



General Assembly

Amendment

January Session, 2023

LCO No. 8264



Offered by:
REP. HORN, 64th Dist.

To: House Bill No. 6930

File No. 693

Cal. No. 465

"AN ACT CONCERNING THE DEVELOPMENT OF BEST PRACTICES FOR GOVERNANCE STRUCTURES OF MUNICIPAL RETIREMENT PLANS."

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

3 "Section 1. Section 7-425 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective from passage*):

5 The following words and phrases as used in this part, except as
6 otherwise provided, shall have the following meanings:

7 (1) "Municipality" means any town, city, borough, school district,
8 regional school district, taxing district, fire district, district department
9 of health, probate district, housing authority, regional workforce
10 development board established under section 31-3k, regional
11 emergency telecommunications center, tourism district established
12 under section 10-397, flood commission or authority established by
13 special act or regional council of governments;

14 (2) "Participating municipality" means any municipality that has
15 accepted this part, as provided in section 7-427;

16 (3) "Legislative body" means, for towns having a town council, the
17 council; for other towns, the selectmen; for cities, the common council
18 or other similar body of officials; for boroughs, the warden and
19 burgesses; for regional school districts, the regional board of education;
20 for district departments of health, the board of the district; for probate
21 districts, the judge of probate; for regional councils of governments, the
22 council; for regional emergency telecommunications centers, a
23 representative board; for tourism districts, the board of directors of such
24 tourism district; and in all other cases the body authorized by the
25 general statutes or by special act to make ordinances for the
26 municipality;

27 (4) "Retirement Commission" means the State Retirement
28 Commission created by chapter 66;

29 (5) "Member" means any regular employee or elective officer
30 receiving pay from a participating municipality, and any regular
31 employee of a free public library that receives part or all of its income
32 from municipal appropriation, who has been included by such
33 municipality in the pension plan as provided in section 7-427, but shall
34 not include any person who customarily works less than twenty hours
35 a week if such person entered employment after September 30, 1969,
36 any police officer or firefighter who will attain the compulsory
37 retirement age after less than five years of continuous service in fund B,
38 any teacher who is eligible for membership in the state teachers
39 retirement system, any person eligible for membership in any pension
40 system established by or under the authority of any special act or of a
41 charter adopted under the provisions of chapter 99, or any person
42 holding a position funded in whole or in part by the federal government
43 as part of any public service employment program, on-the-job training
44 program or work experience program, provided persons holding such
45 federally funded positions on July 1, 1978, shall not be excluded from
46 membership but may elect to receive a refund of their accumulated

47 contributions without interest;

48 (6) "Pay" means the salary, wages or earnings of an employee,
49 including any payments received pursuant to chapter 568 and the
50 money value as determined by the Retirement Commission of any
51 board, lodging, fuel or laundry provided for such employee by the
52 municipality but not including any fees or allowances for expenses;

53 (7) "Fund" and "fund B" means the Connecticut Municipal
54 Employees' Retirement Fund B;

55 (8) "Continuous service" and "service" means active service as a
56 member, or active service prior to becoming a member if such service
57 (A) was in a department for which participation was subsequently
58 accepted and not subsequently withdrawn, (B) was continuous to the
59 date of becoming a member except service for which credit is granted
60 pursuant to section 7-436a, and (C) would have been as a member if the
61 department had then been participating, all subject to the provisions of
62 section 7-434;

63 (9) "Active service" means service with a participating municipality
64 for which a member makes contributions pursuant to section 7-440;

65 (10) "Aggregate service" means active service plus any other form of
66 service for which a member obtains credit under sections 7-427b, 7-436b,
67 7-442a and 7-442b;

68 [(9)] (11) "System" means the Old Age and Survivors Insurance
69 System under Title II of the Social Security Act, as amended;

70 [(10)] (12) "Social Security Act" means the Act of Congress, approved
71 August 14, 1935, Chapter 531, 49 Stat. 620, officially cited as the Social
72 Security Act, including regulations and requirements issued pursuant
73 thereto, as such act has been and may from time to time be amended;

74 [(11)] (13) "Regional emergency telecommunications center" means
75 any entity authorized by the Department of Emergency Services and
76 Public Protection as a public safety answering point responsible for the

77 receipt and processing of 9-1-1 calls for at least three municipalities.

