



# House of Representatives

**File No. 955**

General Assembly

January Session, 2025

**(Reprint of File No. 157)**

House Bill No. 6844  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
May 27, 2025

## **AN ACT CONCERNING MUNICIPAL PENSION AND RETIREMENT SYSTEMS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-450c of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 (a) Notwithstanding any provision of the general statutes or special  
4 act 01-1, no municipality or special taxing district that provides, as of  
5 July 11, 2007, a pension and retirement system for its officers and  
6 employees and their beneficiaries shall diminish or eliminate any right  
7 or benefit granted to any retiree under such retirement or pension  
8 system that was in effect on the date of such retiree's retirement. The  
9 provisions of this section shall not be construed to prohibit a  
10 municipality or special taxing district from changing the administration  
11 of such retiree's retirement benefits as long as the rights and benefits  
12 provided to such retiree after any change in the administration are at  
13 least equivalent to the rights and benefits provided prior to such change.

14        (b) Notwithstanding any provision of the general statutes or special  
15        act, no municipality or special taxing district that provides a pension  
16        and retirement system for its officers and employees and their  
17        beneficiaries shall diminish or eliminate any right or benefit granted to  
18        any retiree under such pension or retirement system due to permanent  
19        partial disability benefits received on or after July 1, 2025, by such retiree  
20        in accordance with section 31-308. Nothing in this subsection shall be  
21        construed to impair or alter the provisions of any collective bargaining  
22        agreement in effect before July 1, 2025.

23        (c) Notwithstanding any provision of the general statutes or special  
24        act, a municipality or special taxing district that provides a pension and  
25        retirement system for its officers and employees and their beneficiaries  
26        shall include temporary total disability and temporary partial disability  
27        benefits received by an employee pursuant to chapter 568 as wages for  
28        purposes of the calculation of pension or retirement benefits to be paid  
29        to such employee in retirement, provided (1) the sum of such benefits  
30        and any other wages or compensation used to calculate such employee's  
31        pension or retirement benefits shall not exceed one hundred per cent of  
32        such employee's wages from such municipality or special taxing district  
33        in effect immediately prior to the injury for which the employee  
34        received such benefits, and (2) the provisions of this section shall not  
35        apply to the municipal employees retirement plan set forth in part II of  
36        chapter 113. Nothing in this section shall be construed to impair or alter  
37        the provisions of any collective bargaining agreement in effect before  
38        July 1, 2025.

39        Sec. 2. *(Effective from passage)* The Comptroller shall conduct a study  
40        on the considerations necessary for a municipality that does not  
41        currently provide a defined pension plan to each police officer or  
42        firefighter employed by such municipality through participation in  
43        either (1) the municipal employees' retirement system, pursuant to  
44        section 7-427 of the general statutes, or (2) any other defined pension  
45        plan that provides such individuals with benefits that are comparable  
46        or superior to those benefits offered by the municipal employees'  
47        retirement system, to successfully transition such individuals from such

48 municipality's current retirement system to such defined pension plan  
49 described in subdivisions (1) and (2) of this section. Not later than  
50 January 1, 2027, the Comptroller shall submit a report of the results of  
51 such study, in accordance with the provisions of section 11-4a of the  
52 general statutes, to the joint standing committee of the General  
53 Assembly having cognizance of matters relating to labor and public  
54 employees.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2025</i>	7-450c
Sec. 2	<i>from passage</i>	New section

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 26 \$</b>	<b>FY 27 \$</b>
Various Municipalities	STATE MANDATE <sup>1</sup> - Cost	See Below	See Below

### **Explanation**

The bill results in a cost to municipalities who offer pensions and retirement plans for employees, officers, and their beneficiaries associated with the changes to certain pension benefit calculations described below.

There is a cost resulting from the elimination of permanent partial disability (PPD) settlement offsets from the pension benefit formula for PPD benefits received on or after July 1, 2025. The cost will be recognized in the annual actuarially determined employer contribution (ADEC) amounts for municipalities' respective pension systems to the extent permitted by collective bargaining.

State issued PPD benefits range from \$50 to \$1,191 weekly.<sup>2</sup> Under the bill, municipalities cannot deduct any amount of the awarded PPD

<sup>1</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

<sup>2</sup> Sourced from the State of Connecticut Workers' Compensation Commission weekly benefits tables for October 1, 2024 – September 30, 2025.

benefit from that person's pension benefit. Approximately 5% of the retirees in the Connecticut Municipal Employees Retirement System (CMERS) collect disability benefits.<sup>3</sup> It is unclear to what extent these retirees collected PPD benefits.

Section 1 further increases costs to municipalities offering pensions and retirement systems beginning in FY 26 as it requires the inclusion of temporary total disability and temporary partial disability benefits in pension calculations. This would increase the benefits paid out and the liability for the retirement systems. The cost to municipalities is dependent on the instances where disability benefits that would not otherwise be used in the calculation are now included and the associated benefit differential.

Section 2 requires the Comptroller to conduct a study which does not result in a fiscal impact as the agency can complete this within existing resources.

House "A" eliminates the original bill and its associated fiscal impact, and results in the impacts described above.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future and be reflected in the respective municipality's annual ADEC.

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<sup>3</sup> Connecticut Municipal Employees Retirement System Report of the Actuary on the Valuation Prepared as of June 30, 2024.

**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)