



General Assembly

Amendment

January Session, 2025

LCO No. 9180



Offered by:
REP. HORN, 64th Dist.

To: Subst. House Bill No. 7276

File No. 897

Cal. No. 590

**"AN ACT CONCERNING THE MUNICIPAL EMPLOYEES
RETIREMENT SYSTEM."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective from passage*) (a) As used in this section:

4 (1) "Active service" means service with a participating municipality
5 for which contributions are required pursuant to subsection (f) of this
6 section;

7 (2) "Aggregate service" has the same meaning as provided in section
8 7-425 of the general statutes;

9 (3) "Average annual pay" means the average annual amount of the
10 regular pay an employee received during the five years of active service
11 in which the employee received the highest amount of regular pay;

12 (4) "Base pay" means the annual salary, wages or earnings of an
13 employee, not including other pay, payments received pursuant to

14 chapter 568 of the general statutes or payouts for accrued vacation time,
15 sick leave or compensatory time;

16 (5) "Continuous service" has the same meaning as provided in section
17 7-425 of the general statutes;

18 (6) "Fund" has the same meaning as provided in section 7-425 of the
19 general statutes;

20 (7) "Member" means a member of the municipal employees
21 retirement plan under part II of chapter 113 of the general statutes;

22 (8) "MERS 2.0" means the set of rules applicable to members who first
23 become eligible for membership on or after the applicable date set forth
24 in subsection (b) of this section;

25 (9) "Other pay" means overtime pay, bonuses and all other
26 compensation of an employee other than an employee's regular pay;

27 (10) "Public safety employee" means a uniformed member of a
28 municipality's paid fire department or a regular member of a
29 municipality's paid police department; and

30 (11) "Regular pay" means the base pay of an employee, plus other
31 predictable ongoing compensation as determined pursuant to
32 regulations adopted in accordance with chapter 54 of the general
33 statutes by the Connecticut Municipal Employees Retirement
34 Commission, provided overtime pay shall not be included as
35 predictable ongoing compensation.

36 (b) The set of rules set forth under this section shall be known as
37 MERS 2.0, which shall operate as another benefit tier within the
38 municipal employees retirement plan set forth in part II of chapter 113
39 of the general statutes.

40 (1) Any municipality not participating in the municipal employees
41 retirement system may enroll in MERS 2.0 on any date on or after the
42 later of (A) July 1, 2026, or (B) the date of the expiration of a collective

43 bargaining agreement that was applicable to such municipality and in
44 effect on July 1, 2026. For a municipality that has enrolled in MERS 2.0
45 pursuant to this subdivision, any member who first becomes eligible for
46 membership in the municipal employees retirement system on any date
47 on or after the date of such enrollment shall be enrolled in MERS 2.0.

48 (2) For a participating municipality, any member who first becomes
49 eligible for membership in the municipal employees retirement system
50 on any date on or after the later of (A) July 1, 2027, or (B) the date of the
51 expiration of a collective bargaining agreement that was applicable to
52 the member's position and in effect on July 1, 2027, shall be enrolled in
53 MERS 2.0.

54 (c) The provisions of part II of chapter 113 of the general statutes shall
55 apply to MERS 2.0 in the same manner and with the same force and
56 effect as if the provisions of said part had been incorporated in full into
57 this section and had expressly referred to MERS 2.0, unless excepted
58 under this section. Where there is a conflict between a provision of said
59 part and this section, the provisions of this section shall prevail with
60 respect to MERS 2.0.

61 (d) Any member participating in MERS 2.0 shall be eligible for
62 retirement and, provided such member has had five years of continuous
63 service or fifteen years of active aggregate service in a participating
64 municipality, to receive a retirement allowance upon completing the
65 following:

66 (1) (A) Thirty years of aggregate service in a participating
67 municipality, or (B) five years of continuous service and upon attaining
68 the age of sixty-five years; and

69 (2) For members who are public safety employees, (A) twenty-five
70 years of aggregate service in a participating municipality, or (B) five
71 years of continuous service and upon attaining the age of fifty-five
72 years.

