

OFFICE OF FISCAL ANALYSIS

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sHB-6953

AN ACT REQUIRING MUNICIPALITIES TO PROVIDE A PENSION TO POLICE OFFICERS AND FIREFIGHTERS THROUGH PARTICIPATION IN THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OR ANOTHER COMPARABLE PENSION SYSTEM.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities	STATE MANDATE ¹ - Cost	See Below	See Below

Explanation

The bill requires municipalities to offer defined pension plans to its employed police officers and firefighters which results in a cost to municipalities not currently offering a plan. The employer cost for police and fire members with social security in the Connecticut Municipal Employees Retirement System (CMERS) for FY 26 is 24.12% of payroll.² Annual costs will be incurred as municipalities begin offering benefit plans but must begin prior to the end of FY 27.

Approximately 87 municipalities are not offering any plans to police

¹ 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.

² Sourced from the June 30, 2024, CMERS actuarial valuation.

officers or firefighters.³ Of these, 28 have municipal police departments and 23 employ career firefighters.⁴ For illustrative purposes, if all enroll in CMERS and earn the average salary of those actives already in the plan, there would be an annual cost of approximately \$98.6 million proportionately shared by municipalities subject to the normal cost determined in the annual actuarial valuation.

The bill additionally requires the Comptroller to conduct a study and submit a report, which would not result in a fiscal impact as the agency can complete this within existing resources.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to participation in the pension plans, and the associated employer cost.

Sources: Office of Legislative Research <https://www.cga.ct.gov/2023/rpt/pdf/2023-R-0265.pdf>
Office of the State Comptroller <https://osc.ct.gov/wp-content/uploads/2025/01/CMERS-2024-Valuation-Report-FINAL-with-Schedule-H.pdf>
The Connecticut State Firefighters Association, Inc. <http://csfa.org/>
U.S. Fire Administration <https://www.usfa.fema.gov/>

³ Sourced from the Municipal Fiscal Indicators book. There are 33 unique municipalities enrolled in CMERS for either fire, police, or both. Approximately 49 municipalities are not enrolled and employing police and fire members but are offering defined pension plans that would meet the requirements of the bill.

⁴ Sourced from a 2023 Office of Legislative Research Report, and the U.S. Fire Administration.