

# Labor and Public Employees Committee

## JOINT FAVORABLE REPORT

**Bill No.:** SB-352

AN ACT CONCERNING PERMANENT PARTIAL DISABILITY AND PENSION

**Title:** OFFSETS.

**Vote Date:** 3/10/2020

**Vote Action:** Joint Favorable

**PH Date:** 3/5/2020

**File No.:**

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### **SPONSORS OF BILL:**

Labor and Public Employees Committee

### **REASONS FOR BILL:**

Workers who received worker's compensation as the result of injuries received while on the job were having their earned pension benefits reduced.

### **RESPONSE FROM ADMINISTRATION/AGENCY:**

None submitted.

### **NATURE AND SOURCES OF SUPPORT:**

Sal Luciano, President, CT. AFL-CIO: He testified special taxing for pension systems that diminished or eliminated a retiree's rights/benefits due to receipt of worker's compensation for permanent partial disability should be prohibited. Workers sustaining such injuries should not be subjected to reduced pension benefits.

Lt. Ray Lodge, Waterbury Firefighter: In his testimony, he told of responding to an alarm when the brakes of the fire engine failed causing a horrific accident where two of his crew members were killed and he sustained permanent injuries requiring several surgeries and the loss of his ankle and injured foot. He was out of work for 2 years and unable to return as an active firefighter. He was able to work in the department's communication center until he retired after 30 years of service. He received several more surgeries after retirement as a direct result of his 1990 accident. He was eligible to receive Workers' Compensation awards for the additional disabilities but then learned his 30- year pension was off-set by these

awards. There is no justification for the pension he earned after all these years to be reduced because of the Workers' Compensation awards. These are two separate and distinct entities.

Rick Hart, Director, Legislative and Political Affairs, Uniformed Professional Firefighters Association: He said throughout the years, workers of many occupations expect to be justly compensated for injuries sustained while on duty. These are clearly benefits and not wages. When a worker is severely injured and is compelled to retire with a disability pension, it should not be offset by the corresponding permanent Workers' Compensation disability payment. In this way, an employee is actually paying for his own injury which is not the intent of Worker's Compensation. Conversely, if an worker is injured but is able to return to work, it is wrong to have the employee receive 100% of their weekly salary AND 100% of their Worker's Compensation benefits. This should be changed.

#### **NATURE AND SOURCES OF OPPOSITION:**

Betsy Gara, Executive Director, Council of Small Towns: Her testimony said the fiscal note prepared by OFA on a similar bill last year determined the costs to municipalities would be difficult to determine and incorporate into municipal budgets. It is an unfunded mandate that discourages claimants from returning to work because they would be receiving more in Workers' Compensation benefits than they would from their salary. Claimants and their dependents would continue to receive health benefits and collective bargaining agreements between municipal employees and employers would be invalidated. Towns and property taxpayers cannot afford any additional unfunded mandates.

Zachary McKeown, Legislative Associate, CT Conference of Municipalities: He submitted testimony stating the costs associated with the proposal are incalculable and volatile. They support efforts to provide adequate compensation when employees are injured on the job, but this bill creates a system where employees would receive greater compensation while out of work than when they are actually working, creating a financial incentive to remain out of work. They would also be eligible to receive discretionary benefits determined by the Workers Compensation schedule and health benefits. Many provisions agreed in good faith through collective bargaining would be circumvented. This unfunded mandate would have dire fiscal consequences for municipalities.

**Reported by: Marie Knudsen**

**Date: March 28, 2020**