



STATE OF CONNECTICUT  
TEACHERS' RETIREMENT BOARD  
765 ASYLUM AVENUE HARTFORD, CT 06105-2822  
Toll free 1-800-504-1102 X8429 (860) 241-8429 Fax (860) 622-2850  
"An Affirmative Action/Equal Opportunity Employer"  
[www.ct.gov/trb](http://www.ct.gov/trb)

February 19, 2009

To: Superintendents

This is to summarize the Teachers' Retirement Board's (TRB) positions on various items related to Superintendents' pensionable compensation. These are, and will be going forward, our interpretation and application of the relevant statutes, regulations and policies. I'll keep this letter relatively brief, informal and high-level, but specific enough to make our positions clear.

Base salary is the amount of the Superintendent's compensation that's specifically and separately stated in the employment contract. Base salary is pensionable.

An elective deferral, or salary reduction program, refers to a contribution paid by an employer to a Superintendent's 403(b) Annuity or Custodial account from salary deferred under a legally binding salary reduction agreement. This is pensionable if it 1) is paid through payroll to the member and then remitted via payroll deduction to the 403(b) custodian or trustee (typically a financial institution), and 2) is a reduction of, or part of, (as opposed to an addition to) base salary. For example:

Base salary of \$100,000 minus a 403(b) payment of \$10,000 - \$100,000 pensionable;

Base salary of \$100,000 including a 403(b) payment of \$10,000 - \$100,000 pensionable;

Base salary of \$100,000 plus an elective deferral of \$10,000 resulting in a total salary of \$110,000 - \$100,000 pensionable.

It is considered to be a fringe benefit, and therefore not pensionable, if payment is made directly from the employer to a financial institution for the benefit of the member (this is commonly referred to as a Board-paid annuity).

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

Each element of base salary (compensation, 403(b) payment, or longevity) must be paid in (at least two) installments during the school year, or during the contract if the contract is for less than one school year. Any item paid in a single lump sum, or any item where the member can determine the timing of the payment, is not pensionable.

Merit pay, bonus or incentive compensation is not pensionable for any TRB member, including Superintendents. We previously communicated this to all Superintendents on November 4, 2008.

We have worked with The Connecticut Association of Public School Superintendents in formulating these positions and we appreciate their contributions.

We recognize that these may differ somewhat from our previous communications and decisions. We don't expect existing contracts to be rewritten or amended to retroactively comply with these provisions, but will apply these standards to all members beginning with the 2009-10 school year.

Let me know if you have questions.

Very truly yours,

Louis Laccavole  
Fiscal Administrative Supervisor

C: Board of Education Business Managers

Joseph J. Cirsuolo, Ed.D.  
Executive Director  
The Connecticut Association of Public School Superintendents