

State Comptroller - Fringe Benefits

OSC15200

Budget Summary

Account	Actual FY 23	Actual FY 24	Appropriation FY 25	Governor Recommended		Legislative	
				FY 26	FY 27	FY 26	FY 27
Other Current Expenses							
Unemployment Compensation	2,700,519	3,024,020	5,054,729	4,128,400	4,049,400	4,128,400	4,049,400
State Employees Retirement Contributions	-	-	2,180,602	-	-	-	-
Higher Education Alternative Retirement System	13,490,055	83,244,548	15,396,159	95,819,900	101,569,100	95,819,900	101,569,100
Pensions and Retirements - Other Statutory	2,052,118	2,228,093	2,188,946	2,362,961	2,433,850	2,362,961	2,433,850
Judges and Compensation Commissioners Retirement	32,532,792	35,251,783	37,436,431	30,551,644	31,587,446	30,551,644	31,587,446
Insurance - Group Life	10,461,618	9,343,637	10,428,278	9,592,040	9,737,040	9,591,350	9,736,350
Employers Social Security Tax	248,984,874	197,210,988	198,253,601	217,363,325	226,188,025	218,274,821	227,326,623
State Employees Health Service Cost	716,534,964	627,692,142	708,256,659	676,648,150	698,719,850	553,879,142	708,024,030
Retired State Employees Health Service Cost	737,747,324	692,952,650	737,999,520	790,564,000	957,183,800	790,564,000	957,183,800
Tuition Reimbursement - Training and Travel	5,344,042	3,264,896	4,123,500	290,000	150,000	290,000	150,000
Other Post Employment Benefits	84,070,613	61,619,664	43,945,893	63,017,404	64,626,405	63,375,498	65,073,558
Death Benefits For St Employ	13,100	10,600	-	-	-	-	-
SERS Defined Contribution Match	10,979,835	13,574,033	24,500,480	18,640,944	27,840,111	18,762,859	27,991,712
State Employees Retirement Contributions - Normal Cost	167,611,504	177,212,110	182,006,295	195,313,686	201,118,086	195,276,136	201,080,536
State Employees Retirement Contributions - UAL	1,400,199,989	1,463,453,121	1,420,805,152	1,410,995,984	1,324,964,439	1,410,902,244	1,324,870,699
CT Premium Pay Account	110,386,150	-	-	-	-	-	-
Agency Total - General Fund	3,543,109,497	3,370,082,285	3,392,576,245	3,515,288,438	3,650,167,552	3,393,778,955	3,661,077,104
Unemployment Compensation	169,573	197,110	360,000	360,000	360,000	360,000	360,000
Insurance - Group Life	367,970	357,604	414,000	395,600	401,600	395,600	401,600
Employers Social Security Tax	18,427,353	18,071,014	19,025,570	20,862,731	21,697,231	20,862,731	21,697,231
State Employees Health Service Cost	56,538,127	62,167,985	71,541,000	72,448,400	74,679,100	66,798,800	65,927,200
Other Post Employment Benefits	5,515,143	3,627,679	2,989,257	4,215,697	4,321,112	4,215,697	4,321,112
SERS Defined Contribution Match	742,590	906,914	1,538,880	1,229,898	1,835,222	1,229,898	1,835,222
State Employees Retirement Contributions - Normal Cost	21,346,200	20,485,465	21,096,029	22,660,619	23,334,444	22,660,619	23,334,444
State Employees Retirement Contributions - UAL	163,773,082	155,690,019	146,129,193	145,173,898	136,192,810	145,173,898	136,192,810
Agency Total - Special Transportation Fund	266,880,038	261,503,790	263,093,929	267,346,843	262,821,519	261,697,243	254,069,619
Total - Appropriated Funds	3,809,989,535	3,631,586,075	3,655,670,174	3,782,635,281	3,912,989,071	3,655,476,198	3,915,146,723

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27

Policy Revisions

Provide Healthcare for State Marshals

State Employees Health Service Cost	-	-	1,700,000	2,587,000	1,700,000	2,587,000
Total - General Fund	-	-	1,700,000	2,587,000	1,700,000	2,587,000

Background

Section 149 of PA 25-168, the FY 26 and FY 27 Budget, allows qualifying state marshals to participate in the state employee health plan (SEHP) at the same cost as active employees. Currently, state marshals may enroll in the SEHP at the full premium cost regardless of the hours worked.

