



CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

**Testimony of Kia F. Murrell
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Before the Committee on Labor and Public Employees
Hartford, CT
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S.B. 949, AAC Pension Offsets Under the Workers' Compensation Act

Good Afternoon Senator Prague, Representative Zalaski and other members of the Committee. My name is Kia Murrell and I am Assistant Counsel at the Connecticut Business and Industry Association (CBIA). CBIA representing more than 10,000 companies throughout the state of Connecticut, but most of our members are small businesses of 50 or fewer employees.

CBIA generally does not support legislation that increases workers' compensation costs for Connecticut employers or limits employers' flexibility when handling workers' compensation claims.

S.B. 949 prevents pension or retirement plans from offsetting or reducing pension or retirement benefits by amounts received by the beneficiary in workers' compensation payments for the specific loss of member or use of function of a member of the body. We believe that S.B. 949 is an unnecessary proposal that will increase the costs of workers' compensation for employers providing both retirement and workers' compensation benefits to the same individuals.

Offsets are an established and prudent safeguard in state law, used to control the cost of insurance for everyone by preventing individuals from being unjustly enriched in some circumstances. Proposals such as S.B. 949 would undermine that purpose and cause insurance costs to skyrocket for individuals who are both retired and receiving workers compensation benefits.

The intent of this bill may be to aid a particular constituent or group of people, but if it is enacted the legislation will impact all employers by expanding the cost of coverage for a sizeable group of people. This was not the intent of the law and to expand its application in today's tough economy it is fiscally and socially irresponsible.

For the reasons above, we cannot support S.B. 949 and we urge the Committee to reject this proposal.