
OLR Bill Analysis

HB 6844 (as amended by House "A")*

AN ACT CONCERNING PERMANENT PARTIAL DISABILITY BENEFITS AND PENSION OFFSETS.

SUMMARY

This bill makes changes to how certain workers' compensation (WC) benefits may be used when calculating a retiree's pension benefit in certain municipal pension systems. It generally (1) prohibits these systems from decreasing a retiree's pension benefit because the retiree receives WC permanent partial disability benefits and (2) requires them to count an employee's WC temporary total disability and temporary partial disability benefits as wages when calculating his or her pension benefit.

The bill also requires the comptroller to study the considerations needed for a municipality that does not currently have a defined pension plan (presumably, a defined benefit pension plan) for its police officers and firefighters to successfully transition them into the Connecticut Municipal Employees Retirement System (CMERS) or another defined pension plan that provides benefits comparable or superior to those offered by CMERS. The comptroller must report the study's results to the Labor and Public Employees Committee by January 1, 2027.

*House Amendment "A" replaces the underlying bill and adds the provisions on (1) counting temporary total disability and temporary partial disability benefits as wages when calculating the employee's pension benefit and (2) the comptroller's report on transitioning to a defined benefit pension plan.

EFFECTIVE DATE: July 1, 2025, except that the provision on the comptroller's report is effective upon passage.

MUNICIPAL PENSIONS AND WORKERS' COMPENSATION

The bill prohibits municipal or special taxing district pension systems from diminishing or eliminating a retiree's pension rights or benefits because the retiree received permanent partial disability benefits on or after July 1, 2025, under the WC laws for partial incapacity benefits or additional benefits for partial permanent disabilities.

It also requires these pension systems to include an employee's WC temporary total disability and temporary partial disability benefits as wages when calculating his or her pension benefit. However, the sum of the WC benefits and any other wages or compensation used to calculate the pension benefit cannot exceed 100% of the employee's wages from the municipality or district in effect immediately before the injury for which he or she received the WC benefits. The bill also specifies that this provision does not apply to CMERS (which, by law, already includes these WC benefits in pension calculations).

Under the bill, both of the provisions above (1) apply regardless of any state law or special act and (2) do not impair or alter the provisions of any collective bargaining agreement in effect before July 1, 2025.

BACKGROUND***Related Bills***

HB 5609 (File 504), reported favorably by the Labor and Public Employees Committee, generally requires municipal pension systems, when calculating an employee's pension benefits, to consider as the employee's wages the greater of the employee's (1) wages used to calculate the employee's final average salary (FAS) or (2) WC temporary total disability and temporary partial disability benefits the employee received over the period used to calculate the employee's FAS.

HB 6953 (File 555), reported favorably by the Labor and Public Employees Committee, includes a substantially similar provision requiring the comptroller to report on how municipalities that do not have a defined benefit pension plan for their police officers and firefighters can successfully transition them into such a plan.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 9 Nay 4 (03/06/2025)

Appropriations Committee

Joint Favorable

Yea 38 Nay 12 (05/05/2025)