

State Comptroller - Fringe Benefits

OSC15200

Budget Summary

Account	Actual FY 17	Actual FY 18	Appropriation FY 19	Governor Recommended		Legislative	
				FY 20	FY 21	FY 20	FY 21
Other Current Expenses							
Unemployment Compensation	9,324,015	4,515,501	6,465,764	6,132,100	4,974,400	6,132,100	4,974,400
State Employees Retirement Contributions	1,124,661,963	1,051,671,981	1,165,586,416	1,268,557,372	1,373,926,320	-	-
Higher Education Alternative Retirement System	(4,481,076)	(14,532,297)	1,000	30,044,700	30,044,700	11,034,700	24,034,700
Pensions and Retirements - Other Statutory	1,588,430	1,741,905	1,657,248	1,974,003	2,029,134	1,974,003	2,029,134
Judges and Compensation Commissioners Retirement	19,163,487	25,457,910	27,427,480	27,010,989	28,522,111	27,010,989	28,522,111
Insurance - Group Life	7,700,785	7,948,931	8,270,468	8,514,800	8,770,200	8,514,800	8,770,200
Employers Social Security Tax	213,479,495	202,306,353	199,077,427	208,255,096	217,511,800	208,540,754	218,208,651
State Employees Health Service Cost	644,726,791	608,481,139	655,811,120	683,297,327	720,194,863	678,375,327	715,320,807
Retired State Employees Health Service Cost	706,466,675	701,117,891	687,599,000	776,021,000	847,309,000	776,021,000	847,309,000
Tuition Reimbursement - Training and Travel	1,508,278	2,876,226	-	3,475,000	3,508,500	3,475,000	3,508,500
Other Post Employment Benefits	-	91,200,000	91,200,000	95,650,800	83,371,300	95,764,285	83,648,639
Death Benefits For St Employ	16,200	17,049	-	-	-	-	-
Insurance Recovery	2,195	-	-	-	-	-	-
SERS Defined Contribution Match	-	-	-	2,135,398	3,240,740	2,150,171	3,257,268
State Employees Retirement Contributions - Normal Cost	-	-	-	-	-	168,330,352	149,045,118
State Employees Retirement Contributions - UAL	-	-	-	-	-	1,143,138,185	1,246,717,529
Agency Total - General Fund	2,724,157,238	2,682,802,589	2,843,095,923	3,111,068,585	3,323,403,068	3,130,461,666	3,335,346,057
Unemployment Compensation	194,746	328,971	203,548	203,548	203,548	203,548	203,548
State Employees Retirement Contributions	129,227,978	116,442,942	126,280,942	162,804,000	175,928,000	-	-
Insurance - Group Life	270,550	262,034	277,357	282,900	288,600	282,900	288,600
Employers Social Security Tax	15,562,386	15,081,540	15,674,834	16,545,655	17,296,756	16,471,765	17,222,866
State Employees Health Service Cost	48,413,124	46,616,808	46,618,403	51,600,045	55,063,217	51,210,045	54,613,417
Other Post Employment Benefits	-	6,000,000	6,000,000	6,128,100	5,264,600	6,099,123	5,235,623
SERS Defined Contribution Match	-	-	-	245,585	364,506	236,758	354,879
State Employees Retirement Contributions - Normal Cost	-	-	-	-	-	21,610,640	19,091,316
State Employees Retirement Contributions - UAL	-	-	-	-	-	141,193,360	156,836,684
Agency Total - Special Transportation Fund	193,668,784	184,732,295	195,055,084	237,809,833	254,409,227	237,308,139	253,846,933
Total - Appropriated Funds	2,917,826,022	2,867,534,884	3,038,151,007	3,348,878,418	3,577,812,295	3,367,769,805	3,589,192,990
Additional Funds Available							
Carry Forward Funding	-	-	-	-	-	17,467,966	-
Agency Grand Total	2,917,826,022	2,867,534,884	3,038,151,007	3,348,878,418	3,577,812,295	3,385,237,771	3,589,192,990

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21

Policy Revisions**Transfer Funding for the State Employees Retirement Contributions**

