

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6844

AN ACT CONCERNING PERMANENT PARTIAL DISABILITY BENEFITS AND

Title: PENSION OFFSETS.

Vote Date: 3/6/2025

Vote Action: Joint Favorable

PH Date: 2/6/2025

File No.:

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SPONSORS OF BILL:

Labor & Public Employees Committee

REASONS FOR BILL:

The reason for this bill is to ensure that a worker who has received a permanent partial disability settlement does not have their pension offset as a result of that settlement. A worker who has been permanently partially disabled should not thus be unduly penalized in their retirement for having become disabled.

RESPONSE FROM ADMINISTRATION/AGENCY:

None provided.

NATURE AND SOURCES OF SUPPORT:

Jeff Tomchik, Uniformed Professional Firefighters Association of Connecticut:

Supports the bill, states that if someone is injured on the job, no matter what profession, they are justly compensated for an injury that occurs through the course of their employment. States the OLR Report 2000-R-1180 which says "PPD benefits are for loss of body parts or a reduction of function in a body part". States it clearly defines PPD as a benefit, not as wages or compensation. The only issue of this bill is when the injury becomes so severe, they are unable to reach maximum medical recovery which leads to the employee compelled to retire with a disability pension. Mentions that using the definition, "compensation for total or partial incapacity or for a specific loss of a member or use of the function of a member of the body," is in effect causing the employee to "pay" for his/her own injury. Goes into detail about the Worker's Compensation Commission and how it operates under the Workers' Compensation Laws. Believes that any worker that was severely injured, either little to no range of motion,

function or incapacitation should get any eligible PPD award is provided to temporarily assist the financial burden of accommodating the injury. Gives an example and tells the story about Lt Ray Lodge, and how there was injustice with Workers' Compensation benefits and a municipal pension benefit. Lastly, lists misconceptions about PPD.

Peter Brown, President of Uniformed Professional Fire Fighters Association of

Connecticut: Supports the bill, Connecticut firefighters put their lives on the line and suffer from work-related injuries or illnesses forcing them into early retirement and they do not need a financial penalty. The current pension offset provision in worker's compensation reduces their well-deserved retirement benefits, as well as withholds a part of a firefighter's disability benefits from their retirement pension. This provision ignores the nature of firefighting, which regularly face unpredictable and physically demanding situations, such as cumulative injuries and exposure to hazardous conditions over time can contribute to long-term health problems. This proposed bill corrects unintended policy interpretation of the definition of wage, will place the proper designation of an award to attempt to make the firefighter whole for their work-related injury, and allow them to collect their full PPD award while receiving their bargained retirement benefit.

Ed Hawthorne, President Connecticut AFL-CIO: Supports the bill, workers who have sustained injury should not be subjected to reduced pension benefits. In the state's workers' compensation statute, when an employee is recovered fully from a work-related injury by a physician, the claimant may receive permanent partial disability benefits if it consists a loss of a body part or a permanent partial loss of function. Workers who suffered an injury also should not be subjected to reduced pension benefits.

Jeffery Zyjeski, CT Trial Lawyers Association: Supports the bill, states that the payments under 31-308 and 31-308a are effectively economic compensation for the permanent injuries sustained through the course of their employment and it is payment for their actual, physically injured body part. Mentions that workers' compensation benefits are entirely separate from any other pension or retirement benefit earned by the employee, and one should not be impacted from the other. Lastly, states that if the employee had not retired and returned to work, the permanent partial disability benefits would be issued in addition to their normal salary, and the pension should be viewed as the retiree's salary and the permanency benefit should be issued.

Carl Chisem, President - Municipal Employees Union Independent, SEIU Local 506:

Supports the bill, states that when a person gets hurt, the current legislation creates a double hardship for them by withholding a portion of their postretirement benefits. Workers must endure the physical hardship of their disabling injury and the financial hardship that comes with not having access to the full benefits. States that this bill corrects the policy interpretation of the definition of wages, will place the proper designation of an award to attempt to make the worker whole for their work-related injury, and lastly, allow the worker to collect their full PPD award while receiving their bargained retirement benefit.

NATURE AND SOURCES OF OPPOSITION:

Betsy Gara, Executive Director COST: Opposes the bill since it will discourage workers from returning to work since they are receiving Worker's Compensation benefits that are more when they were employed. The bill places municipal employers at a disadvantage

when it comes to negotiating agreements. COST urges lawmakers to object this unfunded mandate, due to increasing costs affecting the delivery of local services, in particular, education and special education services, it would be difficult for towns to fund critical programs without adding more property taxes.

Mitch Goldblatt, Director of Human Resources of Town of Guilford: Opposes the bill, pension plans in Connecticut municipalities have become unaffordable and unsustainable, and the bill will put more stress on local finances. Employees pensions are based on a combination of factors including salary, longevity, and a multiplier, most often the result of Collective Bargaining, as well as it is hard to justify why a former employee, most of whom are able to obtain a less physical income, would earn more as a retiree than they did as an employee, and does not agree with this bill because it would exceed 100% of the retiree's salary. This bill would also create an unfunded mandate on towns and cities.

Zachary McKeown, Advocacy Manager CCM: Opposes the bill, represents an unfunded mandate on Connecticut towns and cities, and the legislature continues to take away collective bargaining rights away from municipalities. The legislature should oppose this bill as it continues to eliminate the right to have a fair and balanced negotiation. The bill would create a system where claimants receive greater compensation while they are out of work than when they were employed, as well as create a financial incentive for claimants to remain out of work on Workers' Compensation benefits. They would also be eligible to receive additional discretionary benefits which are unpredictable and vary based, and claimant and their dependents would continue to receive employer sponsored health benefits as long as the claimant remains eligible for Workers' Compensation benefits. Recommends making pension offsets a mandatory subject of collective bargaining so that the benefit can be considered along with other benefits included in a contract and not mandated. This bill would amplify the negative fiscal impact of these claims by creating a mechanism that would enable a claim to continue indefinitely without being settled, and this unfunded mandate will have fiscal consequences on these plans and would significantly increase the cost of administering them.

Martha Brown: Opposes the bill for various personal reasons.

Reported by: Matthew Domejczyk

Date: 3/18/2025