



Senate

General Assembly

File No. 219

February Session, 2024

Substitute Senate Bill No. 341

Senate, April 3, 2024

The Committee on Public Safety and Security reported through SEN. GASTON of the 23rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ESTABLISHING A FALLEN OFFICER FUND AND PROVIDING HEALTH INSURANCE COVERAGE TO SURVIVORS OF A POLICE OFFICER KILLED IN THE LINE OF DUTY.

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

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this
2 section:

3 (1) "Dependent child" means a child, whether by blood or adoption,
4 of a police officer who (A) is under the age of twenty-two and was
5 dependent on the earnings of such officer at the time of such officer's
6 death, provided a child shall not be considered dependent if such child
7 provides more than half of such child's own support, is married or is
8 legally adopted by another person, or (B) is any age and is physically or
9 mentally incapacitated and was dependent on the earnings of such
10 officer at the time of such officer's death.

11 (2) "Killed in the line of duty" means the death of a police officer while
12 engaged in the performance of such officer's duties, resulting from an

13 incident, an accident or violence that caused such death or caused
14 injuries that were the direct or proximate cause of such officer's death,
15 including any death that is determined to be occupationally related by
16 a workers' compensation insurance carrier, an employer to whom a
17 certificate of self-insurance has been issued pursuant to section 31-248
18 of the general statutes or an administrative law judge for workers'
19 compensation purposes under chapter 568 of the general statutes.
20 "Killed in the line of duty" does not include the death of a police officer
21 through such officer's own wanton or wilful act.

22 (3) "Law enforcement unit" has the same meaning as provided in
23 section 7-294a of the general statutes.

24 (4) "Police officer" has the same meaning as provided in section 7-
25 294a of the general statutes.

26 (5) "Surviving family" means any person who is a surviving spouse,
27 surviving dependent child, surviving child who is not a dependent child
28 or surviving parent of a police officer killed in the line of duty, or a
29 surviving individual listed on such officer's most recent beneficiary
30 form on file with such officer's employing law enforcement unit.

31 (b) There is established a fund to be known as the "Fallen Officer
32 Fund". The fund may contain any moneys required by law to be
33 deposited in the fund and shall be held by the Treasurer separate and
34 apart from all other moneys, funds and accounts. The interest derived
35 from the investment of the fund shall be credited to the fund. Amounts
36 in the fund may be expended by the Comptroller for purposes of
37 payments pursuant to subsection (c) of this section and reimbursement
38 of municipalities pursuant to subdivision (2) of subsection (c) of section
39 3-123eee of the general statutes, as amended by this act. Any balance
40 remaining in the fund at the end of any fiscal year shall be carried
41 forward in the fund for the fiscal year next succeeding.

42 (c) (1) After receiving notice, in a form and manner as determined by
43 the Comptroller, from an individual who is a member of the surviving
44 family of a police officer who was killed in the line of duty, the

45 Comptroller shall pay, within available appropriations, a lump sum
46 death benefit totaling one hundred thousand dollars from the fund
47 established in subsection (b) of this section to such surviving family, in
48 accordance with regulations adopted pursuant to subsection (e) of this
49 section, provided the surviving family of a police officer killed in the
50 line of duty shall not receive more than one such lump sum death
51 benefit. Payments shall be made to surviving families in the order in
52 which notices are received until the amount in such fund is depleted.

53 (2) Any payment made pursuant to subdivision (1) of this subsection
54 shall be in addition to any other benefits for which individuals of such
55 officer's surviving family are eligible and such payments shall not be
56 reduced or offset due to any other benefits, including, but not limited to,
57 workers' compensation or other survivor benefits.

58 (d) Not later than July 1, 2025, and annually thereafter, the
59 Comptroller shall submit a report, in accordance with the provisions of
60 section 11-4a of the general statutes, to the joint standing committee of
61 the General Assembly having cognizance of matters relating to public
62 safety and security. Such report shall include a list of all expenditures
63 made from the fund established by subsection (b) of this section during
64 the prior year, the current balance of such fund and information
65 regarding additional amounts needed for such fund.

66 (e) The Comptroller shall adopt regulations in accordance with the
67 provisions of chapter 54 of the general statutes to implement the
68 provisions of this section, including, but not limited to, application
69 procedures and criteria for awarding grants among individuals who are
70 members of the surviving family, with priority given to awards that
71 would benefit a dependent child or children and a spouse who is a
72 member of the surviving family. The Comptroller may implement
73 policies and procedures necessary to implement the provisions of this
74 section while in the process of adopting such regulations, provided
75 notice of intent to adopt such regulations is published on the
76 eRegulations System not later than twenty days after the date of
77 implementation of such policies and procedures. Any policies and

78 procedures implemented under this subsection shall be valid until the
79 time such regulations are adopted.

80 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of
81 section 12-701 of the 2024 supplement to the general statutes is repealed
82 and the following is substituted in lieu thereof (*Effective from passage and*
83 *applicable to taxable years commencing on or after January 1, 2024*):

84 (B) There shall be subtracted therefrom:

85 (i) To the extent properly includable in gross income for federal
86 income tax purposes, any income with respect to which taxation by any
87 state is prohibited by federal law;

88 (ii) To the extent allowable under section 12-718, exempt dividends
89 paid by a regulated investment company;

90 (iii) To the extent properly includable in gross income for federal
91 income tax purposes, the amount of any refund or credit for
92 overpayment of income taxes imposed by this state, or any other state
93 of the United States or a political subdivision thereof, or the District of
94 Columbia;

95 (iv) To the extent properly includable in gross income for federal
96 income tax purposes and not otherwise subtracted from federal
97 adjusted gross income pursuant to clause (x) of this subparagraph in
98 computing Connecticut adjusted gross income, any tier 1 railroad
99 retirement benefits;

100 (v) To the extent any additional allowance for depreciation under
101 Section 168(k) of the Internal Revenue Code for property placed in
102 service after September 27, 2017, was added to federal adjusted gross
103 income pursuant to subparagraph (A)(ix) of this subdivision in
104 computing Connecticut adjusted gross income, twenty-five per cent of
105 such additional allowance for depreciation in each of the four
106 succeeding taxable years;