State Employees Retirement Contributions	-	-	(1,268,118,537)	(1,373,462,647)	(1,268,118,537)	(1,373,462,647)
State Employees Retirement Contributions - Normal Cost	-	-	168,330,352	149,045,118	168,330,352	149,045,118
State Employees Retirement Contributions - UAL	-	-	1,099,788,185	1,224,417,529	1,099,788,185	1,224,417,529
Total - General Fund	-	-	-	-	-	-
State Employees Retirement Contributions	-	-	(162,804,000)	(175,928,000)	(162,804,000)	(175,928,000)
State Employees Retirement Contributions - Normal Cost	-	-	21,610,640	19,091,316	21,610,640	19,091,316
State Employees Retirement Contributions - UAL	-	-	141,193,360	156,836,684	141,193,360	156,836,684
Total - Special Transportation Fund	-	-	-	-	-	-

Legislative

Transfer funding of \$189,940,992 in FY 20 and \$168,136,434 in FY 21 in the General Fund and the Special Transportation Fund from the State Employees' Retirement Contributions account to the State Employees' Retirement Contributions - Normal Cost account.

Transfer funding of \$1,240,981,545 in FY 20 and \$1,381,254,213 in FY 21 in the General Fund and the Special Transportation Fund from the State Employees' Retirement Contributions account to the State Employees' Retirement Contributions - Unfunded Liability account.

Provide Funding for University of Connecticut Health Center SERS UAL

State Employees Retirement Contributions - UAL	-	-	33,200,000	-	33,200,000	-
Total - General Fund	-	-	33,200,000	-	33,200,000	-

Legislative

Provide funding of \$33.2 million in FY 20 for the University of Connecticut Health Center to fund the unfunded accrued liability (UAL) for non-General Fund supported employees in the State Employees' Retirement System (SERS). Section 44(a) of PA 19-117 implements this provision.

Provide Funding for Community Colleges SERS UAL

State Employees Retirement Contributions - UAL	-	-	8,200,000	20,350,000	8,200,000	20,350,000
Total - General Fund	-	-	8,200,000	20,350,000	8,200,000	20,350,000

Legislative

Provide funding of \$8.2 million in FY 20 and \$20,350,000 in FY 21 for Connecticut Community Colleges to fund the unfunded accrued liability (UAL) for non-General Fund supported employees in the State Employees' Retirement System (SERS). Section 44(b) and (c) of PA 19-117 implements this provision.

Provide Funding for Resident State Troopers SERS UAL

State Employees Retirement Contributions - UAL	-	-	1,950,000	1,950,000	1,950,000	1,950,000
Total - General Fund	-	-	1,950,000	1,950,000	1,950,000	1,950,000

Legislative

Provide funding of \$1,950,000 in FY 20 and FY 21 to fund 50% of the unfunded accrued liability (UAL) portion of the State Employees' Retirement System (SERS) for the Resident State Trooper Program. Section 81 of PA 19-117 implements this provision.

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21

Gross Fund Higher Education Alternate Retirement Program

Higher Education Alternative Retirement System	30,043,700	30,043,700	24,033,700	24,033,700	(6,010,000)	(6,010,000)
Total - General Fund	30,043,700	30,043,700	24,033,700	24,033,700	(6,010,000)	(6,010,000)

Background

CGS 5-155a authorizes eligible unclassified employees of the constituent units of higher education to participate in an alternate retirement program (ARP), a defined contribution plan. Pursuant to the SEBAC 2017 Agreement the state's contribution is 7.25% of salary and employees contribute 5.75%. In FY 20, these contribution rates reduced to 7% and 6% respectively. For employees hired on or after July 31, 2017, the state contribution is 6.5% and the employee default contribution is 6.5%. The state's contribution is paid for from various funding sources and is based on where the employee's salary is charged. Currently, recoveries from other funding sources, predominately tuition funds of higher education institutions are deposited into the ARP appropriation within the General Fund (GF) for non-GF supported employees as an expenditure offset. In recent years the recoveries have exceeded GF expenditures. The Governor recommends gross appropriating the ARP account whereby all recoveries will be deposited into the GF as revenue and the GF appropriation will reflect the state's contribution for those employees whose salaries are supported by the GF (including those employees funded out of the higher education block grants).

