

Joyce Okonuk
First Selectman
Town of Lebanon
Testimony before the Labor Committee
February 27, 2014

**RE: SB-219, An Act Concerning the Municipal Employee Retirement
Contribution Rate**

As First Selectman of the Town of Lebanon, I support SB-219, An Act Concerning the Municipal Employee Retirement Contribution Rate, which will create a more equitable mechanism for funding the Municipal Employee Retirement System.

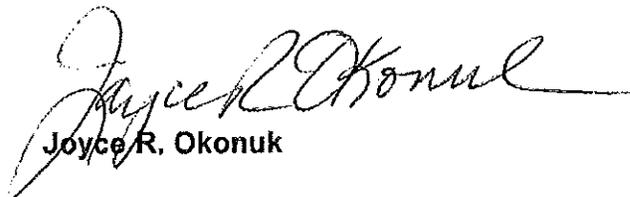
In order to fund the Municipal Employees Retirement System, towns have had to contribute an increasing share of the costs. This imposes a tremendous cost burden on our towns and is unfair to taxpayers.

State aid to municipalities has been flat funded for a number of years although the cost of delivering critical services, such as education and public safety, have increased significantly. We must do something to assist towns in managing costs.

State law caps the municipal employee contribution rate at 2 ¼% of earnings subject to Social Security taxes plus 5% of earnings on which no Social Security tax is paid. Participating municipalities must pick up the remainder of the costs needed to finance the plan. As a result, towns are responsible for an increasing share of municipal pension costs, diverting scarce resources from other essential public services.

Connecticut needs to address concerns with the Municipal Employees Retirement System to ensure that it is a sustainable program for funding pensions.

I urge your support for SB-219.



Joyce R. Okonuk