



General Assembly

Substitute Bill No. 882

January Session, 2019



**AN ACT CONCERNING MUNICIPAL ARBITRATION AND THE
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (a) and (b) of section 7-473c of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2019*):

4 (a) (1) The Labor Commissioner shall appoint a Neutral Arbitrator
5 Selection Committee consisting of ten members, five of whom shall
6 represent the interests of employees and employee organizations and
7 five of whom shall represent the interests of municipal employers,
8 provided one of the members representing the interests of municipal
9 employers shall be a representative of the Connecticut Conference of
10 Municipalities. The members of the selection committee shall serve for
11 a term of four years. Arbitrators may be removed for good cause. [The]

12 (2) Before July 1, 2019, the selection committee shall appoint a panel
13 of neutral arbitrators consisting of not less than twenty impartial
14 persons representing the interests of the public in general to serve as
15 provided in this section. Each member of the panel shall be a resident
16 of the state and shall be selected by a unanimous vote of the selection
17 committee. The members of the panel shall serve for a term of two
18 years, except that the term of any such member appointed before July
19 1, 2019, shall terminate on said date.

20 (3) On and after July 1, 2019, the selection committee shall appoint a
21 panel of neutral arbitrators consisting of not less than ten impartial
22 persons representing the interests of the public in general to serve as
23 provided in this section. Each member of the panel shall be a resident
24 of the state and shall be selected by a unanimous vote of the selection
25 committee. The members of the panel shall serve for a term of five
26 years.

27 (b) (1) If neither the municipal employer nor the municipal
28 employee organization has requested the arbitration services of the
29 State Board of Mediation and Arbitration (A) within one hundred
30 eighty days after the certification or recognition of a newly certified or
31 recognized municipal employee organization required to commence
32 negotiations pursuant to section 7-473a, or (B) within thirty days after
33 the expiration of the current collective bargaining agreement, or within
34 thirty days after the specified date for implementation of reopener
35 provisions in an existing collective bargaining agreement, or within
36 thirty days after the date the parties to an existing collective bargaining
37 agreement commence negotiations to revise said agreement on any
38 matter affecting wages, hours, and other conditions of employment,
39 said board shall notify the municipal employer and municipal
40 employee organization that one hundred eighty days have passed
41 since the certification or recognition of the newly certified or
42 recognized municipal employee organization, or that thirty days have
43 passed since the specified date for implementation of reopener
44 provisions in an existing agreement, or the date the parties
45 commenced negotiations to revise an existing agreement on any matter
46 affecting wages, hours and other conditions of employment or the
47 expiration of such collective bargaining agreement and that binding
48 and final arbitration is now imposed on them, provided written
49 notification of such imposition shall be sent by registered mail or
50 certified mail, return receipt requested, to each party.

51 (2) Within ten days of receipt of the written notification required
52 pursuant to subdivision (1) of this subsection, the chief executive

53 officer of the municipal employer and the executive head of the
54 municipal employee organization each shall select one member of the
55 arbitration panel. Within five days of their appointment, the [two
56 members of the arbitration panel] State Board of Mediation and
57 Arbitration shall select a third member, who shall be an impartial
58 representative of the interests of the public in general and who shall be
59 selected at random from the panel of neutral arbitrators appointed
60 pursuant to subsection (a) of this section. Such third member shall be
61 the chairperson of the panel.

62 (3) In the event that the municipal employer or the municipal
63 employee organization have not selected their respective members of
64 the arbitration panel, [or the two members of the panel have not
65 selected the third member,] the State Board of Mediation and
66 Arbitration shall appoint such members as are needed to complete the
67 panel, provided (A) the member or members so appointed are
68 residents of this state, and (B) the selection of the third member of the
69 panel by the State Board of Mediation and Arbitration shall be made at
70 random from among the members of the panel of neutral arbitrators
71 appointed pursuant to subsection (a) of this section.

72 Sec. 2. Section 7-440 of the general statutes is repealed and the
73 following is substituted in lieu thereof (*Effective July 1, 2019*):

74 (a) Each member shall contribute to the fund five per cent of his pay
75 as to that portion of pay with respect to which contributions are not to
76 be deducted under section 7-453 and two and one-quarter per cent as
77 to that portion of pay with respect to which contributions are to be so
78 deducted, to be deducted from such pay by the municipality and
79 forwarded not less frequently than once a month to the Retirement
80 Commission to be credited to the fund.

81 (b) For the fiscal year beginning July 1, 2019, each member shall
82 contribute to the fund six per cent of such member's pay as to that
83 portion of pay with respect to which contributions are not to be
84 deducted under section 7-453 and three and one-quarter per cent as to

85 that portion of pay with respect to which contributions are to be so
86 deducted from such pay by the municipality and forwarded not less
87 frequently than once a month to the Retirement Commission to be
88 credited to the fund.