107 (vi) To the extent properly includable in gross income for federal

108 income tax purposes, any interest income from obligations issued by or
109 on behalf of the state of Connecticut, any political subdivision thereof,
110 or public instrumentality, state or local authority, district or similar
111 public entity created under the laws of the state of Connecticut;

112 (vii) To the extent properly includable in determining the net gain or
113 loss from the sale or other disposition of capital assets for federal income
114 tax purposes, any gain from the sale or exchange of obligations issued
115 by or on behalf of the state of Connecticut, any political subdivision
116 thereof, or public instrumentality, state or local authority, district or
117 similar public entity created under the laws of the state of Connecticut,
118 in the income year such gain was recognized;

119 (viii) Any interest on indebtedness incurred or continued to purchase
120 or carry obligations or securities the interest on which is subject to tax
121 under this chapter but exempt from federal income tax, to the extent that
122 such interest on indebtedness is not deductible in determining federal
123 adjusted gross income and is attributable to a trade or business carried
124 on by such individual;

125 (ix) Ordinary and necessary expenses paid or incurred during the
126 taxable year for the production or collection of income which is subject
127 to taxation under this chapter but exempt from federal income tax, or
128 the management, conservation or maintenance of property held for the
129 production of such income, and the amortizable bond premium for the
130 taxable year on any bond the interest on which is subject to tax under
131 this chapter but exempt from federal income tax, to the extent that such
132 expenses and premiums are not deductible in determining federal
133 adjusted gross income and are attributable to a trade or business carried
134 on by such individual;

135 (x) (I) For taxable years commencing prior to January 1, 2019, for a
136 person who files a return under the federal income tax as an unmarried
137 individual whose federal adjusted gross income for such taxable year is
138 less than fifty thousand dollars, or as a married individual filing
139 separately whose federal adjusted gross income for such taxable year is
140 less than fifty thousand dollars, or for a husband and wife who file a

141 return under the federal income tax as married individuals filing jointly
142 whose federal adjusted gross income for such taxable year is less than
143 sixty thousand dollars or a person who files a return under the federal
144 income tax as a head of household whose federal adjusted gross income
145 for such taxable year is less than sixty thousand dollars, an amount
146 equal to the Social Security benefits includable for federal income tax
147 purposes;

148 (II) For taxable years commencing prior to January 1, 2019, for a
149 person who files a return under the federal income tax as an unmarried
150 individual whose federal adjusted gross income for such taxable year is
151 fifty thousand dollars or more, or as a married individual filing
152 separately whose federal adjusted gross income for such taxable year is
153 fifty thousand dollars or more, or for a husband and wife who file a
154 return under the federal income tax as married individuals filing jointly
155 whose federal adjusted gross income from such taxable year is sixty
156 thousand dollars or more or for a person who files a return under the
157 federal income tax as a head of household whose federal adjusted gross
158 income for such taxable year is sixty thousand dollars or more, an
159 amount equal to the difference between the amount of Social Security
160 benefits includable for federal income tax purposes and the lesser of
161 twenty-five per cent of the Social Security benefits received during the
162 taxable year, or twenty-five per cent of the excess described in Section
163 86(b)(1) of the Internal Revenue Code;

164 (III) For the taxable year commencing January 1, 2019, and each
165 taxable year thereafter, for a person who files a return under the federal
166 income tax as an unmarried individual whose federal adjusted gross
167 income for such taxable year is less than seventy-five thousand dollars,
168 or as a married individual filing separately whose federal adjusted gross
169 income for such taxable year is less than seventy-five thousand dollars,
170 or for a husband and wife who file a return under the federal income tax
171 as married individuals filing jointly whose federal adjusted gross
172 income for such taxable year is less than one hundred thousand dollars
173 or a person who files a return under the federal income tax as a head of
174 household whose federal adjusted gross income for such taxable year is

175 less than one hundred thousand dollars, an amount equal to the Social
176 Security benefits includable for federal income tax purposes; and

177 (IV) For the taxable year commencing January 1, 2019, and each
178 taxable year thereafter, for a person who files a return under the federal
179 income tax as an unmarried individual whose federal adjusted gross
180 income for such taxable year is seventy-five thousand dollars or more,
181 or as a married individual filing separately whose federal adjusted gross
182 income for such taxable year is seventy-five thousand dollars or more,
183 or for a husband and wife who file a return under the federal income tax
184 as married individuals filing jointly whose federal adjusted gross
185 income from such taxable year is one hundred thousand dollars or more
186 or for a person who files a return under the federal income tax as a head
187 of household whose federal adjusted gross income for such taxable year
188 is one hundred thousand dollars or more, an amount equal to the
189 difference between the amount of Social Security benefits includable for
190 federal income tax purposes and the lesser of twenty-five per cent of the
191 Social Security benefits received during the taxable year, or twenty-five
192 per cent of the excess described in Section 86(b)(1) of the Internal
193 Revenue Code;

194 (xi) To the extent properly includable in gross income for federal
195 income tax purposes, any amount rebated to a taxpayer pursuant to
196 section 12-746;

197 (xii) To the extent properly includable in the gross income for federal
198 income tax purposes of a designated beneficiary, any distribution to
199 such beneficiary from any qualified state tuition program, as defined in
200 Section 529(b) of the Internal Revenue Code, established and
201 maintained by this state or any official, agency or instrumentality of the
202 state;

203 (xiii) To the extent allowable under section 12-701a, contributions to
204 accounts established pursuant to any qualified state tuition program, as
205 defined in Section 529(b) of the Internal Revenue Code, established and
206 maintained by this state or any official, agency or instrumentality of the
207 state;

208 (xiv) To the extent properly includable in gross income for federal
209 income tax purposes, the amount of any Holocaust victims' settlement
210 payment received in the taxable year by a Holocaust victim;

211 (xv) To the extent properly includable in the gross income for federal
212 income tax purposes of a designated beneficiary, as defined in section
213 3-123aa, interest, dividends or capital gains earned on contributions to
214 accounts established for the designated beneficiary pursuant to the
215 Connecticut Homecare Option Program for the Elderly established by
216 sections 3-123aa to 3-123ff, inclusive;

