



**Testimony
Betsy Gara
Executive Director
Connecticut Council of Small Towns
Before the
Labor Committee
February 19, 2013**

**RE: HB-5441- AN ACT AUTHORIZING CERTAIN EMERGENCY RESPONSE
EMPLOYEES TO ENROLL IN THE MUNICIPAL EMPLOYEES RETIREMENT
SYSTEM.**

HB-5441 would allow emergency response employees other than those designated as part of a primary 9-1-1 answering point to be eligible to enroll in the municipal employees retirement system.

COST supports the intent of HB-5441 which would remove obstacles to participating in regional emergency dispatch operations. However, we recommend that the committee also address concerns associated with funding the Municipal Employees Retirement System to ensure its continued viability.

Under current law, the State Employees Retirement Commission is authorized to increase employer contribution rates and has done so on eleven occasions in the past 12 years. However the employee contribution rate is set in statute and has not been increased since its inception. As a result, municipal employers are shouldering an increasingly larger burden in funding the system. In 2002, the employer-employee contribution ratio was 55% municipality/45% employee. By July 2013, the ratio will be 82% municipality/18% employee. This contribution ratio is creating an unsustainable system.

To ensure the continued financial viability of the system, Connecticut must adjust the employee contribution rate and more equitably fund the Municipal Employee Retirement System.

COST recommends amending the statutorily set employee contributions to the Municipal Employee Retirement System by increasing such contributions by 1% annually over the next three years-to total employee contribution to MERS of 5.25%.