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## OLR Bill Analysis

sHB 5609

### ***AN ACT CONCERNING RETIREMENT BENEFITS AND WORKERS' COMPENSATION BENEFITS.***

#### **SUMMARY**

This bill requires municipal or special taxing district defined benefit pension systems, when calculating an employee's pension benefits, to consider as the employee's wages the greater of the:

1. wages used to calculate the employee's final average salary (FAS) under the pension system's terms or
2. workers' compensation temporary total disability and temporary partial disability benefits the employee received over the period used to calculate the employee's FAS under the pension system's terms.

In other words, under the bill, if the wages used to calculate an employee's FAS are less than the workers' compensation benefits the employee received over the FAS period, then the pension system must use the workers' compensation benefits to calculate the employee's FAS instead of the wages. Generally, defined benefit pension systems calculate an employee's pension benefit as a percentage (based on the employee's years of service) of the employee's FAS.

The bill's requirement applies regardless of any other statute or special act, but does not impair or alter any collective bargaining agreements in effect before July 1, 2025.

EFFECTIVE DATE: July 1, 2025

#### **COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 9      Nay 4      (03/18/2025)