217 (xvi) To the extent properly includable in gross income for federal
218 income tax purposes, any income received from the United States
219 government as retirement pay for a retired member of (I) the Armed
220 Forces of the United States, as defined in Section 101 of Title 10 of the
221 United States Code, or (II) the National Guard, as defined in Section 101
222 of Title 10 of the United States Code;

223 (xvii) To the extent properly includable in gross income for federal
224 income tax purposes for the taxable year, any income from the discharge
225 of indebtedness in connection with any reacquisition, after December
226 31, 2008, and before January 1, 2011, of an applicable debt instrument or
227 instruments, as those terms are defined in Section 108 of the Internal
228 Revenue Code, as amended by Section 1231 of the American Recovery
229 and Reinvestment Act of 2009, to the extent any such income was added
230 to federal adjusted gross income pursuant to subparagraph (A)(xi) of
231 this subdivision in computing Connecticut adjusted gross income for a
232 preceding taxable year;

233 (xviii) To the extent not deductible in determining federal adjusted
234 gross income, the amount of any contribution to a manufacturing
235 reinvestment account established pursuant to section 32-9zz in the
236 taxable year that such contribution is made;

237 (xix) To the extent properly includable in gross income for federal
238 income tax purposes, (I) for the taxable year commencing January 1,
239 2015, ten per cent of the income received from the state teachers'

240 retirement system, (II) for the taxable years commencing January 1,
241 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
242 received from the state teachers' retirement system, and (III) for the
243 taxable year commencing January 1, 2021, and each taxable year
244 thereafter, fifty per cent of the income received from the state teachers'
245 retirement system or, for a taxpayer whose federal adjusted gross
246 income does not exceed the applicable threshold under clause (xx) of
247 this subparagraph, the percentage pursuant to said clause of the income
248 received from the state teachers' retirement system, whichever
249 deduction is greater;

250 (xx) To the extent properly includable in gross income for federal
251 income tax purposes, except for retirement benefits under clause (iv) of
252 this subparagraph and retirement pay under clause (xvi) of this
253 subparagraph, for a person who files a return under the federal income
254 tax as an unmarried individual whose federal adjusted gross income for
255 such taxable year is less than seventy-five thousand dollars, or as a
256 married individual filing separately whose federal adjusted gross
257 income for such taxable year is less than seventy-five thousand dollars,
258 or as a head of household whose federal adjusted gross income for such
259 taxable year is less than seventy-five thousand dollars, or for a husband
260 and wife who file a return under the federal income tax as married
261 individuals filing jointly whose federal adjusted gross income for such
262 taxable year is less than one hundred thousand dollars, (I) for the taxable
263 year commencing January 1, 2019, fourteen per cent of any pension or
264 annuity income, (II) for the taxable year commencing January 1, 2020,
265 twenty-eight per cent of any pension or annuity income, (III) for the
266 taxable year commencing January 1, 2021, forty-two per cent of any
267 pension or annuity income, and (IV) for the taxable years commencing
268 January 1, 2022, and January 1, 2023, one hundred per cent of any
269 pension or annuity income;

270 (xxi) To the extent properly includable in gross income for federal
271 income tax purposes, except for retirement benefits under clause (iv) of
272 this subparagraph and retirement pay under clause (xvi) of this
273 subparagraph, any pension or annuity income for the taxable year

274 commencing on or after January 1, 2024, and each taxable year
 275 thereafter, in accordance with the following schedule, for a person who
 276 files a return under the federal income tax as an unmarried individual
 277 whose federal adjusted gross income for such taxable year is less than
 278 one hundred thousand dollars, or as a married individual filing
 279 separately whose federal adjusted gross income for such taxable year is
 280 less than one hundred thousand dollars, or as a head of household
 281 whose federal adjusted gross income for such taxable year is less than
 282 one hundred thousand dollars:

T1	Federal Adjusted Gross Income	Deduction
T2	Less than \$75,000	100.0%
T3	\$75,000 but not over \$77,499	85.0%
T4	\$77,500 but not over \$79,999	70.0%
T5	\$80,000 but not over \$82,499	55.0%
T6	\$82,500 but not over \$84,999	40.0%
T7	\$85,000 but not over \$87,499	25.0%
T8	\$87,500 but not over \$89,999	10.0%
T9	\$90,000 but not over \$94,999	5.0%
T10	\$95,000 but not over \$99,999	2.5%
T11	\$100,000 and over	0.0%

283 (xxii) To the extent properly includable in gross income for federal
 284 income tax purposes, except for retirement benefits under clause (iv) of
 285 this subparagraph and retirement pay under clause (xvi) of this
 286 subparagraph, any pension or annuity income for the taxable year
 287 commencing on or after January 1, 2024, and each taxable year
 288 thereafter, in accordance with the following schedule for married
 289 individuals who file a return under the federal income tax as married
 290 individuals filing jointly whose federal adjusted gross income for such
 291 taxable year is less than one hundred fifty thousand dollars:

T12	Federal Adjusted Gross Income	Deduction
T13	Less than \$100,000	100.0%
T14	\$100,000 but not over \$104,999	85.0%
T15	\$105,000 but not over \$109,999	70.0%
T16	\$110,000 but not over \$114,999	55.0%
T17	\$115,000 but not over \$119,999	40.0%

T18	\$120,000 but not over \$124,999	25.0%
T19	\$125,000 but not over \$129,999	10.0%
T20	\$130,000 but not over \$139,999	5.0%
T21	\$140,000 but not over \$149,999	2.5%
T22	\$150,000 and over	0.0%

292 (xxiii) The amount of lost wages and medical, travel and housing
293 expenses, not to exceed ten thousand dollars in the aggregate, incurred
294 by a taxpayer during the taxable year in connection with the donation
295 to another person of an organ for organ transplantation occurring on or
296 after January 1, 2017;

297 (xxiv) To the extent properly includable in gross income for federal
298 income tax purposes, the amount of any financial assistance received
299 from the Crumbling Foundations Assistance Fund or paid to or on
300 behalf of the owner of a residential building pursuant to sections 8-442
301 and 8-443;