Legislative

Provide funding of \$1,700,000 in FY 26 and \$2,587,000 in FY 27 to provide health insurance coverage to state marshals under the state employee health plan.

Provide Funding for Enhanced Health Insurance Patient Protections

State Employees Health Service Cost	-	-	1,456,000	2,912,000	1,456,000	2,912,000
Total - General Fund	-	-	1,456,000	2,912,000	1,456,000	2,912,000
State Employees Health Service Cost	-	-	144,000	288,000	144,000	288,000
Total - Special Transportation Fund	-	-	144,000	288,000	144,000	288,000

Background

PA 25-94, *An Act Concerning Health Insurance and Patient Protection*, prohibits the use of step therapy on prescriptions used to treat muscular sclerosis and rheumatoid arthritis, and removes the sunset date for the prohibition on the use of step therapy for prescription drugs used to treat schizophrenia, major depressive disorder, or bipolar disorder.

Legislative

Provide funding of \$1,456,000 in FY 26 and \$2,912,000 in FY 27 in the General Fund, and \$144,000 in FY 26 and \$288,000 in FY 27 in the Special Transportation Fund to offset costs to the state employee health plan associated with PA 25-94.

Adjust State Employee Health Service Cost to Account for Carryforward Funding from FY 25

State Employees Health Service Cost	-	-	(122,000,000)	-	(122,000,000)	-
Total - General Fund	-	-	(122,000,000)	-	(122,000,000)	-

Background

Section 35 of PA 25-168, the FY 26 and FY 27 Budget, allocates \$122 million in carryforward funding to the State Comptroller - Fringe Benefits for State Employees Health Service Cost in FY 26.

Legislative

Reduce funding by \$122 million in FY 26 in the General Fund to account for a corresponding allocation of \$122 million in carryforward funding.

Eliminate the UConn Health Center Subsidy

Insurance - Group Life	(15,550)	(15,550)	(15,550)	(15,550)	-	-
Employers Social Security Tax	(1,122,580)	(1,122,580)	(1,122,580)	(1,122,580)	-	-
State Employees Health Service Cost	(3,361,870)	(3,361,870)	(3,361,870)	(3,361,870)	-	-
Total - General Fund	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	-	-

Background

This subsidy was originally added in the FY 24 and FY 25 Budget (PA 23-204) corresponding with the repeal of a statute related to fringe benefit support for the UConn Health Center. PA 24-81 continued this funding despite a fringe benefit adjustment to the higher education block grants and has since been repealed pursuant section 136 of PA 25-168.

Governor

Eliminate funding of \$4.5 million in both FY 26 and FY 27 associated with fringe benefit costs for higher education constituent units.

Legislative

Same as Governor

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27

Adjust State Healthcare Costs for Hospital Services

State Employees Health Service Cost	-	(24,190,900)	-	(24,190,900)	-	-
Retired State Employees Health Service Cost	-	(45,381,200)	-	(45,381,200)	-	-
Total - General Fund	-	(69,572,100)	-	(69,572,100)	-	-
State Employees Health Service Cost	-	(2,680,500)	-	(2,680,500)	-	-
Total - Special Transportation Fund	-	(2,680,500)	-	(2,680,500)	-	-

Background

Section 28 of PA 25-168, the FY 26 and FY 27 Budget, allows the Comptroller to negotiate reimbursement rates with nongovernmental licensed short-term general hospitals for the active and retired state employee health plans. The savings to the health plans are offset by increases to hospital supplemental payments associated with the negotiated rates.

Governor

Reduce funding by \$69,572,100 in the General Fund and \$2,680,500 in the Special Transportation Fund in FY 27 to reflect decreased hospital rates for state employees and non-Medicare retirees. These adjustments correspond with an increase in Medicaid reimbursements in the Hospital Supplemental Payments account within the Department of Social Services.