89 (c) For the fiscal year beginning July 1, 2020, each member shall
90 contribute to the fund seven per cent of such member's pay as to that
91 portion of pay with respect to which contributions are not to be
92 deducted under section 7-453 and four and one-quarter per cent as to
93 that portion of pay with respect to which contributions are to be so
94 deducted, to be deducted from such pay by the municipality and
95 forwarded not less frequently than once a month to the Retirement
96 Commission to be credited to the fund.

97 (d) For the fiscal year beginning July 1, 2021, each member shall
98 contribute to the fund eight per cent of such member's pay as to that
99 portion of pay with respect to which contributions are not to be
100 deducted under section 7-453 and five and one-quarter per cent as to
101 that portion of pay with respect to which contributions are to be so
102 deducted from such pay by the municipality and forwarded not less
103 frequently than once a month to the Retirement Commission to be
104 credited to the fund.

105 (e) In the case of members serving with the armed forces of the
106 United States in time of war, hostilities or national emergency or any
107 acts incident thereto, as provided in section 7-434, the municipality
108 shall forward to the Retirement Commission to be credited to the fund
109 a like contribution on behalf of such member based upon his pay at the
110 time of entering such service. Any member leaving the employment of
111 the municipality before becoming eligible for retirement may
112 withdraw on request to the Retirement Commission the total of all
113 contributions made by him, including contributions made to another
114 system and transferred to the Municipal Employees' Retirement Fund
115 under the provisions of section 7-442b, less any retroactive
116 contributions payable by such member under section 7-453 to the Old
117 Age and Survivors Insurance System which have been paid from the

118 fund under the provisions of section 7-451, provided, if no request is
119 made within ten years, such contributions shall revert to the fund. The
120 withdrawal of contributions shall include interest credited from July 1,
121 1983, or the first of the fiscal year following the date of actual
122 contribution, whichever is later, to the first of the fiscal year coincident
123 with or preceding the date the employee leaves municipal service.
124 Such interest shall be credited at the rate of five per cent per year. In
125 addition, for the partial year during which the employee leaves
126 municipal service or withdraws his contributions, whichever is later,
127 interest shall be credited at the rate of five-twelfths of one per cent
128 multiplied by the full number of months completed during that year,
129 such interest rate to be applied to the value of contributions including
130 any prior interest credits as of the first day of that year. Any employee
131 who withdraws his contributions from the fund and is subsequently
132 reinstated shall not receive credit for service for such prior
133 employment in the computation of his eventual retirement allowance
134 unless the withdrawn contributions plus interest, if any, have been
135 repaid with additional interest at a rate to be determined by the
136 commission. Any municipality which has made contributions on
137 behalf of any member serving in the armed forces who is not
138 reemployed by the municipality within six months following the
139 termination of such service, unless this period is further extended by
140 reason of disability incurred in such service, shall be entitled to receive
141 from the fund on application to the Retirement Commission the
142 amount of such contributions. Any municipality which has made
143 contributions in accordance with subsection (b) of section 7-436b on
144 behalf of any member who leaves the employment of the municipality
145 and withdraws from the municipal employees' retirement system
146 before becoming eligible for retirement shall be entitled to receive from
147 the fund on application to the Retirement Commission the amount of
148 such contributions. In case of the death of a member before retirement,
149 who has not elected a retirement income option in accordance with the
150 provisions of this part or who has made such election but has not
151 completed the age and service requirements that would permit him to
152 retire on his own application, or after retirement without having made

153 such election, or in case of the death of the survivor of a member who
 154 has made such election and his spouse after a retirement allowance has
 155 become payable, his contributions to the fund plus such five per cent
 156 interest, if any, less any retirement allowance paid to him or his
 157 spouse, and less any retroactive contributions paid by such member to
 158 the Old Age and Survivors Insurance System which have been paid
 159 from the fund under the provisions of section 7-451, shall be paid from
 160 the fund on the order of the Retirement Commission to the beneficiary
 161 or beneficiaries, if any, named by such member. If no named
 162 beneficiaries survive the member, or the survivor of the member and
 163 his spouse, payment shall be made to the executors or administrators
 164 of such member or his spouse, as the case may be, except that, if the
 165 amount is less than five hundred dollars, the refund may be made, at
 166 the option of the Retirement Commission, in accordance with the
 167 terms of section 45a-273.

168 Sec. 3. (*Effective July 1, 2019*) Not later than December 1, 2019, the
 169 Connecticut Advisory Commission on Intergovernmental Relations
 170 established pursuant to section 2-79a of the general statutes, in
 171 consultation with the Connecticut State Employees Retirement
 172 Commission established pursuant to section 5-155a of the general
 173 statutes, shall submit a report to the Secretary of the Office of Policy
 174 and Management. Such report shall contain recommendations
 175 concerning the addition of a new municipal employees' retirement
 176 system membership tier modeled after the state employees retirement
 177 system.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	7-473c(a) and (b)
Sec. 2	<i>July 1, 2019</i>	7-440
Sec. 3	<i>July 1, 2019</i>	New section

PD *Joint Favorable Subst.*