



General Assembly

February Session, 2004

**Raised Bill No. 5607**

LCO No. 2037

\*02037\_\_\_\_\_APP\*

Referred to Committee on Appropriations

Introduced by:  
(APP)

**AN ACT CONCERNING PROGRESSIVE COST OF LIVING  
ADJUSTMENTS, COST OF LIVING ADJUSTMENTS FOR SURVIVORS  
AND HEALTH INSURANCE FOR SAME SEX DOMESTIC PARTNERS.**

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

1 Section 1. Section 10-183g of the general statutes, as amended by  
2 sections 3, 4 and 8 of public act 03-232, is amended by adding  
3 subsection (r) as follows (*Effective January 1, 2005*):

4 (NEW) (r) Effective January 1, 2005, each eligible retired member or  
5 such member's successor beneficiary, as defined in subsection (j) of this  
6 section, shall receive a single increase in retirement benefits provided  
7 under this chapter. The increase shall be computed on the basis of the  
8 retirement benefits to which such retired member or successor  
9 beneficiary was entitled on December 31, 2004, except benefits based  
10 upon one per cent or voluntary contributions. The increase in such  
11 benefits shall be one per cent per year for each year the member's  
12 retirement date precedes January 1, 1990. Such increase shall be in  
13 addition to any cost of living provided pursuant to subsection (j) of  
14 this section.

15 Sec. 2. Subsections (k) and (l) of section 10-183g of the general  
16 statutes, as amended by sections 3, 4 and 8 of public act 03-232 and  
17 section 1 of this act, are repealed and the following are substituted in  
18 lieu thereof (*Effective January 1, 2005*):

19 (k) Beginning the first day of January or July which follows nine  
20 months in retirement, (1) a retired member who retired on or after  
21 September 1, 1992, [or] (2) a member's successor beneficiary, [except]  
22 or (3) a person receiving survivor's benefits, shall be eligible for an  
23 annual cost of living allowance calculated in accordance with the  
24 provisions of subsections (l) or (m) of this section on any benefit except  
25 a benefit based upon such member's one per cent contributions or  
26 voluntary contributions. Such cost of living allowance shall be  
27 computed on the basis of the retirement benefits to which such retired  
28 member, [or] successor beneficiary or survivor was entitled on the last  
29 day of the preceding December or June except benefits based upon one  
30 per cent or voluntary contributions. Such member's successor  
31 beneficiary means any person, other than such member, receiving  
32 benefits as the result of the election of a period certain option or a  
33 coparticipant option, including an election for such an option by a  
34 surviving spouse under subsection (d) of section 10- 183h. The right to  
35 such allowance, or any portion thereof, may be waived by the person  
36 entitled thereto at any time. Any waiver shall remain in effect until the  
37 first day of the month following such person's death or the filing with  
38 the board of a written notice of cancellation of the waiver. Any  
39 allowance waived shall be forever forfeited.

40 (l) Beginning the first day of January or July which follows nine  
41 months in retirement, (1) a retired member, who retired on or after  
42 September 1, 1992, [or] (2) a member's successor beneficiary, [except]  
43 or (3) a person receiving survivor's benefits, shall be eligible for an  
44 annual cost of living allowance for each year in which the plan  
45 actuaries have certified under the provisions of subsection (n) of this  
46 section that sufficient funds are available. The cost of living allowance  
47 shall be calculated by using the percentage cost of living adjustment

48 granted by the Social Security Administration for the applicable year,  
49 computed on the basis of the retirement benefits to which such retired  
50 member, [or] successor beneficiary or survivor was entitled on the last  
51 day of the preceding December or June except benefits based upon one  
52 per cent or voluntary contributions, provided no cost of living  
53 allowance shall exceed six per cent and provided further, if the total  
54 return earned by the trustees on the market value of the pension assets  
55 for the preceding fiscal year is less than eight and one-half per cent,  
56 any cost of living allowance granted shall not exceed one and one-half  
57 per cent.

58 Sec. 3. Section 10-183t of the general statutes, as amended by section  
59 12 of public act 03-232, is repealed and the following is substituted in  
60 lieu thereof (*Effective July 1, 2004*):

61 (a) The board shall offer one or more health benefit plans to any  
62 member receiving retirement benefits or a disability allowance from  
63 the system, to the spouse or surviving spouse or domestic partner of  
64 such member, and to a disabled dependent of such member if there is  
65 no spouse or surviving spouse or domestic partner, provided such  
66 member, spouse or surviving spouse, domestic partner or disabled  
67 dependent is eligible for Medicare Part A hospital insurance. The  
68 board may offer one or more basic plans, the cost of which to any such  
69 member, to the spouse or surviving spouse or domestic partner of such  
70 member and to a disabled dependent of such member if there is no  
71 spouse or surviving spouse or domestic partner, shall be twenty-five  
72 per cent of the basic plan's premium equivalent, and one or more  
73 optional plans, provided such member, spouse [,] or surviving spouse,  
74 domestic partner or disabled dependent shall pay twenty-five per cent  
75 of the basic plan's premium equivalent plus the difference in cost  
76 between any such basic plans and any such optional plans. The board  
77 shall designate those plans which are basic and those plans which are  
78 optional for the purpose of determining such cost and the amount to  
79 be charged or withheld from benefit payments for such plans. The  
80 surviving spouse or domestic partner of a member, or a disabled

