

OFFICE OF FISCAL ANALYSIS

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SB-910

AN ACT CONCERNING PERMANENT PARTIAL DISABILITY
BENEFITS AND PENSION OFFSETS.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Municipalities	STATE MANDATE ¹ - Cost	See Below	See Below

Explanation

The bill will result in a cost to municipalities who offer defined benefit retirement plans for employees from eliminating permanent partial disability (PPD) settlement offsets from the pension benefit formula. The cost will be recognized in the annual actuarially determined employer contribution (ADEC) amounts for municipalities' respective pension systems. The bill is interpreted to apply to all current and future retirees for benefits paid on or after October 1, 2023. The impact to certain municipalities will be realized when the liability is assessed by plan actuaries, to the extent permitted by collective bargaining.

The Out Years

The annualized ongoing fiscal impact identified above will continue

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

into the future and be reflected in municipalities annual ADECs.