

Chairwoman Osten, Chairman Miller, and Members of the Planning and Development Committee. Please accept my testimony this morning on **Senate Bill 448, "An Act Concerning Retirement Definitions of Municipalities and Participating Municipalities Relating to the Municipal Retirees' Retirement Fund."**

My name is **Richard Pokorski** and for the past 7 years I have been the Benefits Administrator for the City Hartford. Prior to my current position, I was the Pensions and Benefits Manager for the City of New Britain for approximately 10 years. As part of my responsibilities at the City of New Britain, I counseled employees on their pension rights at retirement or termination.

The City of New Britain, like many other Cities, Towns and Authorities, are participants in the State's Municipal Employee Retirement Fund (MERF) administered by the State Comptroller's Office. Employees retiring from this system are guaranteed certain benefits pertaining to vested and retirement pension distributions.

Under General Statute Section 7-438, a former member of the State's municipal retirement system may be re-employed by a "non-participating municipality" and will therefore continue to receive their rightful MERF retirement distribution. Since the two pension systems are mutually exclusive, both financially and administratively, there is no negative impact to the State's Municipal Retirement system or its longevity. An employee may again work in a new position, receive a salary, participate in the new Pension Plan, and still collect their MERF Pension.

Conversely, if a member again accepts full time employment from the same municipality from which he or she retired or any other participating municipality, such member will no longer continue to receive their retirement allowance while employed under the "participating municipality" language.

A "participating municipality" is now, and for the second time, being erroneously interpreted as any City, Town or Authority that maintains a State MERF pension plan alongside another Pension Plan sponsored by the City or Town.

Therefore, if I am a new participant in the "City's" own Pension Plan, but NOT the "State MERF Plan," I am unable to collect my rightful MERF pension because the City or Town also maintains a separate State MERF plan and is considered a "participating municipality."

As I look back on the hundreds of retirements calculated for the City of New Britain, the question most often asked was... "Can I seek new employment at another City or Town and still collect my State MERF pension?"

The answer had always been YES. "As long as you, the State MERF retiree, did not again participate in the State's Municipal Pension System on a full time basis." This had always been the decades old interpretation of the statute.

Reverting yet again to the "new" interpretation is unreasonable for the additional reasons:

- 1) Life changing decisions made by State MERF participants when seeking new employment based upon the current interpretation of the definition of a "participating municipality" will face significant negative financial impact when they plan to receive a MERF pension distribution and then be denied. A change in the rules of the game midstream is simply wrong.
- 2) Such interpretation of the statute applies a "broad brush" approach that doesn't make sense as retirement systems are financially and administratively exclusive. One pension system does not affect the other in terms of administration or contributions by either employees or employers. However, what the new interpretation will accomplish is to deny a benefit that is rightfully owed, and because so, may pose a legal challenge against the State of Connecticut.
- 3) No communication, public or otherwise, has been provided to current MERF participants. Prospective MERF retirees will still assume they may receive their pension distributions as others have in the past, and will continue to make decisions based upon the current interpretation of the statute. Communication of administrative changes is paramount if change is prospective. If change is retroactive, any number of letters or communication pieces will not alleviate the financial hardship that will be shouldered by our current State MERF retirees.

Thank you.

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City of Hartford