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

1. Strike everything after the enacting clause and substitute the following in lieu thereof:

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 Section 7-440 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

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

(b) For the fiscal year beginning July 1, 2019, each member shall contribute to the fund five and one-half per cent of such member's pay..."
as to that portion of pay with respect to which contributions are not to be deducted under section 7-453 and two and three-quarters per cent as to that portion of pay with respect to which contributions are to be so deducted from such pay by the municipality and forwarded not less frequently than once a month to the Retirement Commission to be credited to the fund.

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

(d) For the fiscal year beginning July 1, 2021, each member shall contribute to the fund six and one-half per cent of such member's pay as to that portion of pay with respect to which contributions are not to be deducted under section 7-453 and three and three-quarters per cent as to that portion of pay with respect to which contributions are to be so deducted from such pay by the municipality and forwarded not less frequently than once a month to the Retirement Commission to be credited to the fund.

(e) For the fiscal year beginning July 1, 2022, each member shall contribute to the fund seven per cent of such member's pay as to that portion of pay with respect to which contributions are not to be deducted under section 7-453 and four and one-quarter per cent as to that portion of pay with respect to which contributions are to be so deducted from such pay by the municipality and forwarded not less frequently than once a month to the Retirement Commission to be credited to the fund.

(f) For the fiscal year beginning July 1, 2023, each member shall contribute to the fund seven and one-half per cent of such member's
pay as to that portion of pay with respect to which contributions are not to be deducted under section 7-453 and four and three-quarters per cent as to that portion of pay with respect to which contributions are to be so deducted from such pay by the municipality and forwarded not less frequently than once a month to the Retirement Commission to be credited to the fund.

(g) For the fiscal year beginning July 1, 2024, and each year thereafter, each member shall contribute to the fund eight per cent of such member's pay as to that portion of pay with respect to which contributions are not to be deducted under section 7-453 and five and one-quarter per cent as to that portion of pay with respect to which contributions are to be so deducted from such pay by the municipality and forwarded not less frequently than once a month to the Retirement Commission to be credited to the fund.

(h) In the case of members serving with the armed forces of the United States in time of war, hostilities or national emergency or any acts incident thereto, as provided in section 7-434, the municipality shall forward to the Retirement Commission to be credited to the fund a like contribution on behalf of such member based upon his pay at the time of entering such service. Any member leaving the employment of the municipality before becoming eligible for retirement may withdraw on request to the Retirement Commission the total of all contributions made by him, including contributions made to another system and transferred to the Municipal Employees' Retirement Fund under the provisions of section 7-442b, less any retroactive contributions payable by such member under section 7-453 to the Old Age and Survivors Insurance System which have been paid from the fund under the provisions of section 7-451, provided, if no request is made within ten years, such contributions shall revert to the fund. The withdrawal of contributions shall include interest credited from July 1, 1983, or the first of the fiscal year following the date of actual contribution, whichever is later, to the first of the fiscal year coincident with or preceding the date the employee leaves municipal service. Such interest shall be credited at the rate of five per cent per year. In
addition, for the partial year during which the employee leaves
municipal service or withdraws his contributions, whichever is later,
interest shall be credited at the rate of five-twelfths of one per cent
multiplied by the full number of months completed during that year,
such interest rate to be applied to the value of contributions including
any prior interest credits as of the first day of that year. Any employee
who withdraws his contributions from the fund and is subsequently
reinstated shall not receive credit for service for such prior
employment in the computation of his eventual retirement allowance
unless the withdrawn contributions plus interest, if any, have been
repaid with additional interest at a rate to be determined by the
commission. Any municipality which has made contributions on
behalf of any member serving in the armed forces who is not
reemployed by the municipality within six months following the
termination of such service, unless this period is further extended by
reason of disability incurred in such service, shall be entitled to receive
from the fund on application to the Retirement Commission the
amount of such contributions. Any municipality which has made
contributions in accordance with subsection (b) of section 7-436b on
behalf of any member who leaves the employment of the municipality
and withdraws from the municipal employees' retirement system
before becoming eligible for retirement shall be entitled to receive from
the fund on application to the Retirement Commission the amount of
such contributions. In case of the death of a member before retirement,
who has not elected a retirement income option in accordance with the
provisions of this part or who has made such election but has not
completed the age and service requirements that would permit him to
retire on his own application, or after retirement without having made
such election, or in case of the death of the survivor of a member who
has made such election and his spouse after a retirement allowance has
become payable, his contributions to the fund plus such five per cent
interest, if any, less any retirement allowance paid to him or his
spouse, and less any retroactive contributions paid by such member to
the Old Age and Survivors Insurance System which have been paid
from the fund under the provisions of section 7-451, shall be paid from
the fund on the order of the Retirement Commission to the beneficiary or beneficiaries, if any, named by such member. If no named beneficiaries survive the member, or the survivor of the member and his spouse, payment shall be made to the executors or administrators of such member or his spouse, as the case may be, except that, if the amount is less than five hundred dollars, the refund may be made, at the option of the Retirement Commission, in accordance with the terms of section 45a-273."

This act shall take effect as follows and shall amend the following sections:

| Section 1 | July 1, 2019 | 7-440 |