



Senate

General Assembly

File No. 523

February Session, 2002

Substitute Senate Bill No. 637

Senate, April 16, 2002

The Committee on Appropriations reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING CREDIT IN THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM FOR SERVICE DURING THE VIETNAM ERA.

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

1 Section 1. (*Effective from passage*) The State Employees' Retirement
2 Commission shall examine the cost to the Municipal Employees'
3 Retirement Fund and its participating municipalities of allowing the
4 purchase of retirement credit by those members who are ineligible to
5 receive credit for service during the Vietnam era due to the enactment
6 of legislation extending the dates of eligible service after such members
7 had been members of the system for more than one year. The
8 commission shall report its findings to the joint standing committees of
9 the General Assembly having cognizance of matters relating to
10 veterans' affairs and appropriations on or before January 8, 2003.

This act shall take effect as follows:

Section 1	<i>from passage</i>
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APP *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: Potential Minimal

Explanation

The examination of the cost of allowing the purchase of certain Vietnam era credit in the Municipal Employees Retirement System will require a study by the system's consulting actuaries. The Office of the State Comptroller has indicated that the associated actuarial costs will be approximately \$25,000, payable from the resources of the Municipal Employees Retirement Fund. As of June 30, 2001, the Municipal Employees Retirement Fund had a net assets value of \$1.3 billion. Any impact to the contributions of participating municipalities as a result of the cost of the study will be minimal.

OFA Bill Analysis

sSB 637

AN ACT CONCERNING CREDIT IN THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM FOR SERVICE DURING THE VIETNAM ERA.**SUMMARY:**

The bill requires the State Employees' Retirement Commission to examine the cost to the Municipal Employees' Retirement Fund (MERF) and its participating municipalities of allowing qualified MERF members to receive credit for service during the Vietnam era.

EFFECTIVE DATE: Upon passage

BACKGROUND***Municipal Employees Retirement System***

Current Military Service Credit Provisions (CGS 7-434, 7-436b)

Members of the Municipal Employees Retirement System who leave municipal employment to enter the armed forces while the U. S. is at war, engaged in hostilities, or during national emergencies and are reemployed by the municipality within six months of discharge, are credited with the period of service as though they had been continuously employed.

Members may also purchase retirement credit for prior wartime military service within the first year of employment or by January 1, 1992, whichever is later.

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Substitute

Yea 50 Nay 0

