



STATE OF CONNECTICUT  
RETIREMENT SERVICES DIVISION  
OFFICE OF THE STATE COMPTROLLER

**RETIREMENT SERVICES DIVISION MEMORANDUM 2012-10**

**October 15, 2012**

**TO THE HEADS OF ALL STATE AGENCIES**

**ATTENTION:** Human Resources and Payroll Officers

**SUBJECT:** Hazardous Duty Service Arbitration Award - August 22, 2012

**I. INTRODUCTION**

The purpose of this memorandum is to 1) notify agencies of the new policy in place in connection with the recent August 22, 2012 arbitration award following grievances filed by both the State and the State Employees Bargaining Agent Coalition (SEBAC) which impacts how hazardous duty service is utilized within the State Employees Retirement System (SERS) and 2) advise agencies of the need to identify employees who may be eligible for the opportunity provided for in this award to apply by November 1, 2012 for retirement or have their existing retirement benefit recalculated with the inclusion of the additional service credit offered in the 2009 Retirement Incentive Program (RIP).

Although this memorandum is being provided to all state agencies, the opportunity as described is limited to certain SERS hazardous duty members and retirees.

**II. BACKGROUND**

Generally, the longstanding interpretation of the Retirement Services Division (Division) with respect to vacation accruals has been to treat the period of vacation for which payment has been made as "actual state service" pursuant to Connecticut General Statutes, Section 5-154(m)(6). As such, the Division has maintained the practice of accepting a retirement application of a hazardous duty member who by utilizing his/her vacation accruals would meet the eligibility requirement of twenty years of hazardous duty service so as to commence receipt of a retirement benefit immediately following their termination from service. The practice of utilizing vacation accruals to meet the minimum hazardous duty service retirement threshold was questioned in 2009 resulting in the Division receiving direction that, for the purposes of eligibility for the 2009 Retirement Incentive Program (RIP) only, a hazardous duty member's vacation accruals were not to be utilized to fulfill the member's minimum eligibility requirement of twenty years of hazardous duty service.

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### **III. NEW HAZARDOUS DUTY ELIGIBILITY PROVISIONS**

Pursuant to the August 22, 2012 arbitration award, hazardous duty members who choose to use their (vacation) accruals to meet the twenty year eligibility requirement must retire no later than November 1, 2012. Hazardous duty retirement plan members retiring after November 1, 2012 must have completed at least twenty years of hazardous duty service if they are a Tier I member or twenty years of hazardous duty credited service if they are a member of Tier II or Tier IIA.

### **IV. ELIGIBILITY FOR THE 2009 RETIREMENT INCENTIVE PROGRAM**

The arbitration award also provides for certain active employees and retirees the opportunity to include the additional service credit offered in the 2009 RIP in their retirement benefit calculation. The following describes those retirees and employees eligible for this opportunity:

- (1) hazardous duty members who elected to retire either June 1, 2009 or July 1, 2009 utilizing their vacation accruals but did not receive three additional years of service due to the position of the State with respect to those accruals are eligible to have their pension recalculated to include the RIP service;
- (2) hazardous duty members who retired between August 1, 2009 and August 22, 2012, the date of the arbitration award, who could have retired with at least twenty years of hazardous duty service by July 1, 2009 by utilizing their vacation accruals but elected not to do so due to the position of the State with respect to those accruals are eligible to have their pension recalculated to include the RIP service;
- (3) any current, active hazardous duty member who could have retired with at least twenty years of hazardous duty service by July 1, 2009 by utilizing their vacation accruals but elected not to do so due to the position of the State with respect to those accruals is eligible to receive the three additional years of service however they must retire no later than November 1, 2012.

**Be advised that any hazardous duty member utilizing a purchased medical leave in addition to the accrual balance to meet the twenty year threshold as of June 1, 2009 or July 1, 2009 is not eligible to participate in this award.**

### **V. AGENCY RESPONSIBILITY**

The Retirement Services Division will identify the members that retired either June or July 1, 2009 who qualify for a pension recalculation as a result of this award. Agency human resources staff must identify and provide the Division with a compilation of those hazardous duty members who retired between August 1, 2009 and August 22, 2012 that could have retired either June 1 or July 1, 2009 and would have met the eligibility provisions as stated above. For each such former employee, agency staff must complete an "Agency Certification" (Attachment) certifying the employee's years and months of hazardous duty service as of June 30, 2009 and their accrual balance as of that date.

Agencies should advise current, active employees who meet the eligibility provisions stated earlier in this memorandum of this opportunity. For those hazardous duty members who elect to retire effective November 1, 2012 agencies should provide an "Agency Certification" to the Division along with the employee's CO-898 "Application for Retirement Benefits".

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**For those employees who retired from August 1, 2009 to August 22, 2012 who are eligible for a recomputation of their pension, an “Agency Certification” should be submitted to the Retirement Services Division no later than December 31, 2012.**

Questions regarding this change in the accounting of hazardous duty service retirement credit within SERS or the implementation of the arbitration award with respect to the three additional years of service may be sent to the Retirement Services Division by email to [osc.rsd@po.state.ct.us](mailto:osc.rsd@po.state.ct.us) or directed to the Division’s Retirement Audit Unit at 860-702-3521.

Very truly yours,

STATE EMPLOYEES RETIREMENT COMMISSION  
KEVIN LEMBO, SECRETARY EX OFFICIO

BY:

Brenda K. Halpin, Director  
Retirement Services Division

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Attachment – Agency Certification