302 (xxv) To the extent properly includable in gross income for federal
303 income tax purposes, the amount calculated pursuant to subsection (b)
304 of section 12-704g for income received by a general partner of a venture
305 capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to
306 time;

307 (xxvi) To the extent any portion of a deduction under Section 179 of
308 the Internal Revenue Code was added to federal adjusted gross income
309 pursuant to subparagraph (A)(xiv) of this subdivision in computing
310 Connecticut adjusted gross income, twenty-five per cent of such
311 disallowed portion of the deduction in each of the four succeeding
312 taxable years;

313 (xxvii) To the extent properly includable in gross income for federal
314 income tax purposes, for a person who files a return under the federal
315 income tax as an unmarried individual whose federal adjusted gross
316 income for such taxable year is less than seventy-five thousand dollars,
317 or as a married individual filing separately whose federal adjusted gross
318 income for such taxable year is less than seventy-five thousand dollars,
319 or as a head of household whose federal adjusted gross income for such

320 taxable year is less than seventy-five thousand dollars, or for a husband
 321 and wife who file a return under the federal income tax as married
 322 individuals filing jointly whose federal adjusted gross income for such
 323 taxable year is less than one hundred thousand dollars, for the taxable
 324 year commencing January 1, 2023, twenty-five per cent of any
 325 distribution from an individual retirement account other than a Roth
 326 individual retirement account;

327 (xxviii) To the extent properly includable in gross income for federal
 328 income tax purposes, for a person who files a return under the federal
 329 income tax as an unmarried individual whose federal adjusted gross
 330 income for such taxable year is less than one hundred thousand dollars,
 331 or as a married individual filing separately whose federal adjusted gross
 332 income for such taxable year is less than one hundred thousand dollars,
 333 or as a head of household whose federal adjusted gross income for such
 334 taxable year is less than one hundred thousand dollars, (I) for the taxable
 335 year commencing January 1, 2024, fifty per cent of any distribution from
 336 an individual retirement account other than a Roth individual
 337 retirement account, (II) for the taxable year commencing January 1, 2025,
 338 seventy-five per cent of any distribution from an individual retirement
 339 account other than a Roth individual retirement account, and (III) for
 340 the taxable year commencing January 1, 2026, and each taxable year
 341 thereafter, any distribution from an individual retirement account other
 342 than a Roth individual retirement account. The subtraction under this
 343 clause shall be made in accordance with the following schedule:

T23	Federal Adjusted Gross Income	Deduction
T24	Less than \$75,000	100.0%
T25	\$75,000 but not over \$77,499	85.0%
T26	\$77,500 but not over \$79,999	70.0%
T27	\$80,000 but not over \$82,499	55.0%
T28	\$82,500 but not over \$84,999	40.0%
T29	\$85,000 but not over \$87,499	25.0%
T30	\$87,500 but not over \$89,999	10.0%
T31	\$90,000 but not over \$94,999	5.0%
T32	\$95,000 but not over \$99,999	2.5%
T33	\$100,000 and over	0.0%

344 (xxix) To the extent properly includable in gross income for federal
 345 income tax purposes, for married individuals who file a return under
 346 the federal income tax as married individuals filing jointly whose
 347 federal adjusted gross income for such taxable year is less than one
 348 hundred fifty thousand dollars, (I) for the taxable year commencing
 349 January 1, 2024, fifty per cent of any distribution from an individual
 350 retirement account other than a Roth individual retirement account, (II)
 351 for the taxable year commencing January 1, 2025, seventy-five per cent
 352 of any distribution from an individual retirement account other than a
 353 Roth individual retirement account, and (III) for the taxable year
 354 commencing January 1, 2026, and each taxable year thereafter, any
 355 distribution from an individual retirement account other than a Roth
 356 individual retirement account. The subtraction under this clause shall
 357 be made in accordance with the following schedule:

T34	Federal Adjusted Gross Income	Deduction
T35	Less than \$100,000	100.0%
T36	\$100,000 but not over \$104,999	85.0%
T37	\$105,000 but not over \$109,999	70.0%
T38	\$110,000 but not over \$114,999	55.0%
T39	\$115,000 but not over \$119,999	40.0%
T40	\$120,000 but not over \$124,999	25.0%
T41	\$125,000 but not over \$129,999	10.0%
T42	\$130,000 but not over \$139,999	5.0%
T43	\$140,000 but not over \$149,999	2.5%
T44	\$150,000 and over	0.0%

358 (xxx) To the extent properly includable in gross income for federal
 359 income tax purposes, for the taxable year commencing January 1, 2022,
 360 the amount or amounts paid or otherwise credited to any eligible
 361 resident of this state under (I) the 2020 Earned Income Tax Credit
 362 enhancement program from funding allocated to the state through the
 363 Coronavirus Relief Fund established under the Coronavirus Aid, Relief,
 364 and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned
 365 Income Tax Credit enhancement program from funding allocated to the
 366 state pursuant to Section 9901 of Subtitle M of Title IX of the American

367 Rescue Plan Act of 2021, P.L. 117-2;

368 (xxxix) For the taxable year commencing January 1, 2023, and each
369 taxable year thereafter, for a taxpayer licensed under the provisions of
370 chapter 420f or 420h, the amount of ordinary and necessary expenses
371 that would be eligible to be claimed as a deduction for federal income
372 tax purposes under Section 162(a) of the Internal Revenue Code but that
373 are disallowed under Section 280E of the Internal Revenue Code
374 because marijuana is a controlled substance under the federal
375 Controlled Substance Act;

376 (xxxix) To the extent properly includable in gross income for federal
377 income tax purposes, for the taxable year commencing on or after
378 January 1, 2025, and each taxable year thereafter, any common stock
379 received by the taxpayer during the taxable year under a share plan, as
380 defined in section 12-217ss;

381 (xxxix) To the extent properly includable in gross income for federal
382 income tax purposes, the amount of any student loan reimbursement
383 payment received by a taxpayer pursuant to section 10a-19m; [and]

384 (xxxix) Contributions to an ABLE account established pursuant to
385 sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for
386 each individual taxpayer or ten thousand dollars for taxpayers filing a
387 joint return; and

388 (xxxix) To the extent properly includable in gross income for federal
389 income tax purposes, the amount of any payment received pursuant to
390 subsection (c) of section 1 of this act.

