

# TOWN of WESTON, CONNECTICUT



Incorporated 1787

Office of the First Selectman

TO: Labor and Public Employees Committee  
FROM: Gayle Weinstein, First Selectman, Weston *GW*  
SUBJECT: Raised Bill 6931  
DATE: March 3, 2015

The proposal to amend this bill by providing for a new tier in CMERS for future municipal employees is long overdue and desperately needed. The Legislature has relieved the State from the pension costs of State employees on numerous occasions (1984, 1997, 2011), but has never extended this relief to municipal employers and tax payers. In fact, the Legislature did quite the opposite in 2001 by imposing substantial enhancements in the benefits of the CMERS plan. This has driven up the cost of municipal participants exponentially, and has rendered the Fund unsustainable in its current configuration.

By any reasonable measure, Towns participating in MERS have absorbed a considerable burden in the past decade as the numbers below indicate. This has directly contributed to a reduction in town services and actual layoffs in order to meet this obligation.

- In 2002, the employer-employee contribution rate was 55% municipality/45% employee. It is now 84% /16% for all non-public safety employees. For Police and Fire, the 2002 contribution ratios were 62%/38%, and are now 88/12%.
- Since 2002, the Town contribution rate has increased four-fold (from 2.75% of payroll for non-public safety personnel to 11.38%; and from 3.75% for public safety personnel to 16.73%.
- Extensive benefit enhancements in MERS were adopted by the legislature in 2001. These include a reduction in the vesting period from 10 years to 5, and an increase in the annual service award from 1.167% per year of service to 1.5%.
- In the 2002-03 fiscal year, Weston's MERS costs totaled \$228,400 or 2.44 % of its total operating budget. In FY2015-16, that number will grow to \$867,000 (7.01% of the Town budget).

The time has come to establish a new tier in CMERS, similar to the Tier III plan that the legislature adopted for its employees in 2011. Thank you for your consideration.