73 (e) Notwithstanding the provisions of subsection (d) of this section,

74 any member of MERS 2.0, other than a public safety employee, who (1)
75 is separated from the service of the municipality by which the member
76 is employed, except for cause, (2) has completed at least five years of
77 continuous service but fewer than thirty years of aggregate service, and
78 (3) has not attained the age of sixty-five years, shall have the option of
79 receiving a retirement allowance at any time on or after attaining the age
80 of fifty-five years, provided the retirement allowance shall be payable in
81 such amount as determined by the Connecticut Municipal Employees
82 Retirement Commission to be the actuarial equivalent of the retirement
83 allowance that would have been payable except for the election of such
84 option. Retirement allowances under subsection (d) of this section shall
85 not be subject to the actuarial reduction under this subsection.

86 (f) Each member participating in MERS 2.0 shall contribute to the
87 fund five per cent of such member's regular pay, except that each
88 member who is a public safety employee shall contribute to the fund
89 eight per cent of such member's regular pay.

90 (g) (1) Except as provided in subsection (e) of this section, after
91 retirement, in accordance with the provisions of this section, each
92 member participating in MERS 2.0 shall receive, during such member's
93 lifetime, a retirement allowance payable in monthly installments equal
94 to one-twelfth of one and eight-tenths per cent of the member's average
95 annual pay or, for members who are public safety employees, one-
96 twelfth of two and two-tenths per cent of such employee's average
97 annual pay, multiplied by the number of months of such member's
98 aggregate service.

99 (2) For the purpose of calculating a member's average annual pay, the
100 member's regular pay for a year in which such member held more than
101 one position or in which the regular pay for such member's position
102 changed shall be the sum of the regular pay for all positions held by the
103 member during such year, except that the regular pay for each position
104 shall be multiplied by the fraction of one year for which the member
105 held such position.

106 (h) The provisions of the following sections shall apply to members
107 participating in MERS 2.0, as applicable: (1) Section 7-432 of the general
108 statutes concerning disability retirement allowances; (2) section 7-433b
109 of the general statutes concerning survivors' benefits for firemen and
110 policemen; (3) subsections (b) to (d), inclusive, of section 7-439g of the
111 general statutes concerning preretirement death benefits; and (4)
112 subsection (a) and subparagraph (G) of subdivision (1) of subsection (b)
113 of section 7-439b of the general statutes concerning cost of living
114 adjustments.

115 Sec. 2. (NEW) (*Effective from passage*) (a) Not later than July 1, 2026,
116 the Connecticut Municipal Employees Retirement Commission shall
117 create a defined contribution retirement plan to be known as the MERS
118 defined contribution plan.

119 (b) (1) Each member of the municipal employees retirement system
120 shall contribute one-fourth of one per cent of such member's pay to the
121 MERS defined contribution plan.

122 (2) In addition to the contributions under subdivision (1) of this
123 subsection, each member participating in MERS 2.0 shall contribute five
124 per cent of such member's other pay to the MERS defined contribution
125 plan, except that each member who is a public safety employee shall
126 contribute eight per cent of such member's other pay to the MERS
127 defined contribution plan.

128 (3) Payroll deductions for each member of the MERS defined
129 contribution plan shall be made by the appropriate municipal employer.

130 (4) Each participating municipality shall contribute to the MERS
131 defined contribution plan an amount equal to the contributions required
132 under subdivision (2) of subsection (b) of this section from members
133 participating in MERS 2.0 who are employees of such municipality.

134 (5) The Connecticut Municipal Employees Retirement Commission
135 shall serve as the administrator of the MERS 2.0 defined contribution
136 plan. Said commission may (A) make deposits or payments to such plan,

137 subject to the terms of such plan, and (B) contract with a private
138 corporation or private institution for the provision of consolidated
139 billing services and other administrative services for such plan.

140 (6) As used in this section, "MERS 2.0", "other pay" and "public safety
141 employee" have the same meanings as provided in section 1 of this act.

