

**OLR BILL ANALYSIS**

**HB 5034 (LCO 543)**

***AN ACT CONCERNING RETIREMENT PROVISIONS RELATING TO JUDGES, FAMILY SUPPORT MAGISTRATES AND COMPENSATION COMMISSIONERS***

**SUMMARY:**

This bill makes numerous changes to the retirement benefits and requirements for judges, family support magistrates, and compensation commissioners, whose retirement system is separate from the State Employees Retirement System (SERS). This system has its own pension fund, is governed by statute, and is not subject to collective bargaining.

The bill:

1. changes how retirement benefits are calculated for commissioners and family support magistrates who begin serving after July 1, 2011;
2. changes how cost of living adjustments (COLAs) are calculated and, after this year, ends COLAs for surviving spouses of those officials unless the official was serving on or after September 2, 2011;
3. increases age requirements for those officials with at least ten, but less than 25, years of service;
4. allows existing judges to maintain their current retirement requirements by increasing their contributions to the retirement system; and
5. makes various minor, technical, and conforming changes.

EFFECTIVE DATE: Upon passage

**§ 5—COMPENSATION COMMISSIONERS**

By law, a compensation commissioner's retirement benefit and the allowance paid to a surviving spouse is based on the commissioner's

salary. For those who began serving after January 1, 1981, current law bases the benefit on the annual salary the commissioner was receiving at the time of his or her retirement or death. For retired compensation commissioners who received longevity payments, the law also provides a benefit increase based on the amount of time served as a compensation commissioner.

Under the bill, the benefit for compensation commissioners who begin serving on or after July 1, 2011, is based on the commissioner's average annual salary over the five years immediately preceding his or her retirement or death. However, the bill specifies that the salary amounts used for these magistrates are the statutorily defined salaries for judges rather than compensation commissioners (CGS § 51-47).

The bill also (1) links these compensation commissioners' longevity payment benefit increase to the judges salary statute, rather than compensation commissioners, and (2) bases the longevity calculation on the compensation commissioner's total state service or service as an elected official, not just their service as a compensation commissioner, as under current law.

### **§ 7—FAMILY SUPPORT MAGISTRATES**

PA 11-61 changed the salary used to determine the retirement benefits paid to all family support magistrates and their surviving spouses to the magistrate's average annual salary for the five years immediately preceding the magistrate's retirement or death. The bill specifies that this change applies to family support magistrates who began serving prior to July 1, 2011 and adds the same provisions for those who begin serving after that date, except it (1) refers to judges salaries, rather than magistrates, and (2) changes the longevity calculation in the same was as for compensation commissioners.

### **§§ 2 & 3—COST OF LIVING ADJUSTMENTS**

The law provides an annual COLA to the pension amounts received by retired judges, family support magistrates, and compensation commissioners. Under current law, the COLA matches the previous year's increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), up to 3% for those officials who retired on or before September 2, 2011, and up to 2% for those officials who in were in service on or after September 1, 2011.

The bill removes the 2% COLA limit for those officials who were in service on and after September 2, 2011 and instead requires their

COLAs to be the same as those given to retired state employees in SERS who retire after October 1, 2011. The SERS COLA for these employees is currently calculated as 60% of the annual CPI-W increase, up to 6%, plus 75% of any annual CPI-W increase over 6%. SERS members who retire after October 1, 2011 receive a minimum 2% COLA and a maximum 7.5% COLA.

### ***Surviving Spouses***

The law also provides COLA's to the surviving spouses of deceased judges, family support magistrates, and compensation commissioners eligible for retirement benefits. For the surviving spouses of those officials who began serving after January 1, 1981, current law limits the COLA to a 3% increase through 2011, and a 2% increase after January 1, 2012.

The bill ends COLAs for any surviving spouse whose deceased spouse did not serve as a judge, family support magistrate, or compensation commissioner on or after September 2, 2011. COLAs for the surviving spouses of those officials who serve on or after that date must be the same as the COLA given to SERS retirees who retire after October 1, 2011.

### **§ 6—SERVICE AND AGE REQUIREMENTS**

PA 11-61 established new service and age requirements for judges, family support magistrates, and compensation commissioners who retire after July 1, 2022 requiring them to have either (1) 25 years of service and be at least 63-years old or (2) 10 years of service and be at least 62-years old, to qualify for a normal retirement benefit.

The bill increases the age requirement, from 62 to 65, for those officials with at least 10, but less than 25 years of service.

The bill also eliminates eligibility for a retirement salary for a judge who does not meet these requirements but (1) is at least age 63, (2) served at least 16 years as a judge, (3) was nominated by the governor for another term, and (4) was no reappointed.

### **§ 8—OPTION TO MAINTAIN CURRENT REQUIREMENTS**

Under the bill, judges who are serving when the bill is enacted can make a one-time irrevocable decision to maintain their current normal retirement requirements, regardless of the changes scheduled to occur on July 1, 2022, by increasing their contributions to the retirement system. The amount must be the actuarial pension cost of maintaining

eligibility in the existing plan, as determined by the retirement system's actuaries and provided to the judges by the Retirement Division of the Office of the Comptroller. The bill requires the State Employees Retirement Commission to prescribe the form used to indicate a judge's decision. Judges must decide to participate by July 1, 2013. Judges who make a successful agency error claim to the State Employees Retirement Commission must make payments according to the state's usual practice.