
OFA Bill Analysis

SR 6

RESOLUTION PROPOSING APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE OF CONNECTICUT AND THE STATE EMPLOYEES BARGAINING AGENT COALITION (SEBAC).

SUMMARY:

The resolution proposes approval of a memorandum of understanding (MOU) between the State of Connecticut and the State Employees' Bargaining Agent Coalition (SEBAC), which extends the amortization period of the statutory portion of the State Employees' Retirement System's (SERS) unfunded accrued liability (UAL) from 2032 to 2047 to be consistent with the transitional UAL.¹ Provisions 1, 2 and 3(b) of the MOU were previously adopted in 2017 and were incorporated thereafter into SERS' actuarial assumptions. The MOU remains in effect through 2047, the end of the SERS UAL amortization period.

EFFECTIVE DATE: Upon Passage

COMMITTEE ACTION

Appropriations Committee

Senate Favorable

Yea 6 Nay 2 (03/11/2020)

¹SR 7 and HR 8 in 2017 made various funding changes to SERS, including splitting the UAL into two pieces: the statutory UAL and transitional UAL. The transitional UAL's amortization period was extended 15 years, until 2047. The statutory UAL's amortization period was maintained, ending in FY 32. In general, the statutory portion of the UAL is the portion accrued prior to December 31, 1983 and the transitional UAL is the UAL accrued thereafter. As of the June 30, 2019 SERS valuation the statutory UAL represents approximately \$4 billion of the \$22.3 billion UAL.