

Finance, Revenue and Bonding Committee

JOINT FAVORABLE REPORT

Bill No.: HB-7276

AN ACT CONCERNING THE MUNICIPAL EMPLOYEES RETIREMENT

Title: SYSTEM.

Vote Date: 4/24/2025

Vote Action: Joint Favorable Substitute

PH Date: 4/16/2025

File No.: 897

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SPONSORS OF BILL:

Finance, Revenue, & Bonding Committee

REASONS FOR BILL:

MERS 2.0 is a new tier within the retirement system for employees within the municipal employee's system. It is the aim of this bill to better enhance the retirement system and give employees more options as they prepare for retirement.

PROPOSED SUB. LANGUAGE

Additional content was added to section 1, section 2, and section 3.

RESPONSE FROM ADMINISTRATION/AGENCY:

Scanlon, Sean, State Comptroller, Office of the State Comptroller

The Comptroller writes in support of the bill, he is sharing since he took office, his office along with a working group created, has worked to save millions of dollars for municipalities. He shows his appreciation for the work of the committee over the course of 2 legislative sessions, this bill is the result of that work. He lays out the similarities but also updated benefits from this bill and how by passing, it is the hopes of the comptroller that these changes will long-term benefit employees preparing for retirement.

NATURE AND SOURCES OF SUPPORT:

[Anonymous, Anonymous](#), offers testimony in support of the bill.

[Betsy Gara, Executive Director, COST](#), supports the intent of HB-7276, which continues efforts to improve the Connecticut Municipal Employees Retirement System (CMERS). The bill builds on past reforms by addressing cost concerns, creating a new retirement tier to manage overtime costs, offering a defined contribution option, and allowing—rather than requiring—municipalities to join CMERS. COST appreciates the added flexibility and urges an actuarial analysis to assess financial impacts.

[Anonymous, Anonymous](#), offers testimony in support of the bill.

NATURE AND SOURCES OF OPPOSITION:

[Raymond Mutuku](#), offers testimony in opposition of the bill.

GENERAL COMMENTS:

[Kevin Merick, Director of Field Services CSEA SEIU LOCAL 2001](#), express support for HB 7276 and the creation of CMERS 2.0, a revised municipal pension system aimed at expanding participation in defined benefit plans across Connecticut's municipal sector. While they note ongoing concerns—particularly regarding the inclusion of a cash management plan—they commend Comptroller Scanlon for his leadership on the issue. The testimony emphasizes the value of defined benefit pension plans in retaining skilled public employees, reducing turnover, and improving service quality. Currently, only a minority of municipal bargaining units participate in CMERS, with many instead using less effective defined contribution plans that fail to support workforce stability. CMERS 2.0 is presented as a means to encourage broader municipal adoption of defined benefit plans, ultimately benefiting both employees and the public. The testimony also highlights the economic stability offered by defined benefit pensions, particularly during recessions, when consistent retiree spending can help cushion local economies. The union leaders conclude by expressing their willingness to collaborate further on refining the bill and urging its advancement for the benefit of municipal workers and the communities they serve.

Offers similar testimony:

- [Cara Sullivan, General Counsel, MEUI SEIU Local 506](#)
- [John Miller, Collective Bargaining Director, AFSCME Council 4](#)
- [Peter Brown, President, UPFFA CT](#)

[Zachary McKeown, Advocacy Manager, CCM](#), proposes reforms to modernize the Connecticut Municipal Employees Retirement System (CMERS) by creating a new tier, CMERS 2.0. It adjusts pension calculations, retirement eligibility, and introduces a defined contribution plan for overtime, along with a cash balance plan option. While the Connecticut Conference of Municipalities (CCM) supports many of the changes, they raise concerns about unchanged employee contribution rates, high employer costs, and the need for an independent fiscal analysis. CCM sees the bill as a positive step but calls for more clarity and market alignment.