391 Sec. 3. Section 3-123aaa of the general statutes is repealed and the
392 following is substituted in lieu thereof (*Effective July 1, 2024*):

393 As used in this section and sections 3-123bbb to 3-123hhh, inclusive,
394 as amended by this act:

395 (1) "Health Care Cost Containment Committee" means the committee
396 established in accordance with the ratified agreement between the state

397 and the State Employees Bargaining Agent Coalition pursuant to
398 subsection (f) of section 5-278.

399 (2) "Killed in the line of duty" has the same meaning as provided in
400 section 1 of this act.

401 ~~[(2)]~~ (3) "Nonprofit employee" means any employee of a nonprofit
402 employer.

403 ~~[(3)]~~ (4) "Nonprofit employer" means (A) a nonprofit corporation,
404 organized under 26 USC 501, as amended from time to time, that (i) has
405 a purchase of service contract, as defined in section 4-70b, or (ii) receives
406 fifty per cent or more of its gross annual revenue from grants or funding
407 from the state, the federal government or a municipality or any
408 combination thereof, or (B) an organization that is tax exempt pursuant
409 to 26 USC 501(c)(5), as amended from time to time.

410 ~~[(4)]~~ (5) "Nonstate public employee" means any employee or elected
411 officer of a nonstate public employer.

412 ~~[(5)]~~ (6) "Nonstate public employer" means a municipality or other
413 political subdivision of the state, including a board of education, quasi-
414 public agency or public library. A municipality and a board of education
415 may be considered separate employers.

416 ~~[(6)]~~ (7) "Partnership plan" means a health care benefit plan offered
417 by the Comptroller to (A) nonstate public employers or nonprofit
418 employers pursuant to section 3-123bbb, as amended by this act, (B)
419 graduate assistants at The University of Connecticut and The University
420 of Connecticut Health Center, (C) postdoctoral trainees at The
421 University of Connecticut and The University of Connecticut Health
422 Center, (D) graduate fellows at The University of Connecticut and The
423 University of Connecticut Health Center, and (E) graduate students of
424 The University of Connecticut participating in university-funded
425 internships as part of their graduate program.

426 (8) "Police officer" has the same meaning as provided in section 7-
427 294a.

428 [(7)] (9) "State employee plan" means a self-insured group health care
429 benefits plan established under subsection (m) of section 5-259.

430 Sec. 4. Section 3-123bbb of the general statutes is repealed and the
431 following is substituted in lieu thereof (*Effective July 1, 2024*):

432 (a) (1) Notwithstanding the provisions of title 38a, the Comptroller
433 shall offer to nonstate public employers and nonprofit employers, and
434 their respective retirees, if applicable, coverage under a partnership plan
435 or plans. Such plan or plans may be offered on a fully-insured or risk-
436 pooled basis at the discretion of the Comptroller. Any health insurer,
437 health care center or other entity that contracts with the Comptroller for
438 the purposes of this section and any fully-insured plan offered by the
439 Comptroller under such contract shall be subject to title 38a. Eligible
440 employers shall submit an application to the Comptroller for coverage
441 under any such plan or plans.

442 (2) Beginning January 1, 2012, the Comptroller shall offer coverage
443 under such plan or plans to nonstate public employers. Beginning
444 January 1, 2013, the Comptroller shall offer coverage under such plan or
445 plans to nonprofit employers.

446 (b) (1) The Comptroller shall require nonstate public employers and
447 nonprofit employers that elect to obtain coverage under a partnership
448 plan to participate in such plan for not less than two-year intervals,
449 except participation pursuant to an application described in subdivision
450 (2) of subsection (i) of this section may be for one-year intervals. An
451 employer may apply for renewal prior to the expiration of each interval.

452 (2) The Comptroller shall develop procedures by which:

453 (A) Such employers may apply to obtain coverage under a
454 partnership plan, including procedures for nonstate public employers
455 that are currently fully insured and procedures for nonstate public
456 employers that are currently self-insured;

457 (B) Employers receiving coverage for their employees pursuant to a
458 partnership plan may (i) apply for renewal, or (ii) withdraw from such

459 coverage, including, but not limited to, the terms and conditions under
460 which such employers may withdraw prior to the expiration of the
461 interval and the procedure by which any premium payments such
462 employers may be entitled to or premium equivalent payments made in
463 excess of incurred claims shall be refunded to such employer. Any such
464 procedures shall provide that nonstate public employees covered by
465 collective bargaining shall withdraw from such coverage in accordance
466 with chapters 113 and 166; [and]

467 (C) Nonstate public employers may continue and renew coverage
468 pursuant to subdivision (1) of subsection (i) of this section and initiate
469 and renew enrollment and coverage pursuant to subdivision (2) of
470 subsection (i) of this section; and

471 ~~[(C)]~~ (D) The Comptroller may collect payments and fees for
472 unreported claims and expenses.

473 (c) (1) The initial open enrollment for nonstate public employers shall
474 be for coverage beginning July 1, 2012. Thereafter, open enrollment for
475 nonstate public employers shall be for coverage periods beginning July
476 first.

477 (2) The initial open enrollment for nonprofit employers shall be for
478 coverage beginning January 1, 2013. Thereafter, open enrollment for
479 nonprofit employers shall be for coverage periods beginning January
480 first and July first.

481 (d) Nothing in this section or sections 3-123ccc, as amended by this
482 act, and 3-123ddd shall require the Comptroller to offer coverage to
483 every employer seeking coverage under sections 3-123ccc, as amended
484 by this act, and 3-123ddd from every partnership plan offered by the
485 Comptroller.

486 (e) The Comptroller shall create applications for coverage for the
487 purposes of sections 3-123ccc, as amended by this act, and 3-123ddd and
488 for renewal of a partnership plan. Such applications shall require an
489 employer to disclose whether the employer will offer any other health

490 care benefits plan to the employees who are offered a partnership plan.

