



# House of Representatives

**File No. 807**

General Assembly

January Session, 2013

**(Reprint of File No. 409)**

House Bill No. 6596  
As Amended by House Amendment  
Schedules "A" and "B"

Approved by the Legislative Commissioner  
May 13, 2013

## **AN ACT CONCERNING POLICE OFFICERS AND FIREFIGHTERS.**

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

1 Section 1. Section 7-454 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 In determining the municipal employees entitled to participate in  
4 the system and the extent of their participation, all service performed  
5 by an employee in the employ of any municipality which joins the  
6 system, for such employer, shall be included except as provided in this  
7 section. The following services shall be excluded: (1) Services which, in  
8 the absence of federal-state agreement, would constitute "employment"  
9 as defined in the Social Security Act, (2) services of individuals in  
10 positions covered under the Connecticut State Teachers' Retirement  
11 Association other than services performed by individuals to whom  
12 Section 218(c)(3)(B) of the Social Security Act is applicable; services  
13 performed prior to August 16, 1994, of individuals in [policemen's or  
14 firemen's] police officers' or firefighters' positions covered under fund  
15 A or fund B or local retirement systems and (3) services which, under

16 the Social Security Act, may not be included in an agreement between  
17 the state and the Secretary entered into under sections 7-452 to 7-459,  
18 inclusive. Service which under the Social Security Act may be included  
19 in an agreement only upon certification by the Governor in accordance  
20 with Section 218(d) of said act shall be included if and when the  
21 Governor issues, with respect to such service, a certificate to the  
22 Secretary pursuant to section 7-455. Any municipality applying for  
23 membership in the system may elect to exclude from membership in  
24 the system the following: (a) All services in any class or classes of  
25 elective positions, part-time positions or positions the compensation  
26 for which is on a fee basis, (b) student service to the fullest extent such  
27 coverage is permitted under Section 218 of the Social Security Act, (c)  
28 services performed by individuals to whom Section 218(c)(3) (B) of the  
29 Social Security Act is applicable or (d) any services which may be  
30 optionally excluded under Section 218(c) of the Social Security Act.  
31 Any municipality which joined the system prior to July 8, 1955, shall  
32 be deemed to have elected exclusion (c). Where any municipality  
33 covers under the agreement the services described in exclusion (c), the  
34 services of any individual thereby covered shall cease to be covered by  
35 the agreement if he thereafter becomes eligible to be a member of a  
36 retirement plan, but only if the agreement is not already applicable to  
37 such plan pursuant to Section 218(d) of the Social Security Act.  
38 Nothing in sections 7-451 to 7-459, inclusive, shall prevent coverage  
39 under the system in accordance with Section 218(d)(8) of the Social  
40 Security Act of services of individuals in positions covered by more  
41 than one retirement system. Where, prior to June 29, 1959, services in  
42 positions covered by a retirement system have been covered under the  
43 system, the legislative body of a municipality may request that services  
44 of individuals excluded from such coverage because such positions  
45 were covered by another retirement system be included under the  
46 system, and such services shall be covered under the system in  
47 accordance with Section 218(d)(8) of the Social Security Act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	7-454

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

Municipalities	Effect	FY 14 \$	FY 15 \$
Various Municipalities	See Below	See Below	See Below

**Explanation**

The bill may result in a cost to municipalities to the extent that certain police and firefighters, currently excluded from Social Security/Medicare (“the program”) under state law, opt to participate in the program.<sup>1</sup> The bill will permit participation in the program as currently afforded under federal law. There may be a cost to the extent that municipalities will have to pay social security taxes for those individuals who opt to participate. However, there may be savings to municipalities who pay a lower pension contribution rate for employees who are eligible for social security/Medicare versus those who are not.<sup>2</sup> Pursuant to state law, in order for those municipal employees to opt into the program, an employee referendum and federal approval is required. These provisions remain unchanged by the bill.

<sup>1</sup> Pursuant to federal law Medicare coverage is required for police and firefighters hired after March 31, 1986. As of July 2, 1991, Social Security/Medicare is required for police and firefighters who do not participate in a public retirement plan. Police and Firefighters who participate in a public retirement plan and/or were hired prior to April 1, 1986 appear to be covered under the amendment.

<sup>2</sup> For example, municipalities who participate in the Connecticut Municipal Employee Retirement System the employer contribution rate for non-hazardous duty employees covered by social security is 11.79% and for those not covered by social security is 13.00%.

House "A" eliminates the underlying bill and its original fiscal impact and results in the impact described above.

House "B" eliminates the underlying bill and its original fiscal impact and results in the impact described above. House "B" made changes to make the bill gender neutral that are not included in House "A."

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****HB 6596 (as amended by House "A" and "B")\******AN ACT CONCERNING POLICE OFFICERS AND FIREFIGHTERS.*****SUMMARY:**

Current law prohibits municipal police and firefighters covered under state (Connecticut Municipal Employee Retirement System (CMERS)) or local retirement systems from participating in the Social Security system. This bill removes the prohibition for police and fire service performed on or after August 16, 1994.

It allows these employees and their municipal employers to begin a process, which includes a referendum, leading to their participation in Social Security. Federal law requires a referendum for police and firefighters to participate in the system, but state law prohibits this. Under the bill, a municipality can request a referendum for police and firefighters with service after August 16, 1994 to begin the statutory steps for joining the Social Security system (see BACKGROUND).

\*House Amendment "A" replaces the underlying bill, which complied with the federal Social Security Act's requirements for extending Medicare coverage to members of municipal police and fire departments who (1) became municipal employees before April 1, 1986 and (2) have been continuously working since March 31 of that year or earlier as police officers or firefighters in positions covered by a public retirement system.

\*House Amendment "B" makes the language gender neutral by substituting policemen and firemen with police officer and firefighter.

EFFECTIVE DATE: Upon passage

**BACKGROUND**

The Social Security Act (SSA, § 18) provides for voluntary agreements between the social security commissioner and the state to extend Social Security insurance coverage to services performed by state and municipal employees. State law implements the procedures for such agreements (CGS §§ 7-452-7-459). The SSA (§ 418(d)(5)(A)) essentially prohibited the extension of the Social Security insurance system “to service in any policeman’s or fireman’s position.” The SSA (§ 418l as amended) provided that an agreement could be modified to apply to service performed by employees in policeman’s or fireman’s position covered by a retirement system in effect on or after August 1, 1956 but only upon compliance with referendum requirements.

State law bars such referendums with respect to certain services excluded under state law (CGS § 7-455(1)). These include “services of individuals in policemen’s or firemen’s positions covered under fund A or fund B (CMERS) or local retirement systems” (CGS § 7-454(2)).

**COMMITTEE ACTION**

Public Safety and Security Committee

Joint Favorable  
Yea 24 Nay 0 (03/21/2013)

Planning and Development Committee

Joint Favorable  
Yea 19 Nay 0 (04/23/2013)