78 Sec. 2. Section 7-436 of the general statutes is repealed and the
79 following is substituted in lieu thereof (*Effective from passage*):

80 (a) After retirement, in accordance with the provisions of this part [,
81 each member of fund B] and except as provided in subsection (g) of this
82 section, each member of the municipal employees' retirement system
83 who is not covered by the Old Age and Survivors Insurance System
84 shall receive, during such member's lifetime, a retirement allowance
85 payable in monthly installments at an annual rate equal to [the sum of
86 (1) and (2) as follows: (1) To the extent that such member's average
87 annual rate of pay for the last ten years of service, including service
88 credited under the provisions of sections 7-442a and 7-442b, is derived
89 from pay with respect to which contributions have been deducted under
90 section 7-453 or would have been deducted had such member been
91 included in such system during the entire ten years, one-twelfth of one
92 and one-sixth per cent of such average annual pay, multiplied by the
93 number of months of such member's service; (2) to the extent that such
94 member's average annual rate of pay for the three highest-paid years of
95 service exceeds the average obtained in subdivision (1) of this
96 subsection, one-twelfth of two per cent of such average annual pay,
97 multiplied by the number of months of such member's service; provided
98 such] one-twelfth of two per cent of the member's average annual pay
99 for the three highest-paid years of service, multiplied by the number of
100 months of such member's aggregate service.

101 (b) After retirement, in accordance with the provisions of this part
102 and except as provided in subsection (h) of this section, each member of
103 the municipal employees' retirement system who (1) is covered by the
104 Old Age and Survivors Insurance System, (2) retires before attaining the
105 age at which such member first becomes eligible to receive Social
106 Security benefits, and (3) who has not qualified for a Social Security
107 disability award, shall receive, until such member attains such age or
108 qualifies for a Social Security disability award, if earlier, a retirement
109 allowance payable in monthly installments at an annual rate equal to

110 one-twelfth of two per cent of the member's average annual pay for the
111 three highest-paid years of service, multiplied by the number of months
112 of such member's aggregate service.

113 (c) On and after January 1, 2002, except as provided in subsection (h)
114 of this section, the following formula shall be used for the purpose of
115 calculating the monthly allowance of each member covered by the Old
116 Age and Survivors Insurance System on the first of the month after such
117 member attains the age at which such member first becomes eligible to
118 receive Social Security benefits or qualifies for a Social Security
119 disability award, if earlier: One-twelfth of one and one-half per cent of
120 such member's average annual pay for the three highest-paid years of
121 service up to the breakpoint for the year in which such member
122 separated from service, plus one-twelfth of two per cent of such
123 member's final average annual pay in excess of the breakpoint for the
124 year in which such member separated from service, multiplied by such
125 member's years of retirement credit and fractions thereof. Such
126 allowance shall be reduced in recognition of any optional form of
127 retirement income elected in accordance with section 7-439g. For the
128 purposes of this section, "breakpoint" has the same meaning as "year's
129 breakpoint" in section 5-192f.

130 (d) Notwithstanding the provisions of subsections (a) to (c), inclusive,
131 of this section, the retirement allowance for permanent and total
132 disability arising out of and in the course of such member's
133 employment, as defined in the Workers' Compensation Act, shall not be
134 less than one-twelfth of one-half of the member's annual pay at the time
135 such member's disability was incurred. Any amount or amounts
136 received under the Workers' Compensation Act shall be deducted from
137 such allowance, except that any member who has received a specific
138 indemnity award under section 31-307 or 31-308 shall not have the
139 amount of such indemnity award deducted from such member's
140 allowance. The retirement allowance [herein] provided under this
141 subsection shall be reduced by the amount of any retirement allowance
142 concurrently payable under the provisions of section 7-431, and by the
143 amount of any retirement allowance concurrently payable by the state