491 (f) No employee shall be enrolled in a partnership plan if such
492 employee is covered through such employee's employer by health
493 insurance plans or insurance arrangements issued to or in accordance
494 with a trust established pursuant to collective bargaining subject to the
495 federal Labor Management Relations Act.

496 (g) (1) The Comptroller shall take such actions as are necessary to
497 ensure that granting coverage to an employer under sections 3-123ccc₂
498 as amended by this act, and 3-123ddd will not affect the status of the
499 state employee plan as a governmental plan under the Employee
500 Retirement Income Security Act of 1974, as amended from time to time.
501 Such actions may include, but are not limited to, cancelling coverage,
502 with notice, to such employer and discontinuing the acceptance of
503 applications for coverage from nonprofit employers. The Comptroller
504 shall establish the form and time frame for the notice of cancellation to
505 be provided to such employer.

506 (2) The Comptroller shall resume providing coverage for, or
507 accepting applications for coverage from, nonprofit employers if the
508 Comptroller determines that granting coverage to such employers will
509 not affect the state employee plan's status as a governmental plan under
510 the Employee Retirement Income Security Act of 1974, as amended from
511 time to time.

512 (3) The Comptroller shall make a public announcement of the
513 Comptroller's decision to discontinue or resume coverage or the
514 acceptance of applications for coverage under a partnership plan or
515 plans.

516 (h) The Comptroller, in consultation with the Health Care Cost
517 Containment Committee, shall:

518 (1) Develop and implement patient-centered medical homes for the
519 state employee plan and partnership plans offered under this section, in
520 a manner that will reduce the costs of such plans; and

521 (2) Review claims data of the state employee plan and partnership
522 plans offered under this section, to target high-cost health care
523 providers and medical conditions and monitor costly trends.

524 (i) (1) A nonstate public employer that provides coverage pursuant to
525 a partnership plan to a police officer who is killed in the line of duty
526 shall continue to provide such coverage to the survivors of such officer
527 who were covered under such plan at the time of such officer's death.
528 Such coverage shall continue without break for a period of one year after
529 such officer's death, and may be renewed annually for up to five years.
530 Such nonstate public employer shall facilitate continuation and renewal
531 of such coverage.

532 (2) A nonstate public employer that did not provide coverage
533 pursuant to a partnership plan to a police officer who is killed in the line
534 of duty shall apply for coverage pursuant to a partnership plan for those
535 survivors of such officer who were receiving health care benefit
536 coverage through a plan offered to such officer at the time of such
537 officer's death, at the request of such survivors. The Comptroller shall
538 accept such application upon the terms and conditions applicable to the
539 partnership plan for enrollment and provision of coverage to such
540 survivors for one year. Such enrollment and coverage may be renewed
541 annually for up to five years. Such nonstate public employer shall
542 facilitate initiation and renewal of such enrollment and coverage.

543 Sec. 5. Section 3-123ccc of the general statutes is repealed and the
544 following is substituted in lieu thereof (*Effective July 1, 2024*):

545 (a) Nonstate public employers and nonprofit employers may apply
546 for coverage under a partnership plan in accordance with this section.

547 (1) Notwithstanding any provision of the general statutes, initial and
548 continuing participation in a partnership plan by a nonstate public
549 employer shall be a permissive subject of collective bargaining and shall
550 be subject to binding interest arbitration only if the collective bargaining
551 agent and the employer mutually agree to bargain over such
552 participation.

553 (2) If a nonstate public employer or a nonprofit employer submits an
554 application for coverage for all of its respective employees, the
555 Comptroller shall accept such application upon the terms and
556 conditions applicable to the partnership plan, for the next open
557 enrollment. The Comptroller shall provide written notification to such
558 employer of such acceptance and the date on which such coverage shall
559 begin, pending acceptance by such employer of the terms and
560 conditions of such plan.

561 (3) (A) Except as specified in subparagraph (D) of this subdivision, if
562 a nonstate public employer or a nonprofit employer submits an
563 application for coverage for less than all of its respective employees, or
564 indicates in the application the employer will offer other health plans to
565 employees who are offered a partnership plan, the Comptroller shall
566 forward such application to a health care actuary not later than five
567 business days after receiving such application. Not later than sixty days
568 after receiving such application, such actuary shall notify the
569 Comptroller whether, as a result of the employees included in such
570 application or other factors, the application will shift a significant part
571 of such employer's employees' medical risks to the partnership plan.
572 Such actuary shall provide, in writing, to the Comptroller the specific
573 reasons for such actuary's finding, including a summary of all
574 information relied upon in making such a finding.

575 (B) If the Comptroller determines that, based on such finding, the
576 application will shift a significant part of such employer's employees'
577 medical risks to the partnership plan, the Comptroller shall not provide
578 coverage to such employer and shall provide written notification and
579 the specific reasons for such denial to such employer and the Health
580 Care Cost Containment Committee.

581 (C) If the Comptroller determines that, based on such finding, the
582 application will not shift a significant part of such employer's
583 employees' medical risks to the partnership plan, the Comptroller shall
584 accept such application for the next open enrollment. The Comptroller
585 shall provide written notification to such employer of such acceptance

586 and the date on which such coverage shall begin, pending acceptance
587 by such employer of the terms and conditions of such plan.

588 (D) If an employer included less than all of its employees in its
589 application for coverage because (i) of [(i)] the decision by individual
590 employees to decline coverage from their employer for themselves or
591 their dependents, [or] (ii) of the employer's decision not to offer
592 coverage to temporary, part-time or durational employees, or (iii) the
593 application is made pursuant to subdivision (2) of subsection (i) of
594 section 3-123bbb, as amended by this act, the Comptroller shall not
595 forward such employer's application to a health care actuary.

