

State Comptroller - Fringe Benefits OSC15200

Budget Summary

Account	Actual FY 21	Actual FY 22	Appropriation FY 23	Governor Recommended		Legislative	
				FY 24	FY 25	FY 24	FY 25
Other Current Expenses							
Unemployment Compensation	5,378,968	2,841,744	7,915,000	5,000,000	5,037,500	5,018,242	5,054,729
State Employees Retirement Contributions	-	-	-	-	-	2,308,873	2,180,602
Higher Education Alternative Retirement System	10,310,936	11,093,829	12,997,500	13,776,830	14,603,440	14,616,179	15,396,159
Pensions and Retirements - Other Statutory	1,856,833	1,957,150	2,191,248	2,125,719	2,188,946	2,125,719	2,188,946
Judges and Compensation Commissioners Retirement	31,893,464	33,170,039	32,532,792	35,251,783	37,436,431	35,251,783	37,436,431
Insurance - Group Life	8,674,635	9,942,006	10,514,900	10,016,038	10,423,038	10,021,586	10,428,278
Employers Social Security Tax	218,249,023	228,973,047	232,940,179	196,005,946	198,724,448	195,369,118	198,253,601
State Employees Health Service Cost	674,876,441	672,861,929	745,300,000	587,455,868	632,714,268	635,463,503	708,256,659
Retired State Employees Health Service Cost	749,604,132	735,548,337	875,791,000	774,905,600	838,618,200	699,403,210	737,999,520
Tuition Reimbursement - Training and Travel	3,900,262	915,548	-	4,073,500	4,123,500	4,073,500	4,123,500
Other Post Employment Benefits	80,561,174	80,726,959	85,657,863	44,082,282	44,315,762	43,636,426	43,945,893
Death Benefits For St Employ	11,666	13,000	-	-	-	-	-
SERS Defined Contribution Match	5,182,814	7,093,437	17,096,788	18,506,518	24,654,555	18,340,824	24,500,480
State Employees Retirement Contributions - Normal Cost	149,045,118	153,009,950	167,611,504	177,212,110	182,006,295	177,212,110	182,006,295
State Employees Retirement Contributions - UAL	1,166,549,215	1,307,632,680	1,400,199,989	1,463,453,121	1,382,808,152	1,463,453,121	1,420,805,152
Agency Total - General Fund	3,106,094,681	3,245,779,655	3,590,748,763	3,331,865,315	3,377,654,535	3,306,294,194	3,392,576,245
Unemployment Compensation	198,221	189,362	382,000	360,000	360,000	360,000	360,000
Insurance - Group Life	311,805	378,280	419,300	408,000	414,000	408,000	414,000
Employers Social Security Tax	16,369,207	17,476,288	18,413,216	18,808,470	19,025,570	18,808,470	19,025,570
State Employees Health Service Cost	52,545,101	53,328,814	60,292,606	65,280,300	69,110,000	64,773,000	71,541,000
Other Post Employment Benefits	5,540,997	5,524,322	5,733,422	2,973,119	2,989,257	2,973,119	2,989,257
SERS Defined Contribution Match	382,701	495,719	1,082,041	1,245,804	1,538,880	1,245,804	1,538,880
State Employees Retirement Contributions - Normal Cost	19,091,316	19,599,175	21,346,200	20,485,465	21,096,029	20,485,465	21,096,029
State Employees Retirement Contributions - UAL	137,112,684	152,758,381	163,773,082	155,690,019	146,129,193	155,690,019	146,129,193
Agency Total - Special Transportation Fund	231,552,032	249,750,341	271,441,867	265,251,177	260,662,929	264,743,877	263,093,929
Total - Appropriated Funds	3,337,646,713	3,495,529,996	3,862,190,630	3,597,116,492	3,638,317,464	3,571,038,071	3,655,670,174

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25

Policy Revisions

Provide Funding for UConn Health Center Fringe Benefits

Unemployment Compensation	-	-	18,242	17,229	18,242	17,229
State Employees Retirement Contributions	-	-	2,308,873	2,180,602	2,308,873	2,180,602
Higher Education Alternative Retirement System	-	-	839,349	792,719	839,349	792,719
Insurance - Group Life	-	-	5,548	5,240	5,548	5,240
Employers Social Security Tax	-	-	500,103	472,319	500,103	472,319
State Employees Health Service Cost	-	-	827,885	781,891	827,885	781,891
Total - General Fund	-	-	4,500,000	4,250,000	4,500,000	4,250,000

Legislative

Provide funding of \$4,500,000 in FY 24 and \$4,250,000 in FY 25 to reflect the impact to fringe benefit costs associated with UConn Health Center.