144 employees' retirement system or the retirement system of any
 145 municipality not participating under the provisions of this part, on
 146 account of a period of service for which credit has been transferred to
 147 the Municipal Employees' Retirement Fund under the provisions of
 148 section 7-442b, or the monthly equivalent thereof if payable other than
 149 monthly. No retirement allowances under this section, before the
 150 reduction prescribed in the preceding sentence plus workers'
 151 compensation payments and benefits under the Old Age and Survivors
 152 Insurance System on account of service in a participating municipality,
 153 if any, shall exceed one-twelfth of the member's average annual pay
 154 during the three highest-paid years of municipal service, and, subject to
 155 the foregoing maximum limit, no such allowance plus payments shall
 156 be less than one thousand dollars annually.

157 [(b)] (e) Each employee or spouse of a deceased employee retired
 158 under the Municipal Employees' Retirement Act Fund B prior to July 1,
 159 1971, shall be entitled, in addition to his or her original monthly
 160 retirement allowance, to an additional cost of living monthly allowance
 161 computed on the basis of his or her monthly retirement allowance, less
 162 any prior cost of living increases to which he or she was previously
 163 entitled, using the table in subdivision (1) of this subsection.

164 (1) Such cost of living allowances shall commence on July 1, 1973, and
 165 shall be computed at the rates set forth in the following table:

T1	Fiscal Year	
T2	Of Retirement Year	Rates %
T3	Ending June 30 th	Of Increase
T4	1949	40.0
T5	1950	42.7
T6	1951	41.2
T7	1952	33.9
T8	1953	30.9
T9	1954	30.4
T10	1955	30.0
T11	1956	30.4
T12	1957	28.3

T13	1958	24.8
T14	1959	21.9
T15	1960	21.1
T16	1961	19.5
T17	1962	18.1
T18	1963	16.8
T19	1964	15.1
T20	1965	14.6
T21	1966	14.1
T22	1967	12.9
T23	1968	6.0
T24	1969	4.0
T25	1970	4.0
T26	1971	4.0

166 (2) The limitation of the maximum retirement allowance provided in
 167 subsection (a) of this section shall not be applicable to increases under
 168 this subsection.

169 [(c) Each retired member of fund B shall have his allowance increased
 170 to the amount which would be payable based on his annual rate of pay
 171 for the three highest-paid years of service.]

172 [(d)] (f) For purposes of determining eligibility for retirement benefits
 173 for part-time employees under this section, a member's part-time service
 174 shall be payable to a member whose service consists solely of part-time
 175 service without variation in the number of hours worked during all
 176 periods of his municipal service, such member's service shall be treated
 177 as full-time service. For purposes of computing the retirement benefit
 178 payable to a member whose service consists of part-time and full-time
 179 service or whose service consists of part-time service rendered in
 180 different proportions to a full-time schedule, such member's years of
 181 service and average salary shall be proportionately adjusted to produce
 182 a retirement benefit equivalent to that payable if his service had been
 183 rendered at an unvarying rate. As used in this subsection, "part-time
 184 service" means service by a member who customarily works less than a
 185 full-time schedule but no less than twenty hours per week.

186 [(e) On and after January 1, 2002, the following formula shall be used
187 for the purpose of calculating the monthly allowance of each member
188 covered by the Old Age and Survivors Insurance System on the first of
189 the month after such member becomes eligible for Social Security or
190 until such member qualifies for a Social Security disability award, if
191 earlier: One-twelfth of one and one-half per cent of such member's final
192 average pay up to the breakpoint for the year in which such member
193 separated from service plus two per cent of such member's final average
194 pay in excess of the breakpoint for the year in which such member
195 separated from service, multiplied by such member's years of retirement
196 credit and fractions thereof. Such allowance shall be reduced in
197 recognition of any optional form of retirement income elected in
198 accordance with section 7-439g. For the purposes of this subsection,
199 "breakpoint" has the same meaning as "year's breakpoint" in subsection
200 (a) of section 5-192f.]

