

W-33

CONNECTICUT
GEN. ASSEMBLY

HOUSE

PROCEEDINGS
1957

VOL. 7
PART 4
1826-2426

Monday, May 6, 1957

DBK
A-13

Torrington. Committee recommends favorable action on this Bill.

THE SPEAKER:

Will you remark further. If not, the question is on acceptance and passage. The 'ayes' have it. The Bill is passed.

THE CLERK:

Cal. No. 998. File 639. Sub. for H.B. No. 836. An act concerning Social Security coverage of Municipal Employees.

Favorable report of Cities and Boroughs.

MRS. JONES: (WATERBURY)

The Clerk has an amendment.

THE CLERK:

House Amendment Schedule "A" as offered by Mr. Padula of Norwalk to Sub. H.B. No. 836, File 639. In Section 3, Line 18, delete the words "ordinance or". In Section 7, line 30, after the word "exceed" insert the words "one-twelfth of".

MRS. JONES:

I am assured that this is a technical amendment and I hope that it will be passed without being sent back to the Legislative Office.

THE CLERK:

It does not bear his approval, but I will get it through.

THE SPEAKER:

Remark further on the adoption of the amendment. If not, those in favor say 'aye'. Opposed 'no'. The amendment is adopted.

MRS. JONES:

I now move for the acceptance of the Committees favorable

Monday, May 6, 1957

report and the passage of the bill.

THE SPEAKER:

Question now is on the acceptance and passage of the bill as amended by House Amendment Schedule "A". Remark.

MRS. JONES:

This bill authorizes participation in the Old Age and Survivors Insurance system by any municipality whether or not such a municipality is also a member of the Conn. Municipal Retirement Fund to bring out an over-all pension system. The Committee urges passage of the bill with Amendment.

THE SPEAKER:

Will you remark further. If not, the question is on acceptance and passage as amended by House Amendment Schedule "A". The 'ayes' have it. The Bill as amended is passed.

THE CLERK:

Cal. No. 998. File 640. Sub. for H.B. No. 1724. An act authorizing the City of Waterbury to purchase hospital, surgical, medical and life insurance for its employees, officers and pensioners.

Favorable report of Cities and Boroughs.

MRS. JONES:

I move for the acceptance of the Committee's favorable report and the passage of the bill.

The Committee recommends the passage of this Bill.

THE SPEAKER:

Will you remark further. If not, the question is on acceptance and passage of this Bill. The 'ayes' have it. The Bill is passed.

H 934

CONNECTICUT
GEN. ASSEMBLY

HOUSE

PROCEEDINGS

1957

VOL. 7

PART 5

2427-2922

Thursday, May 23, 1957

2685

DBK
A-51

THE SPEAKER:

Question is on acceptance and passage of this bill as amended by Sen. Amend. Sched. "A". Will you remark further. The 'ayes' have it. Bill as amended is passed.

THE CLERK:

Next disagreeing action is on Cities and Boroughs on Sub. for H.B. 836. An act concerning Social Security coverage of Municipal Employees.

The House had passed the bill on May 6th and amended it by House Amend. Sched. "A" and it went to the Senate where it was also amended by Sen. Amend. Sched. "A". File is 639.

MR. PADULA: (NORWALK)

I move that the House reconsider its former action.

THE SPEAKER:

The 'ayes' have it., and the bill is before the House to be reconsidered.

MR. PADULA:

Will the Clerk please read the little amendment.

THE CLERK:

Sen. Amend. Sched. "A" offered by Senator Snyder of the 7th District, to Sub. for H.B. 836, File 639.

In section 4, lines 16 and 17, delete the following: "or upon completing twenty-five years of aggregate service regardless of age."

MR. PADULA:

This amendment was prepared by the Municipal Retirement

§ 24

COMMISSION
GEN. ASSEMBLY
SERIAL

PROCESSED
1954

1954
SERIAL
1954

MAY 14, 1957

28
and
29

(#3 record blank or inaudible from beginning to 1½)

- Senator Cooney, presiding

THE CLERK:

Cal. No. 968, File 639, Substitute for House Bill 836.

An Act concerning Social Security Coverage of municipal employees.

(As amended by House Amendment Schedule "A" approved by the
Legislative Commissioner.)

SENATOR SNYDER:

Mr. President, the Clerk has an Amendment.

THE CHAIR:

The Clerk will read the Amendment.

THE CLERK:

House Amendment Schedule "A" as offered by Mr. Padula of

MAY 14, 1957

30

Norwalk. In Sec. 3, Line 18, delete the words, "ordinance or". In Sec. 7, Line 30, after the word, "exceed", insert the words, "One Twelve Thousand".

THE CHAIR:

The Senator from the 7th.

SENATOR SNYDER:

Mr. President, I move for the acceptance of House Amendment Schedule "A".

THE CHAIR:

The question is upon the adoption of House Amendment Schedule "A". Remarks.

SENATOR SNYDER:

I think they are self-explanatory.