Governor

Provide funding of \$30,043,700 in FY 20 and FY 21 to reflect gross appropriating the ARP account. There is a corresponding increase in GF revenue of \$43,700,000 in FY 20 and \$43,400,000 in FY 21.

Legislative

Provide funding of \$24,033,700 in FY 20 and FY 21 to reflect gross appropriating the ARP account. There is a corresponding increase in GF revenue of \$34,998,400 in FY 20 and \$32,809,400 in FY 21. The difference from the Governor is related to the finalization of ARP transfers effective January 18, 2019 to the State Employees' Retirement System (SERS) pursuant to the 2010 State Employees' Bargaining Agent Coalition (SEBAC) ARP Grievance Award (SAG Award).

Reduce Expenditures to Reflect use of FY 19 Carryforward

Higher Education Alternative Retirement System	-	-	(13,000,000)	-	(13,000,000)	-
Total - General Fund	-	-	(13,000,000)	-	(13,000,000)	-

Legislative

Reduce funding by \$13 million in FY 20 to reflect the use of FY 19 carryforward for the Higher Education Alternate Retirement Program. Section 53 of PA 19-117 implements this provision.

Provide Funding for Fringe Benefits for Additional Positions

Employers Social Security Tax	192,500	310,400	342,996	474,322	150,496	163,922
State Employees Health Service Cost	840,500	1,512,000	1,104,400	1,835,856	263,900	323,856
Other Post Employment Benefits	75,500	121,700	134,518	185,983	59,018	64,283
SERS Defined Contribution Match	25,200	40,600	44,873	62,028	19,673	21,428
Total - General Fund	1,133,700	1,984,700	1,626,787	2,558,189	493,087	573,489
Employers Social Security Tax	-	-	90,832	90,832	90,832	90,832
State Employees Health Service Cost	-	-	390,000	449,800	390,000	449,800
Other Post Employment Benefits	-	-	35,620	35,620	35,620	35,620
SERS Defined Contribution Match	-	-	11,873	11,873	11,873	11,873
Total - Special Transportation Fund	-	-	528,325	588,125	528,325	588,125

Governor

Provide funding of \$1,133,700 in FY 20 and \$1,984,700 in FY 21 to reflect the fringe benefit impact of additional positions and additional personnel funding.

Legislative

Provide funding of \$1,626,787 in FY 20 and \$2,558,189 in FY 21 in the General Fund and \$528,325 in FY 20 and \$588,125 in FY 21 in the Special Transportation Fund to reflect the fringe benefit impact of additional positions and additional personnel funding.

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21

Reduce Fringe Benefits to Reflect the Transfer of Positions

Unemployment Compensation	(4,400)	(4,600)	(4,400)	(4,600)	-	-
State Employees Retirement Contributions	(1,230,900)	(1,280,100)	(1,669,735)	(1,743,773)	(438,835)	(463,673)
Insurance - Group Life	(3,800)	(4,000)	(3,800)	(4,000)	-	-
Employers Social Security Tax	(146,400)	(152,300)	(198,610)	(207,465)	(52,210)	(55,165)
State Employees Health Service Cost	(422,500)	(468,000)	(574,600)	(629,928)	(152,100)	(161,928)
Other Post Employment Benefits	(57,400)	(59,700)	(80,174)	(81,333)	(22,774)	(21,633)
Total - General Fund	(1,865,400)	(1,968,700)	(2,531,319)	(2,671,099)	(665,919)	(702,399)

Governor

Reduce funding by \$1,865,400 in FY 20 and \$1,968,700 in FY 21 to reflect the net impact from the transfer of state personnel.

Legislative

Reduce funding by \$2,531,319 in FY 20 and \$2,671,099 in FY 21 to reflect the net impact from the transfer of state personnel.

