



February 6, 2007

**Statement by Paul Filson, Director of Service Employees
International Union (SEIU) Connecticut State Council in support of
H.B. No. 6988 AN ACT UPDATING THE SOCIAL SECURITY
RETIREMENT AGE TO REFLECT FEDERAL CHANGES.— Before
the Labor and Public Employees Committee.**

CONNECTICUT
STATE COUNCIL

SERVICE EMPLOYEES
INTERNATIONAL UNION
AFL-CIO, CLC

Good Afternoon, Co-Chairs, Senator Prague, Representative Ryan and distinguished members of the Labor and Public Employees Committee - I appreciate the opportunity to be here before you today. My name is Paul Filson and I am Director of SEIU's Connecticut State Council. The State Council represents over 55,000 members including 12,000 active retired members in Connecticut. SEIU is Connecticut's largest union. We are the largest health care union, building service union, and we represent the most state employees. SEIU also represents police officers, municipal workers, school bus drivers and community college professors and staff. The State Council coordinates the political activity for SEIU in Connecticut.

House Bill No. 6988 simply makes a reasonable update to reflect Federal changes to Social Security law. When pensions were set for state employees the full retirement age for Social Security was 65. Our pension rules took that into account and made an adjustment so that when workers began to collect their full social security their state pensions would be reduced by \$4 per month per year of service. This reduction takes place only for state employees who began their employment with the state

77 Houshope Avenue
Hartford, CT 06106
860.251.6091
Fax 860.549.1945

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before July of 1984. They are classified as tier 1 employees. They may start collecting their pensions at age 55 and 25 years of service. When they reach the age of 65 their state pensions are reduced by \$4 per month per year of service.

In 1993, Social Security law was changed to increase the full retirement age in gradual steps until it reaches 67. This change began to take effect in 2003 and affects people born in 1938 and later. However our state laws have not changed and tier 1 retirees will have their pensions reduced at age 65 even though they are not eligible to collect their full Social Security retirement benefit until later.

For example, if you started to work for the State of Connecticut in 1980 at age 40, and then you worked until 2005, you would collect your State pension upon retirement. However because you are 65 your pension would be reduced by \$100 per month. You will not be able to collect your full Social Security retirement benefit for 6 months. You are thus penalized for 6 months or \$600 (25 years X \$4 per month = \$100 per month).

The State retirement plan was not intended to penalize those born after 1938. **House Bill 6988** makes a simple correction so that the Federal change to Social Security in 1993 is incorporated into pension calculations as well as possible future changes. As we all know there has been much discussion about how to “fix” Social Security. One of the fixes they talk about is increasing, even more, the full retirement age. If this were to occur, Connecticut State pensioners could be penalized for up to the difference between 65 and the future age the Federal Government decides is necessary to “fix” Social Security. Ages that have been talked about include 70 years old.

HB 6988 makes the changes necessary to account for Federal changes.