



Substitute Senate Bill No. 341

Public Act No. 24-27

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:

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

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

(2) "Killed in the line of duty" means the death of a police officer while engaged in the performance of such officer's duties, resulting from an incident, an accident or violence that caused such death or caused injuries that were the direct or proximate cause of such officer's death, including any death that is determined to be occupationally related by a workers' compensation insurance carrier, an employer to whom a

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certificate of self-insurance has been issued pursuant to section 31-248 of the general statutes or an administrative law judge for workers' compensation purposes under chapter 568 of the general statutes. "Killed in the line of duty" does not include the death of a police officer through such officer's own wanton or wilful act.

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

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

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

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

(c) (1) After receiving notice, in a form and manner as determined by the Comptroller, from an individual who is a member of the surviving family of a police officer who was killed in the line of duty, the Comptroller shall pay, within available appropriations, a lump sum

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

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

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

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

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implementation of such policies and procedures. Any policies and procedures implemented under this subsection shall be valid until the time such regulations are adopted.

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

(B) There shall be subtracted therefrom:

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

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

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

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

(v) To the extent any additional allowance for depreciation under Section 168(k) of the Internal Revenue Code for property placed in service after September 27, 2017, was added to federal adjusted gross income pursuant to subparagraph (A)(ix) of this subdivision in computing Connecticut adjusted gross income, twenty-five per cent of

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such additional allowance for depreciation in each of the four succeeding taxable years;

(vi) To the extent properly includable in gross income for federal income tax purposes, any interest income from obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut;

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

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

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

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(x) (I) For taxable years commencing prior to January 1, 2019, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than sixty thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than sixty thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes;

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

(III) For the taxable year commencing January 1, 2019, and each taxable year thereafter, for a person who files a return under the federal

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income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes; and

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

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

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

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

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

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

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

(xvii) To the extent properly includable in gross income for federal income tax purposes for the taxable year, any income from the discharge of indebtedness in connection with any reacquisition, after December

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31, 2008, and before January 1, 2011, of an applicable debt instrument or instruments, as those terms are defined in Section 108 of the Internal Revenue Code, as amended by Section 1231 of the American Recovery and Reinvestment Act of 2009, to the extent any such income was added to federal adjusted gross income pursuant to subparagraph (A)(xi) of this subdivision in computing Connecticut adjusted gross income for a preceding taxable year;

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

(xix) To the extent properly includable in gross income for federal income tax purposes, (I) for the taxable year commencing January 1, 2015, ten per cent of the income received from the state teachers' retirement system, (II) for the taxable years commencing January 1, 2016, to January 1, 2020, inclusive, twenty-five per cent of the income received from the state teachers' retirement system, and (III) for the taxable year commencing January 1, 2021, and each taxable year thereafter, fifty per cent of the income received from the state teachers' retirement system or, for a taxpayer whose federal adjusted gross income does not exceed the applicable threshold under clause (xx) of this subparagraph, the percentage pursuant to said clause of the income received from the state teachers' retirement system, whichever deduction is greater;

(xx) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross

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income for such taxable year is less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2019, fourteen per cent of any pension or annuity income, (II) for the taxable year commencing January 1, 2020, twenty-eight per cent of any pension or annuity income, (III) for the taxable year commencing January 1, 2021, forty-two per cent of any pension or annuity income, and (IV) for the taxable years commencing January 1, 2022, and January 1, 2023, one hundred per cent of any pension or annuity income;

(xxi) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, any pension or annuity income for the taxable year commencing on or after January 1, 2024, and each taxable year thereafter, in accordance with the following schedule, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars:

Federal Adjusted Gross Income	Deduction
Less than \$75,000	100.0%
\$75,000 but not over \$77,499	85.0%
\$77,500 but not over \$79,999	70.0%
\$80,000 but not over \$82,499	55.0%
\$82,500 but not over \$84,999	40.0%

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\$85,000 but not over \$87,499	25.0%
\$87,500 but not over \$89,999	10.0%
\$90,000 but not over \$94,999	5.0%
\$95,000 but not over \$99,999	2.5%
\$100,000 and over	0.0%

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

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

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

(xxiv) To the extent properly includable in gross income for federal income tax purposes, the amount of any financial assistance received

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from the Crumbling Foundations Assistance Fund or paid to or on behalf of the owner of a residential building pursuant to sections 8-442 and 8-443;

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

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

(xxvii) To the extent properly includable in gross income for federal income tax purposes, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, for the taxable year commencing January 1, 2023, twenty-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account;

(xxviii) To the extent properly includable in gross income for federal income tax purposes, for a person who files a return under the federal

