



REVOKING PUBLIC EMPLOYEE PENSIONS

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ISSUE

This report describes the law under which a public employee's pension benefits can be reduced or revoked. The Office of Legislative Research is not authorized to issue legal opinions and this report should not be considered as one.

SUMMARY

The law generally allows state courts to revoke or reduce the pension of a state, municipal, or quasi-public agency employee who is (1) convicted of, or pleads guilty or no contest to, certain crimes related to his or her employment and (2) entitled to a pension benefit under the general statutes for service as a public employee ([CGS §§ 1-110 to 1-110d](#)). (It appears that this second condition may limit the law's applicability to public employees entitled to pensions from the state's statutorily defined pension systems, such as the Connecticut Municipal Employees Retirement System, the Teachers' Retirement System, or the State Employees' Retirement System.)

Among other things, the law specifies (1) the factors a court must consider when making its determination, such as the crime's severity and how much public trust the employee held in his or her position, and (2) certain circumstances in which a court cannot revoke or reduce a pension. If a pension is revoked, the employee's contributions to the pension system must be returned, without interest, to the employee once he or she satisfies any judgment or court-ordered restitution related to the crime.

CRIMES RELATED TO EMPLOYMENT

The law requires the attorney general to apply to the Superior Court for an order to revoke or reduce the benefits of public officials or employees (including municipal employees) who, in federal or state court, are convicted of or plead guilty or no contest to:



1. committing or aiding or abetting (a) the embezzlement of public funds from the state, a municipality, or a quasi-public agency or (b) any felonious theft from the state, a municipality, or a quasi-public agency;
2. bribery connected to his or her role as a public official or employee; or
3. any felony committed willfully and with intent to defraud to obtain, or attempt to obtain, an advantage for himself or herself or others through the use or attempted use of his or her office.

The attorney general must notify the prosecutor in these criminal cases of the pension revocation statute and that the pension may be used to pay any fine, restitution, or other court-issued monetary order.

COURT CONSIDERATIONS

When determining whether to revoke or reduce an employee's benefits or payments, the court must consider:

1. the crime's severity;
2. the amount of money the state, municipality, quasi-public agency, or anyone else lost as a result of the crime;
3. the degree of public trust reposed in the defendant by virtue of his or her position;
4. the defendant's role, if the crime was part of a fraudulent scheme against the state or a municipality; and
5. any other factors the court determines that justice requires.

After deciding to reduce a defendant's pension benefits, the court must also consider the needs of an innocent spouse or beneficiary and may order that all or part of the reduced benefits be paid to the spouse or beneficiary.

EXCEPTIONS

Under the law, a court cannot revoke or reduce pension benefits if:

1. it would prohibit or limit payments under a pre-existing qualified domestic relations order (e.g., child support);
2. the IRS determines that the action will negatively affect or invalidate the state's or a municipality's government retirement plans under § 401 (a) of the Internal Revenue Code; or

3. before learning of the criminal investigation, the employee voluntarily cooperated with the state as a whistleblower and provided information about a person more blameworthy for the crime than the employee.

Additionally, the court cannot revoke a pension if it determines that to do so would constitute a unilateral breach of a collective bargaining agreement. Instead, the court may issue an order to reduce the pension by an amount necessary to (1) satisfy any fine, restitution, or other monetary order issued by the criminal court and (2) pay the cost of the official's or employee's incarceration.

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