Testimony of the Connecticut AFL-CIO

Before the Labor and Public Employees Committee

March 3rd, 2015

Senator Gomes, Representative Tercyak and members of the Labor and Public Employees Committee,

We submit this testimony on behalf of the 900 affiliated local unions who represent 200,000 working men and women from every city and town in our great state in support of the following:

H.B. No. 6931 (RAISED) AN ACT CONCERNING NEW MUNICIPAL EMPLOYEES AND THE MUNICIPAL EMPLOYEES RETIREMENT SYSTEM.

We oppose this bill. The aim of this legislation is to reduce the financial burden on municipalities by providing defined contribution retirement plans to new employees instead of a defined benefit plan that is currently offered. Saving for retirement is not only encouraged but in fact is a necessity. When an employee comes to retirement age, our position is that employees should have enough funds to support them throughout their entire retirement. A 401kplan or a defined contribution plan provides only enough to support one leg of the three legged stool for retirement savings along with social security and a defined benefit plan. Reliance of only a defined contribution plan has been proven a failure and we will continue to oppose all legislation deferring defined benefit plans to a defined contribution model.

H.B. No. 6934 (RAISED) AN ACT CONCERNING WAGES PAID TO INDIVIDUALS PROVIDING FOOD, BUILDING, PROPERTY OR EQUIPMENT SERVICES TO MUNICIPALITIES.

We support this bill as a safeguard protecting current employees from regressive wage and benefit reductions. In any municipality, a contract with a new vendor may be awarded providing a cost savings to the municipal entity and the aim of this legislation is to not reduce savings while burdening the worker with unjust reductions of their livelihood.

Respectfully Submitted,

Lori Pelletier

Executive Secretary Treasurer, Connecticut AFL-CIO