Legislative

Same as Governor

Maintain Cannabis Costs in the Cannabis Prevention and Recovery Services Fund

Insurance - Group Life	690	690	-	-	(690)	(690)
Employers Social Security Tax	21,150	21,150	-	-	(21,150)	(21,150)
State Employees Health Service Cost	60,220	60,220	-	-	(60,220)	(60,220)
Other Post Employment Benefits	7,650	7,650	-	-	(7,650)	(7,650)
State Employees Retirement Contributions - Normal Cost	37,550	37,550	-	-	(37,550)	(37,550)
State Employees Retirement Contributions - UAL	93,740	93,740	-	-	(93,740)	(93,740)
Total - General Fund	221,000	221,000	-	-	(221,000)	(221,000)

Background

PA 21-1, JSS, *An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis*, legalized recreational cannabis use for adults 21 years of age or older. Recreational cannabis sales began in January 2023.

The Governor's Recommended Budget moves the Cannabis Regulatory Fund (CRF) and the Prevention and Recovery Services Fund (PRSF) expenditures to the General Fund (GF) and the Special Transportation Fund (STF). This affects 11 agencies, 94 positions, and an appropriation of \$12.8 million in FY 26 and FY 27 across the GF and the STF.

Governor

Transfer funding of \$221,000 in both FY 26 and FY 27 for cannabis prevention and recovery duties from the Cannabis Prevention and Recovery Services Fund to the General Fund.

Legislative

Maintain funding of \$221,000 in both FY 26 and FY 27 in the Cannabis Prevention and Recovery Services Fund.

Adjust for Net Impact of Position Changes

Unemployment Compensation	128,400	49,400	128,400	49,400	-	-
Insurance - Group Life	(4,100)	(4,100)	(4,100)	(4,100)	-	-
Employers Social Security Tax	(42,400)	11,800	890,246	1,171,548	932,646	1,159,748
State Employees Health Service Cost	(27,300)	143,800	2,816,700	4,009,200	2,844,000	3,865,400
Other Post Employment Benefits	(16,600)	4,600	349,144	459,403	365,744	454,803
SERS Defined Contribution Match	7,900	15,700	129,815	167,301	121,915	151,601
State Employees Retirement Contributions - Normal Cost	(102,100)	(106,100)	(102,100)	(106,100)	-	-
State Employees Retirement Contributions - UAL	(254,800)	(264,900)	(254,800)	(264,900)	-	-
Total - General Fund	(311,000)	(149,800)	3,953,305	5,481,752	4,264,305	5,631,552
Insurance - Group Life	600	600	600	600	-	-

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27
Employers Social Security Tax	18,000	18,700	18,000	18,700	-	-
State Employees Health Service Cost	68,400	75,300	68,400	75,300	-	-
Other Post Employment Benefits	7,100	7,300	7,100	7,300	-	-
SERS Defined Contribution Match	2,400	2,400	2,400	2,400	-	-
State Employees Retirement Contributions - Normal Cost	15,200	15,800	15,200	15,800	-	-
State Employees Retirement Contributions - UAL	37,800	39,300	37,800	39,300	-	-
Total - Special Transportation Fund	149,500	159,400	149,500	159,400	-	-

Governor

Reduce funding by \$311,000 in FY 26 and \$149,800 in FY 27 in the General Fund and provide funding of \$149,500 in FY 26 and \$159,400 in FY 27 in the Special Transportation Fund to reflect current requirements for fringe benefit costs associated with net position changes.

Legislative

Provide funding of \$3,953,305 in FY 26 and \$5,481,752 in FY 27 in the General Fund and maintain same funding as Governor in the Special Transportation Fund to reflect current requirements for fringe benefit costs associated with net position changes.