Provide Funding for Fringe Benefits Associated with PA 23-137

Employers Social Security Tax	-	-	94,762	169,081	94,762	169,081
State Employees Health Service Cost	-	-	391,050	702,800	391,050	702,800
Other Post Employment Benefits	-	-	37,161	66,306	37,161	66,306
SERS Defined Contribution Match	-	-	12,387	22,102	12,387	22,102
Total - General Fund	-	-	535,360	960,289	535,360	960,289

Legislative

Provide funding of \$535,360 in FY 24 and \$960,289 in FY 25 to support the fringe benefits of positions outlined in PA 23-137, *An Act Concerning Resources And Support Services For Persons With An Intellectual Or Developmental Disability*.

Restructure Fringe Benefit Funding to the Higher Education Constituent Units

Insurance - Group Life	(1,043,962)	(1,043,962)	(1,043,962)	(1,043,962)	-	-
Employers Social Security Tax	(52,376,722)	(52,376,722)	(52,376,722)	(52,376,722)	-	-
State Employees Health Service Cost	(161,651,932)	(161,651,932)	(161,651,932)	(161,651,932)	-	-
State Employees Retirement Contributions - Normal Cost	16,359,146	16,359,146	16,359,146	16,359,146	-	-
State Employees Retirement Contributions - UAL	132,360,362	132,360,362	132,360,362	132,360,362	-	-
Total - General Fund	(66,353,108)	(66,353,108)	(66,353,108)	(66,353,108)	-	-

Background

Currently, the General Fund fringe benefit accounts only pay for those higher education employees paid out of the General Fund block grants. This method will change so the Comptroller's General Fund fringe benefit accounts pay 100% of the pension "legacy" costs for all higher education employees, regardless of fund. In turn, the higher education constituent units will pay 100% of the costs for group life insurance, active health, and social security for all its employees regardless of funding source.

Governor

Net reduction of \$66,353,108 in FY 24 and FY 25 to reflect restructuring of fringe benefit costs to Higher Education Constituent Units.

Legislative

Same as Governor

Reflect Impact of Position Changes

Employers Social Security Tax	1,079,600	1,140,500	(152,093)	28,253	(1,231,693)	(1,112,247)
State Employees Health Service Cost	3,852,100	4,337,500	(1,243,400)	(958,600)	(5,095,500)	(5,296,100)
Other Post Employment Benefits	423,400	447,200	(59,617)	11,025	(483,017)	(436,175)
SERS Defined Contribution Match	153,700	169,000	(24,381)	(7,177)	(178,081)	(176,177)
Total - General Fund	5,508,800	6,094,200	(1,479,491)	(926,499)	(6,988,291)	(7,020,699)
Employers Social Security Tax	38,400	40,000	38,400	40,000	-	-
State Employees Health Service Cost	159,500	175,700	159,500	175,700	-	-

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25
Other Post Employment Benefits	15,100	15,700	15,100	15,700	-	-
SERS Defined Contribution Match	5,000	5,200	5,000	5,200	-	-
Total - Special Transportation Fund	218,000	236,600	218,000	236,600	-	-

Background

Fringe benefit costs that support positions in the General Fund and Special Transportation Fund are centrally budgeted in the Office of the State Comptroller.

Governor

Provide funding of \$5,508,800 in FY 24 and \$6,094,200 in FY 25 in the General Fund, and \$218,000 in FY 24 and \$236,600 in FY 25 in the Special Transportation Fund to reflect the net impact to fringe benefit costs associated with new and reallocated positions.