201 (g) (1) The provisions of this subsection shall apply only to members
202 of the municipal employees' retirement system who (A) are not covered
203 by the Old Age and Survivors Insurance System, and (B) retire on or
204 after July 1, 2025, after (i) attaining the age of sixty years and completing
205 at least thirty years of aggregate service, or (ii) attaining the age of fifty-
206 five years and completing at least twenty-seven years of active service
207 as a member of a paid municipal fire department or as a regular member
208 of a paid municipal police department.

209 (2) The monthly allowance for each such member shall be equal to
210 the sum of subparagraphs (A) and (B) of this subdivision as follows: (A)
211 One-twelfth of two per cent of such member's average annual pay for
212 the three highest-paid years of service, multiplied by three hundred
213 sixty or, for a member of a municipal fire or police department, by three
214 hundred twenty-four; and (B) one-twelfth of two and two-tenths per
215 cent of such member's average annual pay for the three highest-paid
216 years of service, multiplied by the number of months of the member's
217 aggregate service in excess of three hundred sixty or, for a member of a
218 municipal fire or police department, in excess of three hundred twenty-
219 four.

220 (h) (1) The provisions of this subsection shall apply only to members
221 of the municipal employees' retirement system who (A) are covered by
222 the Old Age and Survivors Insurance System, and (B) retire on or after
223 July 1, 2025, after (i) attaining the age of sixty years and completing at
224 least thirty years of aggregate service, or (ii) attaining the age of fifty-
225 five years and completing at least twenty-seven years of active service
226 as a member of a paid municipal fire department or as a regular member
227 of a paid municipal police department.

228 (2) For a member who retires before attaining the age at which such
229 member first becomes eligible to receive Social Security benefits and
230 who has not qualified for a Social Security disability award, the monthly
231 allowance for each such member until such member attains such age or
232 qualifies for a Social Security disability award, if earlier, shall be equal
233 to the sum of subparagraphs (A) and (B) of this subdivision as follows:
234 (A) One-twelfth of two per cent of such member's average annual pay
235 for the three highest-paid years of service, multiplied by three hundred
236 sixty or, for a member of a municipal fire or police department, by three
237 hundred twenty-four; and (B) one-twelfth of two and two-tenths per
238 cent of such member's average annual pay for the three highest-paid
239 years of service, multiplied by the number of months of the member's
240 aggregate service in excess of three hundred sixty or, for a member of a
241 municipal fire or police department, in excess of three hundred twenty-
242 four.

243 (3) For a member who attains the age at which such member first
244 becomes eligible to receive Social Security benefits or qualifies for a
245 Social Security disability award, if earlier, the monthly allowance for
246 each such member shall be equal to the sum of subparagraphs (A) and
247 (B) of this subdivision as follows: (A) One-twelfth of one and one-half
248 per cent of such member's average annual pay for the three highest-paid
249 years of service up to the breakpoint for the year in which such member
250 separated from service, plus one-twelfth of two per cent of such
251 member's average annual pay for the three highest-paid years of service
252 in excess of the breakpoint for the year in which such member separated
253 from service, multiplied by three hundred sixty or, for a member of a

254 municipal fire or police department, by three hundred twenty-four; and
255 (B) one-twelfth of one and seven-tenths per cent of such member's
256 average annual pay for the three highest-paid years of service up to the
257 breakpoint for the year in which such member separated from service,
258 plus one-twelfth of two and two-tenths per cent of such member's
259 average annual pay for the three highest-paid years of service in excess
260 of the breakpoint for the year in which such member separated from
261 service, multiplied by the number of months of the member's aggregate
262 service in excess of three hundred sixty or, for a member of a municipal
263 fire or police department, in excess of three hundred twenty-four.