Current Services

Fund the Actuarially Determined Employer Contribution (ADEC) for the State Employees Retirement System (SERS)

State Employees Retirement Contributions - Normal Cost	13,371,941	19,180,341	13,371,941	19,180,341	-	-
State Employees Retirement Contributions - UAL	(9,648,108)	(12,739,186)	(9,648,108)	(12,739,186)	-	-
Total - General Fund	3,723,833	6,441,155	3,723,833	6,441,155	-	-
State Employees Retirement Contributions - Normal Cost	1,549,390	2,222,615	1,549,390	2,222,615	-	-
State Employees Retirement Contributions - UAL	(993,095)	(1,311,009)	(993,095)	(1,311,009)	-	-
Total - Special Transportation Fund	556,295	911,606	556,295	911,606	-	-

Background

The State Employees' Retirement System (SERS) is the state's defined benefit plan for approximately 49,000 active and 57,600 retired state employees and beneficiaries. SERS is currently funded using an actuarial reserve funding method, whereby the normal cost and past service liability are calculated in order to determine the state's annual actuarially determined employer contribution (ADEC) (CGS 5-156a). SERS is a collectively bargained benefit. The current agreement governing pension benefits is effective until 2027. The ADEC is funded through three sources: a General Fund appropriation, Special Transportation Fund appropriation and recoveries from other funding sources, including other appropriated funds, federal funds, and grant funds.

Governor

Provide funding of \$3,723,833 in FY 26 and \$6,441,155 in FY 27 in the General Fund and \$556,295 in FY 26 and \$911,606 in FY 27 in the Special Transportation Fund to fund the ADEC for SERS in the biennium.

Legislative

Same as Governor

Reflect Impact of Additional Pension Fund Contribution Due to the Anticipated FY 2025 Budget Reserve Fund Deposit

State Employees Retirement Contributions - UAL	-	(82,930,367)	-	(82,930,367)	-	-
Total - General Fund	-	(82,930,367)	-	(82,930,367)	-	-
State Employees Retirement Contributions - UAL	-	(8,664,674)	-	(8,664,674)	-	-
Total - Special Transportation Fund	-	(8,664,674)	-	(8,664,674)	-	-

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27

Background

Under current law (CGS 4-30a) the General Fund operating surplus and revenue exceeding the volatility cap are deposited into the Budget Reserve Fund (BRF) or dedicated to reducing long-term debt (with the State Treasurer determining the division of funds between the state employees' and teachers' retirement systems). The distribution of funds is based on the BRF balance relative to General Fund net appropriations. If the balance is below 15% net General Fund appropriations, then the BRF retains all funds until it has reached 15%; if the balance is between 15%-18%, there is an equal 50/50 distribution of funds exceeding the 15% threshold made to the BRF and to reduce long-term debts; and if the balance is above 18%, all funds exceeding the 18% threshold are used to reduce long-term debts.

Governor

Reduce funding by \$82,930,367 in the General Fund and \$8,664,674 in the Special Transportation Fund in FY 27 to reflect the impact of additional pension fund contributions from the anticipated FY 25 Budget Reserve Fund deposit.

Legislative

Same as Governor

Fund the Actuarially Determined Employer Contribution (ADEC) for the Judges Retirement System (JRS)

Judges and Compensation Commissioners Retirement	(6,884,787)	(5,848,985)	(6,884,787)	(5,848,985)	-	-
Total - General Fund	(6,884,787)	(5,848,985)	(6,884,787)	(5,848,985)	-	-

Background

PA 24-81 changed the methodology for the Judges, Family Support Magistrates, and Compensation Commissioners' Retirement System (JRS) to a fifteen-year layered amortization approach to reduce volatility in the required payments, which extended the system's unfunded liability repayment from 2032 to 2039.

Governor

Reduce funding by \$6,884,787 in FY 26 and \$5,848,985 in FY 27 to fund the ADEC for JRS in the biennium.