Adjust Fringe Benefits to Reflect the Reduction of Positions

Unemployment Compensation	1,394,500	-	1,394,500	-	-	-
Employers Social Security Tax	(291,700)	(661,600)	(301,292)	(671,963)	(9,592)	(10,363)
State Employees Health Service Cost	(884,000)	(2,088,000)	(917,800)	(2,123,984)	(33,800)	(35,984)
Other Post Employment Benefits	(114,400)	(259,500)	(114,400)	(259,500)	-	-
Total - General Fund	104,400	(3,009,100)	61,008	(3,055,447)	(43,392)	(46,347)

Governor

Provide funding of \$104,400 in FY 20 and reduce funding by \$3,009,100 in FY 21 to reflect the reduction of state personnel and personnel funding.

Legislative

Provide funding of \$61,008 in FY 20 and reduce funding by \$3,055,447 in FY 21 to reflect the reduction of state personnel and personnel funding.

Current Services

Adjust Operating Expenses to Reflect Current Requirements

Unemployment Compensation	(1,723,764)	(1,486,764)	(1,723,764)	(1,486,764)	-	-
Pensions and Retirements - Other Statutory	316,755	371,886	316,755	371,886	-	-
Insurance - Group Life	248,132	503,732	248,132	503,732	-	-
Employers Social Security Tax	9,423,269	18,937,873	9,620,233	19,536,330	196,964	598,457
State Employees Health Service Cost	27,952,207	65,427,743	22,952,207	60,427,743	(5,000,000)	(5,000,000)
Retired State Employees Health Service Cost	88,422,000	159,710,000	88,422,000	159,710,000	-	-
Other Post Employment Benefits	4,547,100	(7,631,200)	4,624,341	(7,396,511)	77,241	234,689
SERS Defined Contribution Match	49,000	56,300	44,100	51,400	(4,900)	(4,900)
Total - General Fund	129,234,699	235,889,570	124,504,004	231,717,816	(4,730,695)	(4,171,754)
Insurance - Group Life	5,543	11,243	5,543	11,243	-	-
Employers Social Security Tax	870,821	1,621,922	706,099	1,457,200	(164,722)	(164,722)
State Employees Health Service Cost	4,981,642	8,444,814	4,201,642	7,545,214	(780,000)	(899,600)
Other Post Employment Benefits	128,100	(735,400)	63,503	(799,997)	(64,597)	(64,597)
SERS Defined Contribution Match	20,700	21,500	-	-	(20,700)	(21,500)
Total - Special Transportation Fund	6,006,806	9,364,079	4,976,787	8,213,660	(1,030,019)	(1,150,419)

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21

Governor

Provide funding of \$129,234,699 in FY 20 and \$235,889,570 in FY 21 in the General Fund and \$6,006,806 in FY 20 and \$9,364,079 in FY 21 in the Special Transportation Fund to reflect anticipated expenditure requirements.

Legislative

Provide funding of \$124,504,004 in FY 20 and \$231,717,816 in FY 21 in the General Fund and \$4,976,787 in FY 20 and \$8,213,660 in FY 21 in the Special Transportation Fund to reflect anticipated expenditure requirements.

Fund the Actuarially Determined Employer Contribution for the State Employee Pension Plan

State Employees Retirement Contributions	104,201,856	209,620,004	104,201,856	209,620,004	-	-
Total - General Fund	104,201,856	209,620,004	104,201,856	209,620,004	-	-
State Employees Retirement Contributions	36,523,058	49,647,058	36,523,058	49,647,058	-	-
Total - Special Transportation Fund	36,523,058	49,647,058	36,523,058	49,647,058	-	-

Background

The State Employees' Retirement System (SERS) is the state's defined benefit plan for approximately 50,000 active and retired state employees. 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 was last revised in 2017 and 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.

Governor

Provide funding of \$104,201,856 in FY 20 and \$209,620,004 in FY 21 in the General Fund (GF) and \$36,523,058 in FY 20 and \$49,647,058 in FY 21 in the Special Transportation Fund (STF) to fund the GF and STF portion of the SERS ADEC in the biennium.