264 Sec. 3. Section 7-439b of the general statutes is repealed and the
265 following is substituted in lieu thereof (*Effective from passage*):

266 (a) On July 1, 1986, and on July first of each subsequent year the State
267 Retirement Commission shall adjust the retirement allowance of each
268 member of the Municipal Employees' Retirement Fund and any
269 annuitant who is receiving benefits under the provisions of this part to
270 include a cost of living increase. There shall be an annual actuarial
271 determination of the increase by determining the annual yield on the
272 assets of the fund. In determining the yield, the actuary shall use an
273 adjusted asset value, such that the market values of assets are adjusted
274 to recognize a portion of realized and unrealized gains or losses each
275 year until fully recognized. The amount of the increase, as a percentage
276 of retirement allowance, shall be the excess of the annual yield over a
277 six per cent yield, provided no increase granted under the provisions of
278 this section shall be less than three per cent nor more than five per cent.
279 Each such member shall receive the increases beginning on the first July
280 first following the member's sixty-fifth birthday. Each such annuitant
281 shall receive the increases beginning on the first July first following the
282 date the deceased member would have reached the age of sixty-five.
283 Any member who retired for disability under the provisions of section
284 7-432 shall receive the increases beginning July 1, 1986.

285 (b) (1) Notwithstanding any provision of the general statutes: [, each]

286 (A) Each member of the Municipal Employees' Retirement Fund who
287 retires prior to January 1, 2002, and has not attained age sixty-five shall
288 receive on July 1, 2002, and on July first of each subsequent year a cost
289 of living increase equal to two and one-half per cent. In the event that a
290 member who retires prior to January 1, 2002, becomes deceased, such
291 cost of living increase shall be applied to the allowance of the annuitant,
292 if any. The cost of living increase provided for in this subsection shall
293 continue until the July first following the member's sixty-fifth birthday,
294 at which point the formula set forth in subsection (a) of this section shall
295 become operative;

296 (B) Each member of the Municipal Employees' Retirement Fund who
297 retires on or after January 1, 2002, and prior to July 1, 2025, shall receive
298 a cost of living increase beginning on the first July first following such
299 member's retirement date and on each subsequent July first. Such
300 increase shall be not less than two and one-half per cent and not more
301 than six per cent, based upon the following formula: Sixty per cent of
302 the annual increase in the consumer price index for urban wage earners
303 and clerical workers for the immediately preceding twelve-month
304 period up to six per cent, plus seventy-five per cent of the annual
305 increase in such index for the same period over six per cent. In the event
306 a member who retires on or after January 1, 2002, and prior to July 1,
307 2025, becomes deceased, such cost of living adjustment shall be applied
308 to the allowance of the annuitant, if any; [.]

309 (C) Each member of the Municipal Employees' Retirement Fund who
310 retires on or after July 1, 2025, and prior to July 1, 2026, shall receive a
311 cost of living adjustment beginning on the first July first following the
312 completion of twelve months of retirement and on each subsequent July
313 first. Such increase shall be not less than two per cent and not more than
314 seven and one-half per cent, based upon the following formula: Sixty
315 per cent of the annual increase in the consumer price index for urban
316 wage earners and clerical workers for the immediately preceding
317 twelve-month period up to six per cent, plus seventy-five per cent of the
318 annual increase in such index for the same period over six per cent. In
319 the event a member who retires on or after January 1, 2025, and prior to

320 July 1, 2026, becomes deceased, such cost of living adjustment shall be
321 applied to the allowance of the annuitant, if any;

322 (D) Each member of the Municipal Employees' Retirement Fund who
323 retires on or after July 1, 2026, and prior to July 1, 2027, shall receive a
324 cost of living adjustment beginning on the first July first following the
325 completion of twelve months of retirement and on each subsequent July
326 first. Such increase shall be not less than one and one-half per cent and
327 not more than seven and one-half per cent, based upon the following
328 formula: Sixty per cent of the annual increase in the consumer price
329 index for urban wage earners and clerical workers for the immediately
330 preceding twelve-month period up to six per cent, plus seventy-five per
331 cent of the annual increase in such index for the same period over six
332 per cent. In the event a member who retires on or after January 1, 2026,
333 and prior to July 1, 2027, becomes deceased, such cost of living
334 adjustment shall be applied to the allowance of the annuitant, if any;