142 Sec. 3. (NEW) (*Effective from passage*) (a) The Connecticut Municipal
143 Employees Retirement Commission may establish and implement an
144 annuity plan that shall be an alternative to the municipal employees
145 retirement system under part II of chapter 113 of the general statutes,
146 provided any such annuity plan is approved with the unanimous vote
147 of the trustees set forth in subdivisions (3) and (4) of subsection (b) of
148 section 7-448a of the general statutes. No municipality participating in
149 the municipal employees retirement system as of the date such plan is
150 implemented shall be eligible to participate in such annuity plan. The
151 commission shall prescribe the manner in which such annuity plan may
152 be adopted by any municipality, as defined in section 7-425 of the
153 general statutes, that is not participating in the municipal employees
154 retirement system.

155 (b) Any such annuity plan shall provide that a municipality that
156 adopts such plan shall have the option to transfer to such plan the
157 accounts and assets of any defined contribution retirement plan
158 previously adopted by such municipality. Payroll deductions for each
159 member of the annuity plan implemented under this section shall be
160 made by the appropriate municipal employer.

161 (c) The State Comptroller shall serve as the administrator of the
162 annuity plan established under this section. The State Comptroller may
163 (1) enter into contractual agreements on behalf of the state with
164 members of such plan to defer any portion of such member's
165 compensation from the adopting municipality, (2) make deposits or
166 payments to such plan, subject to the terms of such plan, and (3) contract
167 with a private corporation or private institution for the provision of
168 consolidated billing services and other administrative services for such

169 plan.

170 Sec. 4. Subsections (c) and (d) of section 5-257 of the general statutes
171 are repealed and the following is substituted in lieu thereof (*Effective July*
172 *1, 2025*):

173 (c) Each employee and each member of the General Assembly
174 insured under subsection (b) of this section shall contribute to the cost
175 of the life insurance a sum equal to twenty cents biweekly for each
176 thousand dollars of life insurance. The State Comptroller shall deduct
177 such amount from the employees' or members' pay and shall pay the
178 premiums on such policy or policies. Any dividends or other refunds or
179 rate credits shall inure to the benefit of the state and shall be applied to
180 the cost of such insurance.

181 (d) (1) The insurance of any employee insured under this section shall
182 cease on termination of employment, and of any member of the General
183 Assembly at the end of such member's term of office, subject to any
184 conversion privilege provided in the group life insurance policy or
185 policies. Notwithstanding any provision of this section, the amounts of
186 life insurance of insured employees retired in accordance with any
187 retirement plan for state employees shall be as follows:

188 (A) Except as provided in subparagraph (C) of this subdivision:

189 (i) The amount of life insurance of an insured employee retired
190 before, on or after July 1, 1998, and prior to July 1, 2025, with twenty-
191 five or more years of state service, as defined in section 5-196, or a
192 member of the General Assembly who is retired on or after July 1, 1988,
193 with twenty-five or more years of service, shall be one-half of the
194 amount of life insurance for which the employee was insured
195 immediately before retirement, provided in no case shall the amount be
196 less than ten thousand dollars; [, those]

197 (ii) The amount of life insurance of an insured employee retired on or
198 after July 1, 2025, with twenty-five or more years of credited state service
199 shall be one-half of the amount of life insurance for which the employee

200 was insured immediately before retirement, provided in no case shall
 201 the amount be less than ten thousand dollars. For the purposes of this
 202 clause, "credited state service" means service during which a state
 203 employee or other eligible individual described in section 5-259 is
 204 eligible to participate in a state-sponsored retirement system, except the
 205 teachers' retirement system and the municipal employees retirement
 206 system, and includes credit granted for military service.

207 (B) Those with less than twenty-five years of service shall receive the
 208 proportionate amount that such years of service is to twenty-five years
 209 rounded off to the nearest hundred dollars of coverage. [, except that
 210 the]

211 (C) The amount of life insurance of an insured employee who is
 212 retired on or after July 1, 1982, under the provisions of section 5-173 shall
 213 be one-half of the amount of life insurance for which the employee was
 214 insured immediately before retirement, regardless of the number of
 215 years of service by such employee.

216 (D) In no case shall a retired employee be required to contribute to
 217 the cost of any such reduced insurance. For the purposes of this section,
 218 no employee shall be deemed to be retired as long as such employee's
 219 employment continues under subsections (b) and (d) of section 5-164."

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

Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>July 1, 2025</i>	5-257(c) and (d)