Legislative

Reduce funding by \$1,479,491 in FY 24 and \$926,499 in FY 25 in the General Fund, and \$218,000 in FY 24 and \$236,600 in FY 25 in the Special Transportation Fund to reflect the impact to fringe benefit costs associated with net position changes during the committee phase.

Current Services

Reflect Savings from the new Medicare Advantage Prescription Drug (MAPD) Administrator

Retired State Employees Health Service Cost	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)	-	-
Total - General Fund	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)	-	-

Background

On January 1, 2023, Aetna became the MAPD plan administrator for the state retiree health plan. The contract impacts Medicare-eligible retirees only, as under-65 retirees are covered by the same health vendors as active employees. Approximately 57,000 Medicare eligible retirees and dependents are enrolled in the MAPD plan.

Governor

Reduce funding by \$120,000,000 in FY 24 and FY 25 to reflect savings associated with the new plan administrator.

Legislative

Same as Governor

Adjust Operating Expenses to Reflect Current Requirements

Unemployment Compensation	(2,915,000)	(2,915,000)	(2,915,000)	(2,915,000)	-	-
Higher Education Alternative Retirement System	1,260,730	2,087,340	1,260,730	2,087,340	-	-
Pensions and Retirements - Other Statutory	(65,529)	(2,302)	(65,529)	(2,302)	-	-
Insurance - Group Life	545,100	952,100	545,100	952,100	-	-
Employers Social Security Tax	22,910,863	25,570,865	22,910,863	25,570,865	-	-
State Employees Health Service Cost	(728,000)	44,022,000	51,156,200	123,375,800	51,884,200	79,353,800
Retired State Employees Health Service Cost	19,114,600	82,827,200	(56,387,790)	(17,791,480)	(75,502,390)	(100,618,680)
Tuition Reimbursement - Training and Travel	3,783,500	3,833,500	3,783,500	3,833,500	-	-
Other Post Employment Benefits	(38,881,781)	(38,671,101)	(38,881,781)	(38,671,101)	-	-
SERS Defined Contribution Match	1,849,730	7,982,767	1,849,730	7,982,767	-	-
Total - General Fund	6,874,213	125,687,369	(16,743,977)	104,422,489	(23,618,190)	(21,264,880)
Unemployment Compensation	(22,000)	(22,000)	(22,000)	(22,000)	-	-
Insurance - Group Life	(11,300)	(5,300)	(11,300)	(5,300)	-	-
Employers Social Security Tax	947,769	1,159,769	947,769	1,159,769	-	-
State Employees Health Service Cost	3,620,394	7,311,394	3,113,094	9,742,394	(507,300)	2,431,000
Other Post Employment Benefits	(2,609,203)	(2,595,065)	(2,609,203)	(2,595,065)	-	-

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25
SERS Defined Contribution Match	187,163	479,639	187,163	479,639	-	-
Total - Special Transportation Fund	2,112,823	6,328,437	1,605,523	8,759,437	(507,300)	2,431,000

Governor

Provide funding of \$6,874,213 in FY 24 and \$125,687,369 in FY 25 in the General Fund, and \$2,112,823 in FY 24 and \$6,328,437 in FY 25 in the Special Transportation Fund to reflect anticipated expenditure requirements.

Legislative

Reduce funding by \$16,743,977 in FY 24 and provide funding of \$104,422,489 in FY 25 in the General Fund, and provide funding of \$1,605,523 in FY 24 and \$8,759,437 in FY 25 in the Special Transportation Fund to reflect anticipated expenditure requirements.

Fund the SERS Actuarial Determined Employer Contribution (ADEC)

State Employees Retirement Contributions - Normal Cost	(6,758,540)	(1,964,355)	(6,758,540)	(1,964,355)	-	-
State Employees Retirement Contributions - UAL	(69,107,230)	(35,735,839)	(69,107,230)	(35,735,839)	-	-
Total - General Fund	(75,865,770)	(37,700,194)	(75,865,770)	(37,700,194)	-	-
State Employees Retirement Contributions - Normal Cost	(860,735)	(250,171)	(860,735)	(250,171)	-	-
State Employees Retirement Contributions - UAL	(8,083,063)	(4,179,809)	(8,083,063)	(4,179,809)	-	-
Total - Special Transportation Fund	(8,943,798)	(4,429,980)	(8,943,798)	(4,429,980)	-	-

