



Senate

General Assembly

File No. 618

February Session, 2022

Senate Bill No. 442

Senate, April 25, 2022

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT INCREASING THE AMOUNT OF THE TEACHERS' RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY.

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

1 Section 1. Subsection (c) of section 10-183t of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2022*):

4 (c) (1) On and after July 1, 2000, the board shall pay a subsidy equal
5 to the subsidy paid in the fiscal year ending June 30, 2000, to the board
6 of education or to the state, if applicable, on behalf of any member who
7 is receiving retirement benefits or a disability allowance from the
8 system, the spouse of such member, the surviving spouse of such
9 member, or a disabled dependent of such member if there is no spouse
10 or surviving spouse, who is participating in a health insurance plan
11 maintained by a board of education or by the state, if applicable. Such
12 payment shall not exceed the actual cost of such insurance.

13 (2) With respect to any person participating in any such plan

14 pursuant to subsection (b) of this section, the state shall appropriate to
 15 the board one-third of the cost of the subsidy, except that, for the fiscal
 16 year ending June 30, 2013, the state shall appropriate twenty-five per
 17 cent of the cost of the subsidy. On and after July 1, 2018, for the fiscal
 18 year ending June 30, 2019, and for each fiscal year thereafter, fifty per
 19 cent of the total amount appropriated by the state in each such fiscal
 20 year for the state's share of the cost of such subsidies shall be paid to the
 21 board on or before July first of such fiscal year, and the remaining fifty
 22 per cent of such total amount shall be paid to the board on or before
 23 December first of such fiscal year.

24 (3) No payment to a board of education pursuant to this subsection
 25 may be used to reduce the amount of any premium payment on behalf
 26 of any such member, spouse, surviving spouse, or disabled dependent,
 27 made by such board pursuant to any agreement in effect on July 1, 1990.

28 (A) On and after July 1, 2012, but prior to July 1, 2022, the board shall
 29 pay a subsidy of two hundred twenty dollars per month on behalf of the
 30 member, spouse or the surviving spouse of such member who: [(A)] (i)
 31 Has attained the normal retirement age to participate in Medicare, [(B)]
 32 (ii) is not eligible for Medicare Part A without cost, and [(C)] (iii)
 33 contributes at least two hundred twenty dollars per month towards his
 34 or her medical and prescription drug plan provided by the board of
 35 education.

36 (B) On and after July 1, 2022, the board shall pay a subsidy of three
 37 hundred fifty dollars per month on behalf of the member, spouse or the
 38 surviving spouse of such member who: (i) Has attained the normal
 39 retirement age to participate in Medicare, (ii) is not eligible for Medicare
 40 Part A without cost, and (iii) contributes at least three hundred fifty
 41 dollars per month towards his or her medical and prescription drug
 42 plan provided by the board of education.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	10-183t(c)

FIN *Joint Favorable*

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:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Teachers' Retirement Bd.	GF - Cost	Approximately 600,000	Approximately 600,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which increases, from \$220 to \$350, the per person monthly municipal health insurance subsidy provided by the Teachers' Retirement Board (TRB) to eligible retirees and their dependents, results in an estimated cost of approximately \$600,000 in FY 23.

The TRB municipal health insurance subsidy account funds the state's one-third share of the TRB municipal subsidy cost. The remaining two-thirds of the cost of the increased subsidy is funded by the Teachers' Health Insurance Fund that is supported by active teachers' contributions of 1.25% of salary.

sHB 5037, the revised FY 23 budget bill, as favorably reported by the Appropriations Committee, appropriated \$4.74 million to double the two TRB municipal health insurance subsidies: from \$110 to \$220 per monthly for most eligible members and from \$220 to \$440 per month for members who are 65 or older, not Medicare eligible and paying more than \$440 per month for health insurance.

The Out Years

The annualized fiscal impact identified above would continue subject participation and legislative action.

OLR Bill Analysis**SB 442*****AN ACT INCREASING THE AMOUNT OF THE TEACHERS' RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY.*****SUMMARY**

This bill increases, from \$220 to \$350 per person, the monthly health insurance subsidy under the Teachers' Retirement System (TRS) for certain retired teachers, and their spouses or surviving spouses, who receive health insurance coverage from the retiree's last employing board of education. The TRS pays the subsidy on behalf of the retiree to the board of education.

Under current law, to qualify for this subsidy, the retiree must (1) be normal age to participate in Medicare (currently, age 65); (2) not be eligible for Part A of Medicare without cost; and (3) contribute at least \$220 towards his or her medical and prescription drug plan provided by the board of education. Retirees are responsible for paying the difference between the subsidy and the premium cost.

The bill maintains the same conditions for this coverage, except under the bill the retiree must contribute \$350 towards his or her medical and prescription drug plan.

EFFECTIVE DATE: July 1, 2022

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 51 Nay 0 (04/06/2022)