

# Appropriations Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-1081

AN ACT CONCERNING THE INTEREST RATE RELATING TO TEACHERS' RETIREMENT SYSTEM COST-OF-LIVING ALLOWANCES AND RESERVING CERTAIN LOTTERY FUND REVENUE FOR THE CONNECTICUT TEACHERS'

**Title:** RETIREMENT FUND BONDS SPECIAL CAPITAL RESERVE FUND.

**Vote Date:** 4/21/2021

**Vote Action:** Joint Favorable

**PH Date:** 3/26/2021

**File No.:**

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## **SPONSORS OF BILL:**

Appropriations Committee

## **REASONS FOR BILL:**

This bill was requested by the State Treasurer's Office.

Section 1 of the bill aligns the Teacher Retirement Systems (TRS) cost-of-living allowances (COLA) with the TRS current assumed rate of return which will bring the COLA calculations in line with increases granted by Social Security. Section 2 clarifies that the revenues from online Lottery programs (iLottery) are first pledged to refilling the CT Teachers' Retirement Funds Bonds Special Capital Reserve Fund which secures the outstanding TRS pension obligation bonds

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

[Shawn Wooden, State Treasurer](#), supports the passage of the bill. He said that relating the cost-of-living allowance to the changed rate of return assumption adopted by the Teachers' Retirement System would not result in increased costs for the state. Section 2 clarifies that iLottery revenues are legally first pledged to refill the special capital reserve fund that secures outstanding pension obligation bonds within the TRS.

## **NATURE AND SOURCES OF SUPPORT:**

[Association of Retired Teachers of Connecticut](#), Catherine D'Agostino and Sandra P. Bove, ARTC Legislative Co-chairs support the request to change the assumed rate of return as it applies to COLAs.

[Connecticut Education Association](#), Robyn Kaplan-Cho, Retirement Specialist, urged passage of the bill.

[William Murray](#), Connecticut Teachers Retirement Board elected member, wrote in favor of passage of the bill and pointed out that it would not be an increase in the COLA payouts.

**NATURE AND SOURCES OF OPPOSITION:**

None expressed

**Reported by: Elizabeth Gillette**

**Date: April 27, 2021**