



Senate

General Assembly

File No. 298

February Session, 2024

Senate Bill No. 328

Senate, April 8, 2024

The Committee on Labor and Public Employees reported through SEN. KUSHNER of the 24th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING PERMANENT PARTIAL DISABILITY BENEFITS AND PENSION OFFSETS.

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

1 Section 1. Section 7-450c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2024*):

3 (a) Notwithstanding any provision of the general statutes or special
4 act 01-1, no municipality or special taxing district that provides, as of
5 July 11, 2007, a pension and retirement system for its officers and
6 employees and their beneficiaries shall diminish or eliminate any right
7 or benefit granted to any retiree under such retirement or pension
8 system that was in effect on the date of such retiree's retirement. The
9 provisions of this section shall not be construed to prohibit a
10 municipality or special taxing district from changing the administration
11 of such retiree's retirement benefits as long as the rights and benefits
12 provided to such retiree after any change in the administration are at
13 least equivalent to the rights and benefits provided prior to such change.

14 (b) Notwithstanding any provision of the general statutes or special
15 act, no municipality or special taxing district that provides a pension
16 and retirement system for its officers and employees and their
17 beneficiaries shall diminish or eliminate any right or benefit granted to
18 any retiree under such retirement or pension system due to permanent
19 partial disability benefits received on or after October 1, 2024, by such
20 retiree in accordance with section 31-308 or 31-308a. Nothing in this
21 subsection shall be construed to impair or alter the provisions of any
22 collective bargaining agreement in effect before October 1, 2024.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	7-450c

LAB *Joint Favorable*

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:

Municipalities	Effect	FY 25 \$	FY 26 \$
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, 2024.

The impact to certain municipalities will be realized when the liability is assessed by plan actuaries, to the extent permitted by collective bargaining. State issued PPD benefits range from \$50 - \$1,154 weekly.² Under the bill, municipalities cannot deduct any amount of the awarded PPD benefit from that person's pension benefit. Approximately 5% of the retirees in the Connecticut Municipal

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.

² Sourced from the State of Connecticut Workers' Compensation Commission weekly benefits tables for October 1, 2023 – September 30, 2024.

Employees Retirement System (CMERS) collect disability benefits.³ It is unclear to what extent these retirees collected PPD benefits.

The Out Years

The annualized ongoing fiscal impact identified above will continue into the future and be reflected in the respective municipality's annual ADEC.

³ Connecticut Municipal Employees Retirement System Report of the Actuary on the Valuation Prepared as of June 30, 2023.

OLR Bill Analysis

SB 328

AN ACT CONCERNING PERMANENT PARTIAL DISABILITY BENEFITS AND PENSION OFFSETS.

SUMMARY

This bill prohibits municipal or special taxing district pension systems from diminishing or eliminating a retiree’s pension rights or benefits because the retiree received permanent partial disability benefits on or after October 1, 2024, under the workers’ compensation laws for partial incapacity benefits or additional benefits for partial permanent disabilities.

The bill’s prohibition (1) applies regardless of any state law or special act and (2) does not impair or alter the provisions of any collective bargaining agreement in effect before October 1, 2024.

EFFECTIVE DATE: October 1, 2024

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 8 Nay 4 (03/19/2024)