Background

The State Employees' Retirement System (SERS) is the state's defined benefit plan for approximately 46,661 active and 56,778 retired state employees and beneficiaries. SERS is currently funded using an actuarial reserve funding method, whereby the normal cost and past service liability are calculated in order to determine the state's annual actuarial determined employer contribution (ADEC)(CGS 5-156a). SERS is a collectively bargained benefit. The current agreement governing pension benefits is effective until 2027. The SERS ADEC is funded through three sources: a General Fund appropriation, Special Transportation Fund appropriation and recoveries from other funding sources, including other appropriated funds, federal funds, and grant funds. The state transitioned from biennial valuations to annual valuations for SERS beginning with the June 30, 2018 valuation. The June 30, 2022 valuation, which was completed in January 2023, established the ADEC for FY 24.

Governor

Reduce funding by \$75,865,770 in FY 24 and \$37,700,194 in FY 25 in the General Fund, and \$8,943,798 in FY 24 and \$4,429,980 in FY 25 in the Special Transportation Fund to reflect savings to the GF and STF portions of the SERS ADEC in the biennium.

Legislative

Same as Governor

Reflect Impact of Revised Pension Fund Deposits

State Employees Retirement Contributions - UAL	-	(114,016,360)	-	(76,019,360)	-	37,997,000
Total - General Fund	-	(114,016,360)	-	(76,019,360)	-	37,997,000
State Employees Retirement Contributions - UAL	-	(13,464,080)	-	(13,464,080)	-	-
Total - Special Transportation Fund	-	(13,464,080)	-	(13,464,080)	-	-

Background

Under current law (CGS 4-30a) if the Budget Reserve Fund (BRF) exceeds the 15% cap in FY 23, the State Treasurer must deposit the amount over the cap to either the State Employees Retirement System (SERS) and/ or the Teachers' Retirement System (TRS) to reduce the unfunded liability of the selected system by up to 5%. The FY 24 and FY 25 Governor's Recommended Budget funds the State Employee Retirement Contribution-UAL account based on reductions to the SERS ADEC resulting from an anticipated BRF transfer due to the BRF cap being exceeded in FY 23.

Governor

Reduce funding by \$114,016,360 in the General Fund and \$13,464,080 in the Special Transportation Fund to reflect reduction of the unfunded accrued liability resulting from additional deposits.

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25

Legislative

Reduce funding in FY 25 by \$76,019,360 in the General Fund and \$13,464,080 in the Special Transportation Fund to reflect reduction of the unfunded accrued liability resulting from additional deposits.

Remove Funding for 27th Payroll

Higher Education Alternative Retirement System	(481,400)	(481,400)	(481,400)	(481,400)	-	-
Employers Social Security Tax	(8,759,174)	(8,759,174)	(8,759,174)	(8,759,174)	-	-
Other Post Employment Benefits	(3,200,000)	(3,200,000)	(3,200,000)	(3,200,000)	-	-
SERS Defined Contribution Match	(621,300)	(621,300)	(621,300)	(621,300)	-	-
Total - General Fund	(13,061,874)	(13,061,874)	(13,061,874)	(13,061,874)	-	-
Employers Social Security Tax	(677,115)	(677,115)	(677,115)	(677,115)	-	-
Other Post Employment Benefits	(200,000)	(200,000)	(200,000)	(200,000)	-	-
SERS Defined Contribution Match	(39,700)	(39,700)	(39,700)	(39,700)	-	-
Total - Special Transportation Fund	(916,815)	(916,815)	(916,815)	(916,815)	-	-

Background

The FY 23 Revised Budget included a total of \$128,456,014 for an extra 27th pay period for six appropriated funds. There are usually 26 pay periods in a fiscal year, but every 11 years there is an additional 27th pay period.

Governor

Reduce funding by \$13,061,874 in the General Fund and \$916,815 in the Special Transportation Fund in both FY 24 and FY 25 to reflect 26 pay periods in each fiscal year.