Legislative

Same as Governor

Provide Funding for SERS Tier IV Hybrid Plan 1% Employer Contribution

SERS Defined Contribution Match	2,061,198	3,143,840	2,061,198	3,143,840	-	-
Total - General Fund	2,061,198	3,143,840	2,061,198	3,143,840	-	-
SERS Defined Contribution Match	224,885	343,006	224,885	343,006	-	-
Total - Special Transportation Fund	224,885	343,006	224,885	343,006	-	-

Background

The SEBAC 2017 Agreement established a new Tier IV within the State Employees' Retirement System (SERS), a hybrid defined contribution/defined benefit tier, for employees hired on or after July 31, 2017. Tier IV has approximately 2,300 employees. The state's contribution, as well as the employee's default contribution towards the defined contribution portion, is 1% of salary. The 1% contribution is not included as part of the state's actuarially determined employer contribution (ADEC) for SERS and therefore a new account is recommended to distinguish between the employer's contribution towards Tier IV employees' defined contribution accounts versus the General Fund's share of the SERS ADEC.

Governor

Provide funding of \$2,061,198 in FY 20 and \$3,143,840 in FY 21 in the General Fund and \$224,885 in FY 20 and \$343,006 in FY 21 in the Special Transportation Fund to reflect the state's contribution towards Tier IV employees' defined contribution accounts.

Legislative

Same as Governor

Fund the Actuarially Determined Employer Contribution for Judges and Compensation Commissioners Pension Plan

Judges and Compensation Commissioners Retirement	(416,491)	1,094,631	(416,491)	1,094,631	-	-
Total - General Fund	(416,491)	1,094,631	(416,491)	1,094,631	-	-

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21

Background

The Judges, Family Support Magistrates, and Compensation Commissioners' Retirement System (JRS) is the state's defined benefit plan for 209 active and 284 retired Judges, Family Support Magistrates, and Compensation Commissioners. JRS 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).

Governor

Reduce funding by \$416,491 in FY 20 and provide funding of \$1,094,631 in FY 21 to fund the JRS ADEC for the biennium.

Legislative

Same as Governor

Provide Tuition and Training Funds for Settled Contracts

Tuition Reimbursement - Training and Travel	3,475,000	3,508,500	3,475,000	3,508,500	-	-
Total - General Fund	3,475,000	3,508,500	3,475,000	3,508,500	-	-

Background

Pursuant to individual collective bargaining contracts, funding is provided for the Tuition Reimbursement - Training and Travel account. For unsettled contracts, tuition and training funding is budgeted within the Reserve for Salary Adjustment account within the Office of Policy and Management.

Governor

Provide funding of \$3,475,000 in FY 20 and \$3,508,500 in FY 21 for tuition and training funding pursuant to individual collective bargaining agreements.

Legislative

Same as Governor

Carry Forward**Carry Forward Tuition and Training Funds**

Tuition Reimbursement - Training and Travel	-	-	4,467,966	-	4,467,966	-
Total - Carry Forward Funding	-	-	4,467,966	-	4,467,966	-

Legislative

Pursuant to individual collective bargaining contracts, \$4,467,966 is carried forward in the Tuition Reimbursement - Training and Travel account.

Carry Forward Funding for Higher Education Alternate Retirement Program

Higher Education Alternative Retirement System	-	-	13,000,000	-	13,000,000	-
Total - Carry Forward Funding	-	-	13,000,000	-	13,000,000	-

Legislative

Pursuant to section 53 of PA 19-117, \$13 million is carried forward in the Higher Education Alternate Retirement Program account to fund FY 20 estimated program expenditures.

Totals

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21
FY 19 Appropriation - GF	2,843,095,923	2,843,095,923	2,843,095,923	2,843,095,923	-	-
Policy Revisions	29,416,400	27,050,600	53,540,176	43,165,343	24,123,776	16,114,743
Current Services	238,556,262	453,256,545	233,825,567	449,084,791	(4,730,695)	(4,171,754)
Total Recommended - GF	3,111,068,585	3,323,403,068	3,130,461,666	3,335,346,057	19,393,081	11,942,989
FY 19 Appropriation - TF	195,055,084	195,055,084	195,055,084	195,055,084	-	-
Policy Revisions	-	-	528,325	588,125	528,325	588,125
Current Services	42,754,749	59,354,143	41,724,730	58,203,724	(1,030,019)	(1,150,419)
Total Recommended - TF	237,809,833	254,409,227	237,308,139	253,846,933	(501,694)	(562,294)