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income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2024, fifty per cent of any distribution from an individual retirement account other than a Roth individual retirement account, (II) for the taxable year commencing January 1, 2025, seventy-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account, and (III) for the taxable year commencing January 1, 2026, and each taxable year thereafter, any distribution from an individual retirement account other than a Roth individual retirement account. The subtraction under this clause shall be made in accordance with the following schedule:

Federal Adjusted Gross Income	Deduction
Less than \$75,000	100.0%
\$75,000 but not over \$77,499	85.0%
\$77,500 but not over \$79,999	70.0%
\$80,000 but not over \$82,499	55.0%
\$82,500 but not over \$84,999	40.0%
\$85,000 but not over \$87,499	25.0%
\$87,500 but not over \$89,999	10.0%
\$90,000 but not over \$94,999	5.0%
\$95,000 but not over \$99,999	2.5%
\$100,000 and over	0.0%

(xxix) To the extent properly includable in gross income for federal income tax purposes, for married individuals who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred fifty thousand dollars, (I) for the taxable year commencing January 1, 2024, fifty per cent of any distribution from an individual

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retirement account other than a Roth individual retirement account, (II) for the taxable year commencing January 1, 2025, seventy-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account, and (III) for the taxable year commencing January 1, 2026, and each taxable year thereafter, any distribution from an individual retirement account other than a Roth individual retirement account. The subtraction under this clause shall be made in accordance with the following schedule:

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

(xxx) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2022, the amount or amounts paid or otherwise credited to any eligible resident of this state under (I) the 2020 Earned Income Tax Credit enhancement program from funding allocated to the state through the Coronavirus Relief Fund established under the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned Income Tax Credit enhancement program from funding allocated to the state pursuant to Section 9901 of Subtitle M of Title IX of the American Rescue Plan Act of 2021, P.L. 117-2;

(xxxi) For the taxable year commencing January 1, 2023, and each taxable year thereafter, for a taxpayer licensed under the provisions of chapter 420f or 420h, the amount of ordinary and necessary expenses

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that would be eligible to be claimed as a deduction for federal income tax purposes under Section 162(a) of the Internal Revenue Code but that are disallowed under Section 280E of the Internal Revenue Code because marijuana is a controlled substance under the federal Controlled Substance Act;

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

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

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

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

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

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

(1) "Health Care Cost Containment Committee" means the committee established in accordance with the ratified agreement between the state and the State Employees Bargaining Agent Coalition pursuant to subsection (f) of section 5-278.

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

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

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

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

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

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

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

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

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

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

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

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

(2) The Comptroller shall develop procedures by which:

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

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(B) Employers receiving coverage for their employees pursuant to a partnership plan may (i) apply for renewal, or (ii) withdraw from such coverage, including, but not limited to, the terms and conditions under which such employers may withdraw prior to the expiration of the interval and the procedure by which any premium payments such employers may be entitled to or premium equivalent payments made in excess of incurred claims shall be refunded to such employer. Any such procedures shall provide that nonstate public employees covered by collective bargaining shall withdraw from such coverage in accordance with chapters 113 and 166; [and]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(C) If the Comptroller determines that, based on such finding, the application will not shift a significant part of such employer's employees' medical risks to the partnership plan, the Comptroller shall accept such application for the next open enrollment. The Comptroller shall provide written notification to such employer of such acceptance and the date on which such coverage shall begin, pending acceptance by such employer of the terms and conditions of such plan.

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

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

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

(2) Actuarial standards to determine the administrative fees and

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fluctuating reserves fees set forth in section 3-123eee, as amended by this act, and the amount of premiums or premium equivalent payments to cover anticipated claims and claim reserves. The Comptroller shall present such standards to the Health Care Cost Containment Committee for its review, evaluation and approval prior to the use of such standards.

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

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

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

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

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section 3-123ddd to ensure adequate claims reserves.

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

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

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

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

(2) (A) If a nonstate public employer fails to make premium payments or premium equivalent payments as required by this section, the

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Comptroller may direct the State Treasurer, or any other officer of the state who is the custodian of any moneys made available by grant, allocation or appropriation payable to such nonstate public employer, to withhold the payment of such moneys until the amount of the premium or premium equivalent or interest due has been paid to the Comptroller, or until the State Treasurer or such custodial officer determines that arrangements have been made, to the satisfaction of the State Treasurer, for the payment of such premium or premium equivalent and interest. Such moneys shall not be withheld if such withholding will adversely affect the receipt of any federal grant or aid in connection with such moneys.

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

(3) The Comptroller may request the Attorney General to bring an action in the superior court for the judicial district of Hartford to recover any premium or premium equivalent, interest costs, paid claim expenses or equitable relief from a terminated employer.

Approved May 14, 2024