81 dependent of a member if there is no surviving spouse or domestic  
82 partner, shall not be ineligible for participation in any such plan solely  
83 because such surviving spouse, domestic partner or [such] disabled  
84 dependent is not receiving benefits from the system. With respect to  
85 any person participating in any such plan, the state shall appropriate  
86 to the board twenty-five per cent of the cost of such basic plan or plans,  
87 or twenty-five per cent of the cost of the rate in effect during the fiscal  
88 year ending June 30, 1998, whichever is greater.

89 (b) Any member who is receiving retirement benefits or a disability  
90 allowance from the system, the spouse or surviving spouse or  
91 domestic partner of such member, or a disabled dependent of such  
92 member if there is no spouse or surviving spouse or domestic partner,  
93 and who is not participating in Medicare Part A hospital insurance,  
94 may fully participate in any or all group health insurance plans  
95 maintained for active teachers by such member's last employing board  
96 of education, or by the state in the case of a member who was  
97 employed by the state, upon payment to such board of education or to  
98 the state, as applicable, by such member, spouse or surviving spouse,  
99 domestic partner or disabled dependent, of the premium charged for  
100 his form of coverage. Such premium shall be no greater than that  
101 charged for the same form of coverage for active teachers. The  
102 surviving spouse, domestic partner or disabled dependent shall not be  
103 ineligible for participation in any such plan solely because such  
104 surviving spouse, domestic partner or disabled dependent is not  
105 receiving benefits from the system. No person shall be ineligible for  
106 participation in such plans for failure to enroll in such plans at the time  
107 the member's retirement benefit or disability allowance became  
108 effective. Nothing in this subsection shall be construed to impair or  
109 alter the provisions of any collective bargaining agreement relating to  
110 the payment by a board of education of group health insurance  
111 premiums on behalf of any member receiving benefits from the  
112 system. Prior to the cancellation of coverage for any member, spouse  
113 or surviving spouse, domestic partner or disabled dependent for  
114 failure to pay the required premiums or cost due, the board of

115 education or the state, if applicable, shall notify the Teachers'  
116 Retirement Board of its intention to cancel such coverage at least thirty  
117 days prior to the date of cancellation. Absent any contractual  
118 provisions to the contrary, the payments made pursuant to subsection  
119 (c) of this section shall be first applied to any cost borne by the  
120 member, spouse or surviving spouse participating in any such plan. As  
121 used in this subsection, "last employing board of education" means the  
122 board of education with which such member filed his initial  
123 application for retirement, and "health insurance plans" means  
124 hospital, medical, major medical, dental, prescription drug or auditory  
125 benefit plans that are available to active teachers.

126 (c) On and after July 1, 2000, the board shall pay a subsidy equal to  
127 the subsidy paid in the fiscal year ending June 30, 2000, to the board of  
128 education or to the state, if applicable, on behalf of any member who is  
129 receiving retirement benefits or a disability allowance from the system,  
130 or the spouse or surviving spouse or domestic partner of such  
131 member, or a disabled dependent of such member if there is no spouse  
132 or surviving spouse or domestic partner, who is participating in a  
133 health insurance plan maintained by a board of education or by the  
134 state, if applicable. Such payment shall not exceed the actual cost of  
135 such insurance. With respect to any person participating in any such  
136 plan pursuant to subsection (b) of this section, the state shall  
137 appropriate to the board twenty-five per cent of the cost of the subsidy.  
138 No payment to a board of education pursuant to this subsection may  
139 be used to reduce the amount of any premium payment on behalf of  
140 any such member, spouse or surviving spouse, domestic partner or  
141 disabled dependent, made by such board pursuant to any agreement  
142 in effect on July 1, 1990.

143 (d) The Treasurer shall establish a separate retired teachers' health  
144 insurance premium account within the Teachers' Retirement Fund.  
145 Commencing July 1, 1989, and annually thereafter all health  
146 contributions withheld under this chapter in excess of five hundred  
147 thousand dollars shall, upon deposit in the Teachers' Retirement Fund,

148 be credited to such account. Interest derived from the investment of  
149 funds in the account shall be credited to the account. Funds in the  
150 account shall be used for payments to boards of education pursuant to  
151 subsection (c) of this section and for payment of premiums on behalf of  
152 members, spouses or surviving spouses, domestic partners or disabled  
153 dependents of members participating in one or more health insurance  
154 plans pursuant to subsection (a) of this section in an amount equal to  
155 the difference between the amount paid pursuant to said subsection (a)  
156 and the amount paid pursuant to subsection (c) of this section. If,  
157 during any fiscal year, there are insufficient funds in the account for  
158 the purposes of all such payments, the General Assembly shall  
159 appropriate sufficient funds to the account for such purpose.

