



# Senate

General Assembly

**File No. 74**

February Session, 2022

Substitute Senate Bill No. 212

*Senate, March 22, 2022*

The Committee on Labor and Public Employees reported through SEN. KUSHNER of the 24th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING PERMANENT PARTIAL DISABILITY BENEFITS AND PENSION OFFSETS.***

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

1 Section 1. Section 7-450c of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2022*):

3 (a) Notwithstanding any provision of the general statutes or special  
4 act 01-1, no municipality or special taxing district that provides, as of  
5 July 11, 2007, a pension and retirement system for its officers and  
6 employees and their beneficiaries shall diminish or eliminate any right  
7 or benefit granted to any retiree under such retirement or pension  
8 system that was in effect on the date of such retiree's retirement. The  
9 provisions of this section shall not be construed to prohibit a  
10 municipality or special taxing district from changing the administration  
11 of such retiree's retirement benefits as long as the rights and benefits  
12 provided to such retiree after any change in the administration are at  
13 least equivalent to the rights and benefits provided prior to such change.

14     (b) Notwithstanding any provision of the general statutes or of any  
 15 special act, no municipality or special taxing district that provides a  
 16 pension and retirement system for its officers and employees and their  
 17 beneficiaries shall diminish or eliminate any right or benefit granted to  
 18 any retiree under such retirement or pension system due to permanent  
 19 partial disability benefits received by such retiree in accordance with  
 20 section 31-308 or 31-308a on or after October 1, 2022. Nothing in this  
 21 subsection shall be construed to impair or alter the provisions of any  
 22 collective bargaining agreement in effect before October 1, 2022.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2022	7-450c

**LAB**     *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

Municipalities	Effect	FY 23 \$	FY 24 \$
Various Municipalities	STATE MANDATE <sup>1</sup> - Cost	None	See Below

**Explanation**

The bill will result in a cost to municipalities that offer defined benefit retirement plans for employees by eliminating permanent partial disability settlement offsets from the pension benefit formula. This cost will ultimately be recognized in the actuarially determined employer contribution (ADEC), per each municipality's respective pension system. The bill applies to benefits received after October 1, 2022, and the pension liability related to the bill would not be realized until any subsequent actuarial valuations after the effective date, as permitted by collective bargaining agreements.

To the extent that the bill does not interfere with existing collective bargaining agreements in effect prior to October 1, 2022, the effects of the bill may not be realized until a new agreement goes into effect depending on when current agreements expire, likely after FY 22.

These costs are anticipated to be small relative to each municipality's

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<sup>1</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

total pension contributions.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to changes to municipalities' actuarially determined pension contribution.

**OLR Bill Analysis****sSB 212*****AN ACT CONCERNING PERMANENT PARTIAL DISABILITY BENEFITS AND PENSION OFFSETS.*****SUMMARY**

This bill prohibits municipal or special taxing district pension systems from diminishing or eliminating a retiree's pension rights or benefits under certain circumstances. Specifically, it prohibits this practice when based upon the retiree's receipt, on or after October 1, 2022, of permanent partial disability benefits under the workers' compensation laws for partial incapacity benefits or additional benefits for partial permanent disabilities.

The bill specifies that the prohibition (1) applies regardless of any state law or special act and (2) does not impair or alter the provisions of any collective bargaining agreement in effect before October 1, 2022.

EFFECTIVE DATE: October 1, 2022

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 10 Nay 3 (03/10/2022)