Legislative

Same as Governor

Adjust Funding to Reflect Current Requirements

Unemployment Compensation	(1,054,729)	(1,054,729)	(1,054,729)	(1,054,729)	-	-
State Employees Retirement Contributions	(2,180,602)	(2,180,602)	(2,180,602)	(2,180,602)	-	-
Higher Education Alternative Retirement System	80,423,741	86,172,941	80,423,741	86,172,941	-	-
Pensions and Retirements - Other Statutory	174,015	244,904	174,015	244,904	-	-
Insurance - Group Life	(817,278)	(672,278)	(817,278)	(672,278)	-	-
Employers Social Security Tax	20,196,754	28,934,754	20,196,754	28,934,754	-	-
State Employees Health Service Cost	(28,484,659)	17,465,341	(35,193,447)	17,465,341	(6,708,788)	-
Retired State Employees Health Service Cost	52,564,480	264,565,480	52,564,480	264,565,480	-	-
Tuition Reimbursement - Training and Travel	(3,833,500)	(3,973,500)	(3,833,500)	(3,973,500)	-	-
Other Post Employment Benefits	19,058,161	20,633,262	19,058,161	20,633,262	-	-
SERS Defined Contribution Match	(5,874,836)	3,312,331	(5,874,836)	3,312,331	-	-
Total - General Fund	130,171,547	413,447,904	123,462,759	413,447,904	(6,708,788)	-
Insurance - Group Life	(19,000)	(13,000)	(19,000)	(13,000)	-	-
Employers Social Security Tax	1,819,161	2,652,961	1,819,161	2,652,961	-	-
State Employees Health Service Cost	839,000	5,743,300	(4,954,600)	(3,296,600)	(5,793,600)	(9,039,900)
Other Post Employment Benefits	1,219,340	1,324,555	1,219,340	1,324,555	-	-
SERS Defined Contribution Match	(311,382)	293,942	(311,382)	293,942	-	-
Total - Special Transportation Fund	3,547,119	10,001,758	(2,246,481)	961,858	(5,793,600)	(9,039,900)

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27

Governor

Provide funding of \$130,171,547 in FY 26 and \$413,447,904 in FY 27 in the General Fund and \$3,547,119 in FY 26 and \$10,001,758 in FY 27 in the Special Transportation Fund to reflect current agency requirements.

Legislative

Provide funding of \$123,462,759 in FY 26 and \$413,447,904 in FY 27 in the General Fund and reduce funding by \$2,246,481 in FY 26 and provide funding of \$961,858 in FY 27 in the Special Transportation Fund to reflect current agency requirements.

Adjust for Net Impact of Position Changes

Employers Social Security Tax	56,800	89,300	56,800	89,300	-	-
State Employees Health Service Cost	205,100	346,600	205,100	346,600	-	-
Other Post Employment Benefits	22,300	35,000	22,300	35,000	-	-
SERS Defined Contribution Match	7,400	11,600	7,400	11,600	-	-
Total - General Fund	291,600	482,500	291,600	482,500	-	-

Governor

Provide funding of \$291,600 in FY 26 and \$482,500 in FY 27 to reflect current requirements for fringe benefit costs associated with net position changes.

Legislative

Same as Governor

Carryforward

Provide Funding for State Employees Health Service Costs

State Employees Health Service Cost	-	-	122,000,000	-	122,000,000	-
Total - Carry Forward Funding	-	-	122,000,000	-	122,000,000	-

Background

Section 35 of PA 25-168, the FY 26 and FY 27 Biennial Budget, carryforward \$258 million in unexpended balances from various FY 25 General Fund accounts to fund requirement for the Reserve for Salary Adjustments in FY 26 and FY 27 and to the State Comptroller - Fringe Benefits, for State Employees Health Services Costs in FY 26.

Legislative

Provide funding of \$122 million in FY 26 for State Employee Health Services costs.

Totals

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27
FY 25 Appropriation - GF	3,392,576,245	3,392,576,245	3,392,576,245	3,392,576,245	-	-
Policy Revisions	(4,590,000)	(74,000,900)	(119,390,695)	(63,091,348)	(114,800,695)	10,909,552
Current Services	127,302,193	331,592,207	120,593,405	331,592,207	(6,708,788)	-
Total Recommended - GF	3,515,288,438	3,650,167,552	3,393,778,955	3,661,077,104	(121,509,483)	10,909,552
FY 25 Appropriation - TF	263,093,929	263,093,929	263,093,929	263,093,929	-	-
Policy Revisions	149,500	(2,521,100)	293,500	(2,233,100)	144,000	288,000
Current Services	4,103,414	2,248,690	(1,690,186)	(6,791,210)	(5,793,600)	(9,039,900)
Total Recommended - TF	267,346,843	262,821,519	261,697,243	254,069,619	(5,649,600)	(8,751,900)