160 (e) As used in this section, "domestic partner" of a member is a  
161 person of the same sex as the member who is, based upon  
162 documentation established by the board, the domestic partner of a  
163 member.

164 Sec. 4. Subsection (a) of section 10-183t of the general statutes, as  
165 amended by section 11 of public act 03-232, is repealed and the  
166 following is substituted in lieu thereof (*Effective July 1, 2005*):

167 (a) The board shall offer one or more health benefit plans to any  
168 member receiving retirement benefits or a disability allowance from  
169 the system, to the spouse or surviving spouse or domestic partner of  
170 such member, and to a disabled dependent of such member if there is  
171 no spouse or surviving spouse or domestic partner, provided such  
172 member, spouse or surviving spouse, domestic partner or disabled  
173 dependent is eligible for Medicare Part A hospital insurance. The  
174 board may offer one or more basic plans, the cost of which to any such  
175 member, to the spouse or surviving spouse or domestic partner of such  
176 member and to a disabled dependent of such member if there is no  
177 spouse or surviving spouse or domestic partner, shall be one-third of  
178 the basic plan's premium equivalent, and one or more optional plans,  
179 provided such member, spouse [,] or surviving spouse, domestic

180 partner or disabled dependent shall pay one-third of the basic plan's  
181 premium equivalent plus the difference in cost between any such basic  
182 plans and any such optional plans. The board shall designate those  
183 plans which are basic and those plans which are optional for the  
184 purpose of determining such cost and the amount to be charged or  
185 withheld from benefit payments for such plans. The surviving spouse  
186 or domestic partner of a member, or a disabled dependent of a  
187 member if there is no surviving spouse or domestic partner, shall not  
188 be ineligible for participation in any such plan solely because such  
189 surviving spouse, domestic partner or [such] disabled dependent is not  
190 receiving benefits from the system. With respect to any person  
191 participating in any such plan, the state shall appropriate to the board  
192 one-third of the cost of such basic plan or plans, or one-third of the cost  
193 of the rate in effect during the fiscal year ending June 30, 1998,  
194 whichever is greater.

195 Sec. 5. Subsection (c) of section 10-183t of the general statutes, as  
196 amended by section 11 of public act 03-232, is repealed and the  
197 following is substituted in lieu thereof (*Effective July 1, 2005*):

198 (c) On and after July 1, 2000, the board shall pay a subsidy equal to  
199 the subsidy paid in the fiscal year ending June 30, 2000, to the board of  
200 education or to the state, if applicable, on behalf of any member who is  
201 receiving retirement benefits or a disability allowance from the system,  
202 or the spouse [, or the] or surviving spouse or domestic partner of such  
203 member, or a disabled dependent of such member if there is no spouse  
204 or surviving spouse or domestic partner, who is participating in a  
205 health insurance plan maintained by a board of education or by the  
206 state, if applicable. Such payment shall not exceed the actual cost of  
207 such insurance. With respect to any person participating in any such  
208 plan pursuant to subsection (b) of this section, the state shall  
209 appropriate to the board one-third of the cost of the subsidy. No  
210 payment to a board of education pursuant to this subsection may be  
211 used to reduce the amount of any premium payment on behalf of any  
212 such member, spouse or surviving spouse, domestic partner or

213 disabled dependent, made by such board pursuant to any agreement  
214 in effect on July 1, 1990.

This act shall take effect as follows:	
Section 1	<i>January 1, 2005</i>
Sec. 2	<i>January 1, 2005</i>
Sec. 3	<i>July 1, 2004</i>
Sec. 4	<i>July 1, 2005</i>
Sec. 5	<i>July 1, 2005</i>

**Statement of Purpose:**

To (1) provide progressive cost of living adjustments to retired teachers who retired prior to the enactment of the Education Enhancement Act, when teacher salaries were significantly lower than those of contemporary retirees and whose purchasing power has been eroded by the effects of inflation; (2) provide annual cost of living increases to survivors (spouses, minor children, guardians) in the same manner as to retired teachers and their beneficiaries. Under the current law, the benefits paid to survivors are fixed statutorily and are not subject to annual cost of living increases. This proposal would insure that survivors would receive the same cost of living increases as post 1992 retirees and eliminate the need to have remedial legislation enacted periodically to increase these benefits; (3) provide same sex domestic partners of retired teachers with the same opportunity to participate in health plans offered by the retired member's local board of education or through the teachers' retirement system that is presently available to a retired member's spouse or surviving spouse. Requested by the Teachers' Retirement Board.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*