



House of Representatives

General Assembly

File No. 194

February Session, 2024

Substitute House Bill No. 5401

House of Representatives, April 2, 2024

The Committee on Veterans' and Military Affairs reported through REP. NOLAN of the 39th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CREDIT FOR MILITARY SERVICE UNDER THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-436b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2024, and*
3 *applicable to applications to purchase credit made on or after October 1, 2024*):

4 (a) As used in this section, "armed forces" and "period of war" have
5 the same meanings as provided in section 27-103.

6 ~~[(a)]~~ (b) Any member of fund B of the municipal employees'
7 retirement system [] who, prior to such member's date of employment
8 with a municipality that is participating in said fund B, served [in any
9 branch of the armed forces of the United States during the times set forth
10 in section 27-103] one or more days in the armed forces during a period
11 of war shall be credited with the period of such service to the extent that
12 such member makes contributions to said fund for all or any part of the

13 period of such service, except that any veteran who becomes a member
14 on or after October 1, 1984, shall not receive credit for such [war] service
15 in the armed forces during a period of war if such member has received
16 or is entitled to receive any retirement allowance for the same [years]
17 period of service from the federal government. Such contributions shall
18 be computed at a rate of two per cent of such member's first year's salary
19 as such employee, with interest at five per cent per annum, payable
20 within one year of such employment, or on or before January 1, 1992,
21 whichever is later, provided such contributions are made prior to the
22 date of retirement. The period of such service for which contributions to
23 said fund are made shall be counted for the purpose of computing the
24 amount of such member's retirement allowance, provided such member
25 shall have completed five years of continuous service or fifteen years of
26 active aggregate service with a participating municipality or shall be
27 retired prior thereto due to disability incurred in the course of
28 employment. Any member who wishes to purchase credit pursuant to
29 this section shall submit with such member's application sufficient proof
30 of such service in the armed forces during a period of war, including,
31 but not limited to, a DD 214 or other record or documentation of such
32 service that is issued, or able to be verified as valid, by the United States
33 Department of Defense or a written statement signed by such member's
34 commanding officer. Any member who purchases credit pursuant to
35 this section and who later receives a retirement allowance for permanent
36 and total disability under this part shall, upon written request, be
37 refunded all such contributions paid under this section, provided such
38 [military service] credit for service in the armed forces during a period
39 of war did not [serve] operate to increase the amount of disability
40 retirement benefits for which such member was eligible.

41 [(b)] (c) Notwithstanding the provisions of subsection [(a)] (b) of this
42 section, the municipal employer of any member who applies, on or after
43 July 1, 1986, for such [military service] credit for service in the armed
44 forces during a period of war shall pay all contributions required under
45 said subsection [which] that are attributable to that portion of the
46 member's [military service time] service in the armed forces during
47 which [he] such member was a prisoner of war, provided such member

48 submits with [his] such member's application for such credit for service
49 in the armed forces sufficient proof from the United States Department
50 of Veterans Affairs that [he] such member is a former prisoner of war.
51 Any municipal employer [which] that pays the contributions required
52 under this subsection for a member who later receives a retirement
53 allowance for permanent and total disability under this part shall, upon
54 [its] such municipal employer's written request, be refunded all such
55 contributions paid under this subsection, provided such [military
56 service] credit for service in the armed forces during a period of war did
57 not [serve] operate to increase the amount of disability retirement
58 benefits for which [the] such member was eligible.

59 Sec. 2. Subsection (h) of section 7-440 of the general statutes is
60 repealed and the following is substituted in lieu thereof (*Effective October*
61 *1, 2024*):

62 (h) In the case of members serving with the armed forces of the
63 United States in time of war, hostilities or national emergency or any
64 acts incident thereto, as provided in section 7-434, the municipality shall
65 forward to the Retirement Commission to be credited to the fund a like
66 contribution on behalf of such member based upon his pay at the time
67 of entering such service. Any member leaving the employment of the
68 municipality before becoming eligible for retirement may withdraw on
69 request to the Retirement Commission the total of all contributions
70 made by him, including contributions made to another system and
71 transferred to the Municipal Employees' Retirement Fund under the
72 provisions of section 7-442b, less any retroactive contributions payable
73 by such member under section 7-453 to the Old Age and Survivors
74 Insurance System [which] that have been paid from the fund under the
75 provisions of section 7-451, provided, if no request is made within ten
76 years, such contributions shall revert to the fund. The withdrawal of
77 contributions shall include interest credited from July 1, 1983, or the first
78 of the fiscal year following the date of actual contribution, whichever is
79 later, to the first of the fiscal year coincident with or preceding the date
80 the employee leaves municipal service. Such interest shall be credited at
81 the rate of five per cent per year. In addition, for the partial year during

