



Senate

General Assembly

File No. 16

January Session, 2005

Senate Bill No. 1028

Senate, March 3, 2005

The Committee on Labor and Public Employees reported through SEN. PRAGUE of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT CONCERNING WORK EXPERIENCE AND RETIREMENT
CREDIT FOR CERTAIN NONPERMANENT STATE SERVICE.**

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

1 Section 1. (NEW) (*Effective from passage*) (a) Any person who is
2 employed in state service as a general worker for program support or
3 technical services, as determined by the Department of Administrative
4 Services at the time of such employment, shall be credited with work
5 experience equal to any time such person worked out of class
6 performing work relevant to any full-time position in the state service
7 for which such person subsequently applies.

8 (b) Any person who contests the amount of work experience for
9 which such person is credited by a state agency pursuant to subsection
10 (a) of this section shall be entitled to a hearing before a hearing officer
11 of such agency. Such person may appeal any determination made by
12 the hearing officer to the commissioner or other head of such agency.
13 This subsection shall be governed by the provisions of chapter 54 of

14 the general statutes.

15 Sec. 2. (NEW) (*Effective from passage*) Notwithstanding any provision
16 of chapter 66 of the general statutes, any person who completes at least
17 six months of state service as a general worker for program support or
18 technical services, as determined by the Department of Administrative
19 Services at the time of such employment, and who was employed by
20 the state on or after January 1, 2004, shall be entitled to retirement
21 credit for the entire period such person served as a general worker,
22 provided such person applies to the Retirement Commission and pays
23 the amount, without interest, of any retirement contributions due for
24 the salary such person earned as a general worker. Such contributions
25 may be repaid over a period of up to five years.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

LAB *Joint Favorable*

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:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
State Comptroller - Fringe Benefits	State Employees Retirement Fund - Cost	See Below	See Below
Admin. Serv., Dept	GF - None		

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill extends retirement credit in the State Employees Retirement System (SERS) to a limited number of people employed as qualifying general workers. It is estimated that there are 135 general workers. However, there is insufficient detail in the available data to determine how many of these general workers would be eligible for retirement credit. Since the employee contribution, when required, does not cover the full cost of the retirement benefit, there is a resulting increase to the state’s unfunded pension liability.

The exact number of employees who will apply to the Retirement Commission for credit is not known at this time. The subsequent impact to the SERS unfunded liability must be calculated by the SERS actuarial consultant.

The Retirement and Benefits Division of the Office of the State Comptroller (OSC) has indicated that the impact to the SERS unfunded liability would be minimal.

The Department of Administrative Services (DAS) can conduct audits to determine the work experience credit for general workers within available appropriations.

Background

State Employees Retirement Fund

(6/30/04 Valuation)

Assets: \$8.2 billion

Liability: \$15.1 billion

Unfunded Liability: \$6.9 billion

Average Annual Member Benefit: \$24,000

OLR Bill Analysis

SB 1028

AN ACT CONCERNING WORK EXPERIENCE AND RETIREMENT CREDIT FOR CERTAIN NONPERMANENT STATE SERVICE**SUMMARY:**

This bill requires the state to credit people it employed as general workers for program support or technical services with (1) work experience for time they spent working out of class doing work relevant to any full-time state position they later apply for, and (2) retirement credit for any period they worked if they were employed for at least six months, were employed by the state on or after January 1, 2004, and apply to the Retirement Commission for the credit. The bill requires individuals seeking retirement credit to pay, within five years, any appropriate employee retirement contribution due for the salary they made as general workers, without interest.

The bill also provides for a hearing and appeals process for a general worker seeking work experience credit for time spent working out of class if he contests the amount of work experience awarded by the state agency. Under the bill, such an individual is entitled to a hearing before an agency hearing officer and he may appeal the hearing officer's decision to the commissioner or other agency head. The hearing and appeals must be held in accordance with the state Uniform Administrative Procedure Act.

The affected workers are temporary, hourly-paid state employees who are not part of the state civil service system and do not receive benefits. General workers not covered by the bill include part-time student employees doing miscellaneous work or Department of Mental Retardation patient workers performing work at a state facility.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Report
Yea 10 Nay 1