

FINANCE COMMITTEE TESTIMONY

Cathy D'Agostino
Legislative Co-Chair
Association of Retired Teachers of CT (ARTC)
March 13, 2014

Testimony for S.B. 28: An Act Concerning the Governor's Proposed Revenue Items, including an income tax exemption that phases in a 50 percent exemption over the next two years on retired teachers' pension income.

Dear Senator Fonfara, Representative Widlitz and members of the Finance, Revenue & Bonding Committee:

I am Co-Chair of the Legislative Committee of the Association of Retired Teachers of Connecticut and I am a Connecticut retired public school teacher. Because I live in Connecticut, my pension is fully taxed by the State. Connecticut is only one of five states in the nation that fully taxes pensions. During the years that I taught, I paid Connecticut state income tax on my earnings and six per cent of this income was paid to my pension. Now I am paying income tax on this money again as I am taxed on my pension. I believe this is an unfair tax.

Before I moved to Connecticut, I taught in New York and New Hampshire. I paid **fully** into Social Security during those combined eleven years. After I retired, for three years I taught part time at a local Connecticut community college. I paid **fully** into Social Security during that time as well. However now that I am retired, I do **not** get my **full** Social Security benefits. I receive approximately one third of my benefits because I chose to teach and receive my pension from Connecticut. As the Governor has said this is a basic tax unfairness to Connecticut teachers.

Perhaps because of all these reasons as well as the high cost of living, many retired teachers move to pension tax-free states to retire. I understand that 26 percent of teacher pension checks are mailed out of state. Lowering taxes on teachers' pensions would surely encourage some of these retirees to remain and spend their money in Connecticut. In fact according to the National Institute on Retirement Security's "Pensionomics 2012" (www.nirsonline.org) which measures the economic impact of pension expenditures, every \$1.00 in pension benefits paid to Connecticut retirees results in \$1.52 in total output to the State. It makes economic sense to support measures to retain retired teachers.

I urge you to support the Governor's "fair issue" proposal S.B. 28 and I thank you for your consideration.

Respectfully,

Catherine D'Agostino
6 Barrett Hill Road

Brooklyn, CT 06234