82 which the employee leaves municipal service or withdraws his
83 contributions, whichever is later, interest shall be credited at the rate of
84 five-twelfths of one per cent multiplied by the full number of months
85 completed during that year, such interest rate to be applied to the value
86 of contributions, including any prior interest credits, as of the first day
87 of that year. Any employee who withdraws his contributions from the
88 fund and is subsequently reinstated shall not receive credit for service
89 for such prior employment in the computation of his eventual
90 retirement allowance unless the withdrawn contributions plus interest,
91 if any, have been repaid with additional interest at a rate to be
92 determined by the commission. Any municipality [which] that has
93 made contributions on behalf of any member serving in the armed
94 forces who is not reemployed by the municipality within six months
95 following the termination of such service, unless this period is further
96 extended by reason of disability incurred in such service, shall be
97 entitled to receive from the fund on application to the Retirement
98 Commission the amount of such contributions. Any municipality
99 [which] that has made contributions in accordance with subsection [(b)]
100 (c) of section 7-436b, as amended by this act, on behalf of any member
101 who leaves the employment of the municipality and withdraws from
102 the municipal employees' retirement system before becoming eligible
103 for retirement shall be entitled to receive from the fund on application
104 to the Retirement Commission the amount of such contributions. In case
105 of the death of a member before retirement, who has not elected a
106 retirement income option in accordance with the provisions of this part
107 or who has made such election but has not completed the age and
108 service requirements that would permit him to retire on his own
109 application, or after retirement without having made such election, or
110 in case of the death of the survivor of a member who has made such
111 election and his spouse after a retirement allowance has become
112 payable, his contributions to the fund plus such five per cent interest, if
113 any, less any retirement allowance paid to him or his spouse, and less
114 any retroactive contributions paid by such member to the Old Age and
115 Survivors Insurance System [which] that have been paid from the fund
116 under the provisions of section 7-451, shall be paid from the fund on the

117 order of the Retirement Commission to the beneficiary or beneficiaries,
 118 if any, named by such member. If no named beneficiaries survive the
 119 member, or the survivor of the member and his spouse, payment shall
 120 be made to the executors or administrators of such member or his
 121 spouse, as the case may be, except that, if the amount is less than five
 122 hundred dollars, the refund may be made, at the option of the
 123 Retirement Commission, in accordance with the terms of section 45a-
 124 273.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2024, and applicable to applications to purchase credit made on or after October 1, 2024</i>	7-436b
Sec. 2	<i>October 1, 2024</i>	7-440(h)

Statement of Legislative Commissioners:

In Section 1(c), "such credit in the armed forces" was changed to "such credit for service in the armed forces" for clarity; and in Section 2, the effective date was changed from "from passage" to "October 1, 2024" for consistency.

VA *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which does not result in a fiscal impact, makes various clarifying and technical changes to the statutes allowing members of the Connecticut Municipal Employees' Retirement System (CMERS) to purchase credit for their service in the armed forces during a period of war. There is no fiscal impact to municipalities in CMERS as the purchaser bears the cost of the actuarial value of the service being credited.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 5401*****AN ACT CONCERNING CREDIT FOR MILITARY SERVICE UNDER THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM.*****SUMMARY**

This bill makes changes in statutes that allow members of fund B of the Connecticut Municipal Employees' Retirement System (CMERS) to purchase credit for their wartime service with the armed forces (see BACKGROUND).

Specifically, the bill does the following:

1. rewords the class of members eligible to purchase credit for wartime service;
2. specifies some of the documents that are considered sufficient to prove eligibility; and
3. requires that an application to purchase credit be accompanied by proof of eligibility.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2024, and applicable to applications to purchase credit made on or after that date

PURCHASING CREDIT FOR MILITARY SERVICE***Eligible Members***

CMERS is a defined benefit public pension plan providing retirement, disability, survivor, and other benefits to eligible members and their beneficiaries. By law, a CMERS member may retire and receive a normal pension benefit after 25 years of aggregate service in a

participating municipality or after reaching age 55, with at least five years of continuous service or 15 years of aggregate service (CGS § 7-428).

The bill explicitly provides that to be eligible to purchase credit for wartime service, a CMERS member must have served at least one day in the armed forces during a period of war (and thus be included in an employee's service calculation as aggregate service). Under current law, a member is allowed to do so if he or she served in any branch of the armed forces of the United States during a time of war. The bill appears to apply to the same subset of eligible members to whom the underlying law applies.

In practice, CMERS requires a member to have (1) active service in a time of war and (2) an honorable discharge. However, as is the case for existing law, the bill is silent on whether an honorable discharge or active duty is required to purchase credit for these service periods.

Forms of Proof

The bill specifies that a CMERS member must submit proof of eligible service along with his or her application to purchase credit for their service. It also lists some of the forms of proof that satisfy this requirement, including the following:

1. a DD-214 (i.e., an official discharge document from the military);
2. a record or document issued by the Department of Defense (DOD) detailing the member's service;
3. a record or document detailing the member's service that can be verified by DOD; or
4. a written statement signed by the member's commanding officer.

Current law does not specify the forms of proof that are sufficient to prove eligible military service. In practice, CMERS requires a DD-214 to do so.

BACKGROUND***Wartime Service in the Armed Forces***

Under state law, “armed forces” includes the U.S. Army, Navy, Marine Corps, Coast Guard, Air Force, Space Force, their reserve components, and the Connecticut National Guard performing certain active duty missions. The table below shows post-1940 “periods of war” for the armed forces under CGS § 27-103(a)(4).

Table: Post-1940 “Periods of War”

<i>Operation</i>	<i>Covered Period</i>
World War II	12/7/41 – 12/31/46
Korean conflict	6/27/50 – 1/31/55
Lebanon conflict	7/1/58 – 11/1/58 and 9/29/82 – 3/30/84
Vietnam era	2/28/61 – 7/1/75
Grenada invasion	10/25/83 – 12/15/83
Operation Earnest Will (escort of Kuwaiti tankers flying U.S. flag in the Persian Gulf)	7/24/87 – 8/1/90
Panama invasion	12/20/89 – 1/31/90
Persian Gulf War	8/2/90 until a date prescribed by the President or law
Afghanistan	10/24/01 – 8/30/21
Iraq	3/19/03 – 12/31/11 and 6/1/14 – 12/9/21

COMMITTEE ACTION

Veterans' and Military Affairs Committee

Joint Favorable

Yea 20 Nay 0 (03/14/2024)