

MEMORANDUM OF UNDERSTANDING


THIS AGREEMENT is made by and between the State of Connecticut, acting herein through the Secretary of the Office of Policy and Management (hereinafter "the State") and the State Employees Bargaining Agent Coalition, acting herein through the designated representatives of its constituent unions (hereinafter "SEBAC"), for the purpose of amending certain terms and conditions governing the State Employees' Retirement System ("SERS"), as provided in the Agreements between SEBAC and the State.

The following changes shall be implemented effective upon ratification by the parties:

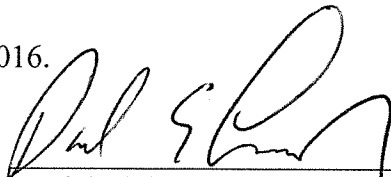
1. Unfunded liability shall be computed using Entry Age Normal as the actuarial cost method.
2. The pension funding method shall be the level dollar method with a five (5) year phase in.
3. Reset of Amortization Period:
 - a. Unfunded liability as of 1984 shall be paid off by the end of the current amortization period, ending June 30, 2032.
 - b. Other unfunded liability currently existing shall be paid off using a fixed 30 year amortization period ending June 30, 2047.
 - c. Actuarial gains and losses going forward will be amortized using a 25 year layered amortization approach.

Further, the parties recommend that the Retirement Commission adopt an investment return assumption rate of 6.9%.

Dated this 8th day of December, 2016.



Lisa Grasso Egan, Chief Negotiator
State of Connecticut



Daniel Livingston, Chief Negotiator
SEBAC