

OFFICE OF FISCAL ANALYSIS

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sHB-5609

AN ACT CONCERNING RETIREMENT BENEFITS AND WORKERS' COMPENSATION BENEFITS.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities	Cost	Potential	Potential

Explanation

The bill increases costs to municipalities offering defined benefit pensions and retirement systems as it requires the inclusion of temporary total disability and temporary partial disability benefits in pension calculations if the wages are greater than the employee's final average salary. 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.

The Out Years

The annualized ongoing fiscal impact identified above is subject to instances where disability benefits are used in calculating retirement benefits and would continue into the future subject to inflation.