335 (E) Each member of the Municipal Employees' Retirement Fund who
336 retires on or after July 1, 2027, and prior to July 1, 2028, shall receive a
337 cost of living adjustment beginning on the first July first following the
338 completion of twelve months of retirement and on each subsequent July
339 first. Such increase shall be not less than one per cent and not more than
340 seven and one-half per cent, based upon the following formula: Sixty
341 per cent of the annual increase in the consumer price index for urban
342 wage earners and clerical workers for the immediately preceding
343 twelve-month period up to six per cent, plus seventy-five per cent of the
344 annual increase in such index for the same period over six per cent. In
345 the event a member who retires on or after January 1, 2027, and prior to
346 July 1, 2028, becomes deceased, such cost of living adjustment shall be
347 applied to the allowance of the annuitant, if any;

348 (F) Each member of the Municipal Employees' Retirement Fund who
349 retires on or after July 1, 2028, and prior to July 1, 2029, shall receive a
350 cost of living adjustment beginning on the first July first following the
351 completion of twelve months of retirement and on each subsequent July
352 first. Such increase shall be not less than one-half per cent and not more

353 than seven and one-half per cent, based upon the following formula:
354 Sixty per cent of the annual increase in the consumer price index for
355 urban wage earners and clerical workers for the immediately preceding
356 twelve-month period up to six per cent, plus seventy-five per cent of the
357 annual increase in such index for the same period over six per cent. In
358 the event a member who retires on or after January 1, 2028, and prior to
359 July 1, 2029, becomes deceased, such cost of living adjustment shall be
360 applied to the allowance of the annuitant, if any;

361 (G) Each member of the Municipal Employees' Retirement Fund who
362 retires on or after July 1, 2029, shall receive a cost of living adjustment
363 beginning on the first July first following the completion of twelve
364 months of retirement and on each subsequent July first. If the national
365 consumer price index for urban wage earners and clerical workers
366 increases by two per cent or less for the twelve-month period
367 immediately preceding any such adjustment, such adjustment shall
368 equal the actual percentage change in such index. If the national
369 consumer price index for urban wage earners and clerical workers
370 increases by more than two per cent for the twelve-month period
371 immediately preceding any such adjustment, such adjustment shall be
372 equal to the higher of (1) two per cent, or (2) sixty per cent of the amount
373 of such increase for the first six per cent plus seventy-five per cent of the
374 amount of such increase over six per cent, provided any such
375 adjustment shall not exceed seven and one-half per cent. In the event a
376 member who retires on or after July 1, 2029, becomes deceased, such cost
377 of living adjustment shall be applied to the allowance of the annuitant,
378 if any.

379 (2) The provisions of this subsection do not apply to members who
380 retired under the provisions of section 7-432.

381 [(c) Notwithstanding any provision of the general statutes, each
382 member of the Municipal Employees' Retirement Fund who retires prior
383 to January 1, 2002, and has not attained age sixty-five shall receive on
384 July 1, 2002, and on July first of each subsequent year a cost of living
385 increase equal to two and one-half per cent. In the event that a member

386 who retires prior to January 1, 2002, becomes deceased, such cost of
387 living increase shall be applied to the allowance of the annuitant, if any.
388 The cost of living increase provided for in this subsection shall continue
389 until the July first following the member's sixty-fifth birthday, at which
390 point the formula set forth in subsection (a) of this section shall become
391 operative. The provisions of this subsection do not apply to members
392 who retired under the provisions of section 7-432.]

393 Sec. 4. Section 7-439d of the general statutes is repealed and the
394 following is substituted in lieu thereof (*Effective from passage*):

395 The limitation of the maximum retirement allowance provided in
396 subsection [(a)] (d) of section 7-436, as amended by this act, shall not be
397 applicable to increases under sections 7-439b, as amended by this act,
398 [to 7-439d, inclusive] and 7-439c.