596 (b) The Comptroller shall consult with a health care actuary who shall
597 develop:

598 (1) Actuarial standards to assess the shift in medical risks of an
599 employer's employees to a partnership plan. The Comptroller shall
600 present such standards to the Health Care Cost Containment Committee
601 for its review, evaluation and approval prior to the use of such
602 standards; and

603 (2) Actuarial standards to determine the administrative fees and
604 fluctuating reserves fees set forth in section 3-123eee, as amended by this
605 act, and the amount of premiums or premium equivalent payments to
606 cover anticipated claims and claim reserves. The Comptroller shall
607 present such standards to the Health Care Cost Containment Committee
608 for its review, evaluation and approval prior to the use of such
609 standards.

610 (c) The Comptroller may adopt regulations, in accordance with
611 chapter 54, to establish the procedures and criteria for any reviews or
612 evaluations performed by the Health Care Cost Containment
613 Committee pursuant to subsection (b) of this section or subsection (c) of
614 section 3-123ddd.

615 Sec. 6. Section 3-123eee of the general statutes is repealed and the
616 following is substituted in lieu thereof (*Effective July 1, 2024*):

617 (a) There is established an account to be known as the "partnership
618 plan premium account", which shall be a separate, nonlapsing account
619 within the General Fund. All premiums paid by employers and their
620 respective employees and retirees for coverage under a partnership plan
621 pursuant to sections 3-123bbb to 3-123ddd, inclusive, as amended by
622 this act, shall be deposited into said account. The account shall be
623 administered by the Comptroller for payment of claims and
624 administrative fees to entities providing coverage or services under
625 partnership plans.

626 (b) The Comptroller may charge each employer participating in a
627 partnership plan an administrative fee calculated on a per member per
628 month basis, in accordance with the actuarial standards developed
629 under subsection (b) of section 3-123ccc, as amended by this act, and
630 subsection (c) of section 3-123ddd. In addition, the Comptroller may
631 charge a fluctuating reserves fee the Comptroller deems necessary and
632 in accordance with the actuarial standards developed under subsection
633 (b) of section 3-123ccc, as amended by this act, and subsection (c) of
634 section 3-123ddd to ensure adequate claims reserves.

635 (c) (1) Each employer shall pay monthly the amount determined by
636 the Comptroller, pursuant to this section, for coverage of its employees
637 or its employees and retirees, as appropriate, under a partnership plan.
638 An employer may require each covered employee to contribute a
639 portion of the cost of such employee's coverage under the plan, subject
640 to any collective bargaining obligation applicable to such employer,
641 provided no contribution may be required of an individual receiving
642 coverage as described in subsection (i) of section 3-123bbb, as amended
643 by this act.

644 (2) An employer making payments pursuant to subdivision (1) of this
645 subsection for coverage under a partnership plan of an individual or
646 individuals described in subsection (i) of section 3-123bbb, as amended
647 by this act, shall be reimbursed by the Comptroller for the total cost of
648 such payments from the Fallen Officer Fund established pursuant to
649 subsection (b) of section 1 of this act.

650 (d) If any payment due by an employer under this section is not
651 submitted to the Comptroller by the tenth day after the date such
652 payment is due, interest to be paid by such employer shall be added,
653 retroactive to the date such payment was due, at the prevailing rate of
654 interest as determined by the Comptroller.

655 (1) The Comptroller may terminate participation in the partnership
656 plan by a nonprofit employer on the basis of nonpayment of premium
657 or premium equivalent, provided at least ten days' advance notice is
658 given to such employer, which may continue the coverage and avoid
659 the effect of the termination by remitting payment in full at any time
660 prior to the effective date of termination.

661 (2) (A) If a nonstate public employer fails to make premium payments
662 or premium equivalent payments as required by this section, the
663 Comptroller may direct the State Treasurer, or any other officer of the
664 state who is the custodian of any moneys made available by grant,
665 allocation or appropriation payable to such nonstate public employer,
666 to withhold the payment of such moneys until the amount of the
667 premium or premium equivalent or interest due has been paid to the
668 Comptroller, or until the State Treasurer or such custodial officer
669 determines that arrangements have been made, to the satisfaction of the
670 State Treasurer, for the payment of such premium or premium
671 equivalent and interest. Such moneys shall not be withheld if such
672 withholding will adversely affect the receipt of any federal grant or aid
673 in connection with such moneys.

674 (B) If no grant, allocation or appropriation is payable to such nonstate
675 public employer or is not withheld, pursuant to subparagraph (A) of
676 this subdivision, the Comptroller may terminate participation in a
677 partnership plan by a nonstate public employer on the basis of
678 nonpayment of premium or premium equivalent, provided at least ten
679 days' advance notice is given to such employer, which may continue the
680 coverage and avoid the effect of the termination by remitting payment
681 in full at any time prior to the effective date of termination.

682 (3) The Comptroller may request the Attorney General to bring an

683 action in the superior court for the judicial district of Hartford to recover
 684 any premium or premium equivalent, interest costs, paid claim
 685 expenses or equitable relief from a terminated employer.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage and applicable to taxable years commencing on or after January 1, 2024</i>	12-701(a)(20)(B)
Sec. 3	<i>July 1, 2024</i>	3-123aaa
Sec. 4	<i>July 1, 2024</i>	3-123bbb
Sec. 5	<i>July 1, 2024</i>	3-123ccc
Sec. 6	<i>July 1, 2024</i>	3-123eee

Statement of Legislative Commissioners:

In Section 1(c)(1), "surviving family" was changed to "surviving family of a police officer killed in the line of duty" for clarity.

PS *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:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Revenue Serv., Dept.	GF - Revenue Loss	Less than 10,000	Less than 10,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which codifies the Fallen Officer Fund and establishes a state personal income tax exemption for benefits paid from the fund, results in a revenue loss of less than \$10,000 annually beginning in FY 25.

The bill also requires the Comptroller to offer coverage under the Partnership Plan to the surviving family, which does not result in a fiscal impact to municipalities facilitating coverage as the payments will be reimbursed by the Fallen Officer Fund.¹

Background

The Fallen Officer Fund provides a lump sum death benefit totaling \$100,000 to a surviving family member or beneficiary of a police officer who was killed in the line of duty or sustained injuries that were the direct and proximate cause of the officer's death. One such benefit has been provided in FY 24, the first year of the fund's existence.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future.