Legislative

Same as Governor

Fund the Judges & Compensation Commissioners Retirement System Actuarially Determined Employer Contribution (ADEC)

Judges and Compensation Commissioners Retirement	2,718,991	4,903,639	2,718,991	4,903,639	-	-
Total - General Fund	2,718,991	4,903,639	2,718,991	4,903,639	-	-

Background

The Judges, Family Support Magistrates, and Compensation Commissioners' Retirement System (JRS) is the state's defined benefit plan for active and retired Judges, Family Support Magistrates, Compensation Commissioners, and beneficiaries. JRS is currently funded on an actuarial reserve basis, where the normal cost and past service liability are calculated to determine the state's actuarially determined employer contribution (ADEC). The state transitioned from biennial valuations to annual valuations for JRS with the June 30, 2018, valuation. The June 30, 2022, valuation established the ADEC for FY 24.

Governor

Provide funding of \$2,718,991 in FY 24 and \$4,903,639 in FY 25 to fund the JRS ADEC in the biennium.

Legislative

Same as Governor

Adjust for Net Impact of Position Changes

Unemployment Compensation	-	37,500	-	37,500	-	-
Employers Social Security Tax	211,200	208,800	211,200	208,800	-	-
State Employees Health Service Cost	683,700	706,700	683,700	706,700	-	-
Other Post Employment Benefits	82,800	81,800	82,800	81,800	-	-
SERS Defined Contribution Match	27,600	27,300	27,600	27,300	-	-
Total - General Fund	1,005,300	1,062,100	1,005,300	1,062,100	-	-
Employers Social Security Tax	86,200	89,700	86,200	89,700	-	-
State Employees Health Service Cost	1,207,800	1,330,300	1,207,800	1,330,300	-	-
Other Post Employment Benefits	33,800	35,200	33,800	35,200	-	-
SERS Defined Contribution Match	11,300	11,700	11,300	11,700	-	-
Total - Special Transportation Fund	1,339,100	1,466,900	1,339,100	1,466,900	-	-

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25

Governor

Provide funding of \$1,005,300 in FY 24 and \$1,062,100 in FY 25 in the General Fund, and \$1,339,100 in FY 24 and \$1,466,900 in FY 25 in the Special Transportation Fund to reflect current requirements for fringe benefit costs associated with net position changes.

Legislative

Same as Governor

Transfer Tuition and Reimbursement Costs for a Recently Settled Collective Bargaining Contract and for Managers

Tuition Reimbursement - Training and Travel	290,000	290,000	290,000	290,000	-	-
Total - General Fund	290,000	290,000	290,000	290,000	-	-

Background

A recently settled collective bargaining agreement between the State of Connecticut and the Connecticut State Police Union (NP-1 Bargaining Unit), which was submitted to the assembly for approval on January 4, 2023, increased the tuition reimbursement fund to \$90,000, added a new annual \$500 lump sum payment for Bachelor of Arts or Master's degree, as well as made other changes to the contract.

Governor

Transfer funding of \$290,000 in FY 24 and FY 25 from the Reserve for Salary Adjustments account to the Comptroller's tuition reimbursement fringe benefit account for the recently settled NP-1 (State Police) contract.

Legislative

Same as Governor

Totals

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25
FY 23 Appropriation - GF	3,590,748,763	3,590,748,763	3,590,748,763	3,590,748,763	-	-
Policy Revisions	(60,844,308)	(60,258,908)	(62,797,239)	(62,069,318)	(1,952,931)	(1,810,410)
Current Services	(198,039,140)	(152,835,320)	(221,657,330)	(136,103,200)	(23,618,190)	16,732,120
Total Recommended - GF	3,331,865,315	3,377,654,535	3,306,294,194	3,392,576,245	(25,571,121)	14,921,710
FY 23 Appropriation - TF	271,441,867	271,441,867	271,441,867	271,441,867	-	-
Policy Revisions	218,000	236,600	218,000	236,600	-	-
Current Services	(6,408,690)	(11,015,538)	(6,915,990)	(8,584,538)	(507,300)	2,431,000
Total Recommended - TF	265,251,177	260,662,929	264,743,877	263,093,929	(507,300)	2,431,000