



SEIU Local 2001
Stronger Together

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The Honorable Edith Prague, Senate Chair
The Honorable Kevin Ryan, House Chair
Labor and Public Employees Committee

I am writing in support of Raised Bill No. 6988: AN ACT UPDATING THE SOCIAL SECURITY RETIREMENT AGE TO REFLECT FEDERAL CHANGES.

As President of CSEA SEIU Local 2001 Council 400 I represent over 12,000 state of Connecticut retirees and their families.

It was the intent of the General Assembly to have a smooth transition between the receipt of full Social Security benefits and the reduction of the state pension for retirees at age 65 who selected Tier I Plan B.

When state employees elected Tier 1 Plan B, they were expecting to receive their full Social Security at age 65 with the offset in the pension to occur at the same time. Since then the federal government has put into effect the gradual increase in age for those collecting full Social Security benefits up to age 67 for people born in 1938 and after. This can mean a loss of full pension benefits for 2 years.

Although this federal legislation was enacted in the 1980's it's impact was not truly understood until the first retired state employees have now begun to feel its effects.

The retiree, with 25 years of dedicated state service, will suffer an average \$100 per month loss in pension income between the ages of 65 and the eligibility for full Social Security benefits

For many retirees with the thought of a loss of this pension income has forced them to select Social Security at an earlier age thereby increasing the costs and pressure on the Social Security system.

We have received numerous calls from our members with questions and concerns related to this issue since July 2004. It is our understanding that many of these retirees were not fully appraised of the potential consequences of electing Tier I Plan B as at the time of retirement the federal receipt of full Social Security was at age 65.

According to the information provided by the Office of Fiscal Analysis for RB 6988 submitted in 2004, the Retirement and Benefit Services, Division of the State Comptroller has estimated that the fiscal year 2007 contribution to the State Employees Retirement System (SERS) an increase of approximately \$574,000 from all funds (\$430,500 would be from the general fund).

I respectfully request that the Labor and Public Employees Committee favorably pass Raised Bill 6988 which honors the initial intent of the legislature, State of Connecticut, Unions and retired and active state employees.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Edward Daly".

Edward Daly
President Council 400
CSEA SEIU Local 2001