¹ The FY 24-FY 25 Biennial Budget includes an appropriation of \$500,000 in each year of the biennium to the Fallen Officer Fund.

OLR Bill Analysis**sSB 341*****AN ACT ESTABLISHING A FALLEN OFFICER FUND AND PROVIDING HEALTH INSURANCE COVERAGE TO SURVIVORS OF A POLICE OFFICER KILLED IN THE LINE OF DUTY.*****SUMMARY**

This bill codifies a policy of the state comptroller by establishing the “Fallen Officer Fund” to, within available appropriations, give a lump sum death benefit totaling \$100,000 to a surviving family member or beneficiary of a police officer who was killed in the line of duty or sustained injuries that were the direct and proximate cause of the officer’s death. (The FY 24-25 Budget appropriated \$500,000 in each year to the comptroller’s operating expenses account to provide money for the Fallen Officer Fund.)

Under the bill, this payment is not taxable for state income tax purposes and must not be reduced or offset due to other benefits that may be awarded (e.g., workers’ compensation).

The bill also allows survivors who were covered by the police officer’s health insurance at the time of the officer’s death, to apply for or keep the coverage for one year after the death and to renew annually for up to five years.

The bill also makes various technical and conforming changes.

EFFECTIVE DATE: July 1, 2024, except the provisions establishing the fund and state tax exemption are effective upon passage, and the tax exemptions are applicable to taxable years commencing on or after January 1, 2024.

FALLEN OFFICER FUND

The bill establishes the “Fallen Officer Fund,” which is a non-lapsing fund that contains any money required by law to be deposited into it.

The treasurer must hold the money separate and apart from other money, funds, and accounts. The interest from fund investments must be credited to the fund. The comptroller may expend funds as payment to the surviving family and to reimburse municipalities (i.e., the employer) for insurance premiums paid on the surviving family's behalf.

Under the bill, "surviving family" means a surviving spouse, surviving child (whether dependent or not), or surviving parent of a police officer killed in the line of duty, or most recently listed beneficiary on file with the officer's employing law enforcement unit.

"Killed in the line of duty" means the death of a police officer while performing his or her duties, resulting from an incident, an accident, or violence that caused the death or caused injuries that were the direct or proximate cause of the officer's death, including any death that is determined to be occupationally related by a workers' compensation insurance carrier, an employer to whom a certificate of self-insurance has been issued, or an administrative law judge for workers' compensation purposes. It does not include the death of a police officer through the officer's own wanton or willful act.

Payment

When the comptroller receives notice, in a manner he prescribes, from a surviving family member of a police officer killed in the line of duty, within available appropriations, the comptroller must pay a lump sum death benefit totaling \$100,000 from the fund to the surviving family. The bill limits each surviving family to one lump sum death benefit and payments are made in the order in which notices are received until the amount in the fund is depleted.

The bill specifies that this payment is in addition to any other benefits the officer's surviving family members are eligible for and the payments must not be reduced or offset because of these benefits (e.g., workers' compensation or other survivor benefits).

Legislative Report

Starting by July 1, 2025, the bill requires the comptroller to annually report to the Public Safety and Security Committee a list of all fund expenditures for the prior year, the fund's current balance, and information on additional amounts needed for the fund.

Regulations and Policies and Procedures

The bill requires the comptroller to adopt implementing regulations. This includes application procedures and criteria for awarding grants among surviving family members, with priority given to awards benefiting an officer's dependent child or children (see below) and spouse. The comptroller may implement policies and procedures needed to implement the bill while in the process of adopting these regulations, provided he posts a notice of intent to adopt regulations on the eRegulations system within 20 days after implementing the policies and procedures. These policies and procedures are valid until regulations are adopted.

Under the bill, a "dependent child" is a police officer's child, whether by blood or adoption, who is:

1. under age 22 and (a) was dependent on the officer's earnings at the time of the officer's death, (b) does not provide more than half of his or her own support, and (c) is not married or legally adopted by another person; or
2. is any age and is physically or mentally incapacitated and dependent on the officer's earnings at the time of the officer's death.

HEALTH INSURANCE

Existing law requires the comptroller to offer coverage under partnership plans (i.e., health care benefit plans) to nonstate public employers and nonprofit employers.

The bill requires a nonstate public employer that provided coverage under a partnership plan to a police officer who is killed in the line of duty to continue to provide the coverage to the survivors who were

covered under the plan at the time of the officer's death. The coverage must continue for one year after the officer's death and may be renewed annually for up to five years. The nonstate public employer must facilitate the coverage continuation and renewal.

Under the bill, a nonstate public employer that did not provide coverage under a partnership plan to a police officer who is killed in the line of duty must apply for coverage under a partnership plan for, and at the request of, the survivors who were receiving health care benefit coverage through a plan offered to the officer at the time of the officer's death. The comptroller must accept the application on the terms and conditions applicable to the partnership plan for enrollment and provide coverage to the survivors for one year. The enrollment and coverage may be renewed annually for up to five years. The nonstate public employer must facilitate initiation and renewal of the enrollment and coverage.

The bill exempts anyone who is receiving this coverage from having to pay monthly premiums for these plans and the comptroller must reimburse, from the Fallen Officer Fund, any employer making payments.

BACKGROUND

Law Enforcement Units and Police Officers

By law, a "law enforcement unit" is any state or municipal agency or department (or tribal agency or department created and governed under a memorandum of agreement) whose primary functions include enforcing criminal or traffic laws; preserving public order; protecting life and property; or preventing, detecting, or investigating crime.

"Police officers" are sworn members of an organized local police department of the State Police; appointed constables who perform criminal law enforcement duties; special police officers appointed under law; or any members of a law enforcement unit who perform police duties (CGS § 7-294a).

Related Bill

sHB 5279, favorably reported by the Public Safety and Security Committee, generally allows a police or fire chief to declare that a police officer or firefighter died in the line of duty if the death is caused by certain conditions within 24 hours after the officer or firefighter finished his or her shift or training that involved nonroutine or strenuous activity.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Substitute

Yea 25 Nay 0 (03/19/2024)