



# House of Representatives

General Assembly

**File No. 726**

January Session, 2005

Substitute House Bill No. 6931

*House of Representatives, May 5, 2005*

The Committee on Appropriations reported through REP. MERRILL of the 54th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT PROVIDING AN INCREASE IN THE HEALTH INSURANCE PREMIUM SUBSIDY FOR RETIRED MEMBERS OF THE CONNECTICUT TEACHERS' RETIREMENT SYSTEM.***

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

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2 amended by section 11 of public act 03-232, is repealed and the  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

4 (c) On and after July 1, 2000, the retirement board shall pay a  
5 subsidy equal to the subsidy paid in the fiscal year ending June 30,  
6 2000, to the board of education or to the state, if applicable, on behalf  
7 of any member who is receiving retirement benefits or a disability  
8 allowance from the system, or the spouse, or the surviving spouse of  
9 such member, or a disabled dependent of such member if there is no  
10 spouse or surviving spouse, who is participating in a health insurance  
11 plan maintained by a board of education or by the state, if applicable.  
12 [Such payment] Commencing July 1, 2007, and annually thereafter, the

13 amount of the subsidy for any participant who has reached the Social  
 14 Security retirement age but is ineligible for Medicare shall be increased  
 15 by the percentage increase in the national Consumer Price Index for  
 16 Health Care for the previous calendar year, but shall not exceed the  
 17 actual cost of such insurance. With respect to any person participating  
 18 in any such plan pursuant to subsection (b) of this section, the state  
 19 shall appropriate to the retirement board one-third of the cost of the  
 20 subsidy. No payment to a board of education pursuant to this  
 21 subsection may be used to reduce the amount of any premium  
 22 payment on behalf of any such member, spouse or surviving spouse,  
 23 or disabled dependent, made by such board pursuant to any  
 24 agreement in effect on July 1, 1990.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2005	10-183t(c)

**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:

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**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Teachers' Retirement Bd.(TRB)	GF - Cost	None	\$30,000

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

This bill provides a cost of living adjustment (COLA) increase to the municipal health insurance premium subsidy for certain retired members of the Teachers' Retirement System. In order to be eligible for the COLA, a retired member must be Social Security retirement age and ineligible for Medicare A. These retired members are unable to join the TRB health insurance plan because it is a Medicare supplement plan. Therefore, they have no option but to remain in the municipal group, receiving the municipal premium subsidy which is \$110 per member and \$110 per spouse per month. The monthly subsidy has remained at this level since 1996. Teachers' participation in Medicare has been mandatory for all new hires since 1986.

The TRB does not collect data that specifically indicates Medicare eligibility for members receiving the municipal premium subsidy. It is estimated that less than 10% of this group (approx. 1,600 persons) are currently ineligible for Medicare. The state portion (1/3) of the first year cost of a COLA (4.4%) is approximately \$30,000. The Teachers' Retirement Health Premium Account would be responsible for the balance of the cost, approximately \$60,000.

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**OFA Bill Analysis**

sHB 6931

***AN ACT PROVIDING AN INCREASE IN THE HEALTH INSURANCE PREMIUM SUBSIDY FOR RETIRED MEMBERS OF THE CONNECTICUT TEACHERS' RETIREMENT SYSTEM.***

**SUMMARY:**

The bill establishes a cost of living adjustment to the municipal health insurance subsidy that is to be provided to certain participants of the Teachers' Retirement System. Beginning July 1, 2007, and annually thereafter, the amount of the subsidy for any participant who has reached Social Security retirement age but is ineligible for Medicare is increased by the percentage increase in the national Consumer Price Index for Health Care for the previous calendar year.

EFFECTIVE DATE: July 1, 2005

**COMMITTEE ACTION**

Appropriations Committee

Joint Favorable Substitute

Yea 48    Nay 0