

March 13, 2014

TESTIMONY for S.B. No. 28

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

Thank you for affording me the opportunity to submit testimony concerning the Governor's proposed revenue item: an income tax exemption that phases in a 50% exemption over the next two years on retired teachers' pension income. I am Sandra Bove, Legislative Committee Co-Chair for the Association of Retired Teachers of Connecticut.

I'm a Connecticut retired public school educator. I presently work part time and pay fully into Social Security, however, I get approximately one third of my benefits from SS because I chose to practice my profession in the State of Connecticut. I was also recently widowed. Because I taught in Connecticut, I do not receive any of the SS benefits that my husband earned all his working years. I believe this is what the Governor was referring to when he said it was a "fairness issue".

Because I live in the State of Connecticut, my pension is fully taxed by the State. Connecticut is one of only five states in the nation that does this. I paid income tax to the State of Connecticut when I received my paycheck during my teaching years. I contributed 6% of this income to my pension fund. I am now paying income tax on this money again as I am taxed again on my pension checks.

There definitely is a money drain on the State of Connecticut when 26% of retired teacher's pension checks are mailed out of State. The high cost of living is a contributing factor. Lowering taxes on retired teachers' pensions would be a fair and attractive consideration for retirees when choosing where to live and spend their money during their retired years.

While I recognize there is a cost in revenue to implement the Governor's proposal, on the plus side, it will put additional moneys into the State's economy. It will also put the State of Connecticut in a more attractive position to hire the brightest and best educators to work in our public schools. Please follow the Governor's lead and support this "fair issue" proposal, S.B. No. 28.

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