

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-5515

AN ACT ESTABLISHING THE MUNICIPAL EMPLOYEES
RETIREMENT COMMISSION AND CONCERNING THE
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Comptroller	GF - Cost	Potential	Potential

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Cost	Potential	Potential

Explanation

Section 1 establishes the Connecticut Municipal Retirement Commission and does not result in a fiscal impact.

Section 2 allows a Municipal Employee Retirement System (MERS) retiree who returns to work in a nonparticipating municipality to collect their retirement benefit from MERS and earn credit towards the nonparticipating municipality's retirement system, which results in a potential cost to the municipality for the actuarial value of the credit earned.

Section 3 creates a municipal defined contribution (DC) retirement plan which results in a cost to the Office of the State Comptroller establish the plan, and an indeterminate fiscal impact to municipalities for matching contributions dependent on the number of participating employees and the cost differential between their current plan and the DC option.

Primary Analyst: NN
Contributing Analyst(s):
Reviewer: RW

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Sections 4 - 8 make several technical and conforming changes that do not result in a fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.