399 Sec. 5. Section 7-459b of the general statutes is repealed and the
400 following is substituted in lieu thereof (*Effective from passage*):

401 (a) On or after July 1, [2000] 2025, the Retirement Commission may
402 create a deferred retirement option plan and prescribe the manner in
403 which such option plan may be [adopted] offered to members by a
404 municipality participating in the Municipal Employees' Retirement
405 Fund. [, provided the method of adoption is in accordance with
406 subsection (c) of this section. If created, such plan] Any plan created
407 shall permit members of the Municipal Employees' Retirement Fund
408 who are eligible for a service retirement allowance to elect participation
409 in such plan. [, provided such plan has been adopted by the
410 participating municipality that employs such member.]

411 (b) [The] Any deferred retirement option plan created shall include a
412 fixed period of time for member participation, not to exceed five years,
413 and a specified rate of interest credit for member accounts. All other
414 provisions of the deferred retirement option plan shall be as determined
415 by the Retirement Commission, provided the structure of such plan is
416 certified by the consulting actuary to the Municipal Employees'
417 Retirement Fund as having no anticipated impact [on] that would

418 increase the contribution rates for municipalities participating in said
419 fund. Not later than four years after the creation of such plan, the
420 Retirement Commission shall obtain an evaluation of such plan from
421 the consulting actuary and review and assess such evaluation to
422 determine the cost to the fund associated with such plan. After receiving
423 such evaluation, the Retirement Commission may discontinue such
424 plan.

425 [(c) Any municipality participating in the Municipal Employees'
426 Retirement Fund shall have the option of adopting the deferred option
427 plan for its members. Such adoption shall be in a manner prescribed by
428 the Retirement Commission.]

429 Sec. 6. (*Effective from passage*) (a) Not later than September 1, 2023,
430 each municipality shall provide to the Comptroller, in a form and
431 manner prescribed by the Comptroller, for each retirement plan offered
432 by such municipality: (1) A statement of whether the municipality has
433 formally adopted an investment policy statement and if so, a copy of
434 such statement; (2) summary plan documents for the previous five fiscal
435 years, except that a municipality need not include such documents for a
436 fiscal year for which there were no changes to such plan or documents;
437 (3) the five most recent actuarial valuations; (4) the form and governance
438 structure of the municipal entity, if any, that provides management or
439 oversight of the plan; (5) whether the municipality uses a third-party
440 advisor or administrator to provide management or oversight of the
441 plan; and (6) the estimated fees paid by the municipality in each of the
442 previous five fiscal years for investments under the plan.

443 (b) The Comptroller, the Treasurer and the Secretary of the Office of
444 Policy and Management shall jointly develop best practices for
445 governance structures of municipal retirement plans and shall, not later
446 than July 1, 2024, jointly submit a report, in accordance with the
447 provisions of section 11-4a of the general statutes, to the joint standing
448 committee of the General Assembly having cognizance of matters
449 relating to finance, revenue and bonding and local governments. Such
450 report shall include, but need not be limited to, (1) a summary of the

451 current governance structures and management arrangements used by
 452 municipalities for their municipal retirement plans and the estimated
 453 fees paid by municipalities for investments under the plans, (2) the best
 454 practices developed under this subsection and any recommendations
 455 for legislative changes to assist municipalities with implementing or
 456 utilizing such best practices, and (3) recommendations on how the state
 457 can partner with municipalities to improve the management of
 458 municipal retirement plans, reduce fees for investments made under the
 459 plans and increase the rate of return to municipalities."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	7-425
Sec. 2	<i>from passage</i>	7-436
Sec. 3	<i>from passage</i>	7-439b
Sec. 4	<i>from passage</i>	7-439d
Sec. 5	<i>from passage</i>	7-459b
Sec. 6	<i>from passage</i>	New section