not taxable income to the employee until received as annuity payments.

(13) “Terminal pay” means any payment to an employee in exchange for an agreement to retire by a certain date.

(b) **Payments that are included in a members annual salary.** For purposes of contributions to and benefits from the Teachers’ Retirement System, annual salary includes the amount of cash compensation, before deductions mandated by state or federal law and employee contributions toward the cost of fringe benefits, payable to a member on the basis of an annual salary rate set out on a schedule adopted by an employer for members and paid to the member according to an established pay schedule for all members employed by that employer, plus the following:

(1) Longevity payments;

(2) Payment for ongoing supervisory and/or programmatic responsibilities;

(3) Payment for additional duties beyond the regular school year performed by Guidance Counselors, Social Workers, and School Psychologists as part of their overall job responsibilities.

(4) Mandatory contributions to the Teachers’ Retirement System picked up by the employer pursuant to Conn. Gen. Stat. Section 10-183kk;

(5) Elective deferrals to a tax sheltered annuity plan selected by the member; and

(6) Payment for additional teaching assignments in a program for adults for which high school credit is granted leading to a diploma provided the teacher is certified for such assignment.

The annual salary rate of a member not covered by a schedule approved by an employer is that annual rate identified in a written contract or letter of employment as salary. In the event that a member’s annual salary rate is not clearly stated in the member’s contract or salary agreement, or the terms of such contract or agreement are inconsistent with the practice or stated intent of the employer, the Board will determine the salary rate on the basis of evidence submitted by the member and/or the member’s employer.

(c) **Payments that are presumed not included in a member’s annual salary.** Absent a showing to the Teachers’ Retirement Board by the member that the following are included in the member’s salary for purposes other than the inflating of the member’s average annual salary, the following shall not be included in annual salary:

Increases in annual salary rate which result from the foregoing of nonsalary compensation such as fringe benefits, including increases where the member is given the option of receiving cash in lieu of fringe benefits. That such conversion of nonsalary compensation was accomplished more than three years before the member’s retirement shall not by itself be sufficient to overcome the presumption that the amounts were included for the purpose of inflating the member’s average annual salary and therefore are not includable.

(d) **Payments that are not included in a member’s annual salary.** The following shall not be included in annual salary:

(1) Compensation for extra duty assignments or for coaching, unless such compensation

was included in salary for which contributions to the system were made prior to July 1, 1971;

- (2) Terminal pay;
- (3) Unused sick and vacation pay;
- (4) Payments to the employee to cover anticipated expenses expected to be incurred, or as reimbursement of actual expenses incurred, by the employee in the performance of the employee's duties;
- (5) The cost of fringe benefits provided by the employer, including, but not limited to, insurance premiums and nonelective contributions to a tax sheltered annuity;
- (6) Any payment to the member the timing of which may be directed by the member;
- (7) Any payment for summer school work, as defined in section 10-74a of the Connecticut General Statutes;
- (8) Any payment for assigned responsibilities related to curriculum development, unless such assignment is part of the member's regular duties and the salary therefor is included in the member's annual contract of employment; and
- (9) any other payments to a superintendent of schools pursuant to an individual contract between the superintendent and a board of education of amounts which are not included in base salary.

(e) **Payments deferred from a prior year by collective bargaining agreement.** A member's annual salary includes the full amount set out in a collectively bargained agreement between a local board of education and a local bargaining organization, and the salaries set out in a schedule in that agreement form the basis for retirement contributions. Where because of economic conditions an agreement is reached to defer the payment of any portion of such salary or increase in salary to a later year, such portion shall be reported as salary when originally payable and not when actually paid.

(Effective July 30, 1996)