THE CHAIR:

All those in favor of adopting House Amendment Schedule "A" will signify by saying AYE, opposed NO. The Amendment is adopted.

SENATOR SNYDER:

Mr. President, the House has a Senate Amendment. The Clerk has a Senate Amendment, excuse me.

THE CLERK:

Senate Amendment Schedule "A" as offered by Senator Snyder of the 7th District. In Sec. 3, Line 16 and 17, delete

MAY 14, 1957

31

the following: "or upon completing twenty-five years of aggregate service regardless of age."

SENATOR SNYDER:

Mr. President, I move for the adoption of Senate Amendment Schedule "A"

THE CHAIR:

Question is upon the adoption of Senate Amendment Schedule "A". Remarks.

SENATOR SNYDER:

Mr. President, this was inadvertently left in. We found that the actuary who drew this up found out that this would conflict with some of the private pensions around the state, some of the municipal employees, and it would be inoperative, it would be wrong. So, we agreed to take it out. It shouldn't have been in there in the first place. I move for the adoption of Senate Amendment, Schedule "A".

THE CHAIR:

Will you remark further. The Question is upon the adoption of Senate Amendment Schedule "A". All those in favor signify by saying AYE, opposed NO. The amendment is adopted and under the rules, refer this to Legislative Commissioner.

THE CLERK:

Cal. No. 984, File No. 885.

MAY 14, 1957

43

THE CHAIR:

I declare the report of the committee accepted, the resolution adopted.

The Senator from the 7th.

SENATOR SNYDER:

May I ask for unanimous consent to make a typographical correction on a Senate Amendment which was passed earlier this afternoon, without reconsidering the bill.

THE CHAIR:

I think you'd better reconsider it.

SENATOR SNYDER:

All right. Mr. President, I ask for reconsideration of HOUSE BILL 836, Calendar 968, which was passed earlier this afternoon.

THE CHAIR:

The motion is to reconsider the bill found on Page 5 of today's Calendar, Cal. No. 985, is that it, Senator?

SENATOR SNYDER:

Cal. No. 968, the top one on the Page.

THE CHAIR:

All right. Cal. No. 968, Substitute for House Bill 836. The motion is to reconsider. Those in favor, signify by saying AYE, opposed NO. The Bill is reconsidered. The Senator from

8-20

COMMONWEALTH
GENERAL ASSEMBLY
SENATE

PROCEEDINGS
1967

VOL. 7

PART 9

MAY 20-MAY 28

2346-3223

MAY 20, 1957 65

THE CLERK:

Cal. No. 1279, File No. 639, Substitute for House Bill No. 836. An Act concerning Social Security Coverage of Municipal Employees, (As amended by House Amendment Schedule "A" approved by the Legislative Commissioner. And as amended by Senate Amendment Schedule "A" approved by the Legislative Commissioner.) Favorable report, Cities and Boroughs.

THE CHAIR:

The Senator from the 7th.

SENATOR SNYDER:

I move for the acceptance of the committee's favorable report and the passage of the bill as amended by House Schedule "A" and amended by Senate Schedule "A". Both amendments have been passed by this body before.

THE CHAIR:

All right, then the question is on the act as amended in both instances. Will you remark.

SENATOR SNYDER:

Mr. President, this bill authorizes participation in the Old Age and Survivors Insurance System of the U.S. by any municipality, whether or not such municipality is also a member of the Connecticut Municipal Employees' Retirement Fund. Many towns have been waiting for the State to bring out this overall

MAY 20, 1957

66

pension system, and we feel that it is a good step in the right direction. There was no opposition whatsoever at this bill. I hope the bill passes.

THE CHAIR:

Will you remark further. If not, the question is on the acceptance of the committee's favorable report and passage of the bill as amended in both instances. All those in favor say AYE, CONTRARY? The bill is passed.

SENATOR WATSON:

Mr. President, will the Clerk please call up Cal. No. 1053, which we passed over earlier, on Page 4?

THE CLERK:

Cal. No. 1053, Senate Joint Resolution 77, File No. 928. Resolution referring Senate Bill No. 404 to the Insurance Commissioner for study and report. Favorable report, Insurance.

THE CHAIR:

The Senator from the 17th.

SENATOR HUMMEL:

Mr. President, the clerk has an amendment.

THE CLERK:

Amendment offered by Senator Hummel of the 17th District on Senate Joint Resolution 77, in your files it's 928. In the title and in lines 2 and 3, strike out "insurance commissioner"

**JOINT
STANDING
COMMITTEE
HEARINGS**

**CITIES
AND
BOROUGHES**

HEARINGS 1948-1957

**CONN
GENERAL
ASSEMBLY
1957**

**SPECIAL SESSION
MARCH 1958**

CONNECTICUT
STATE LIBRARY

4/5/57

H.B. No. 836 (Rep. Padula) AN ACT CONCERNING SOCIAL SECURITY
COVERAGE OF MUNICIPAL EMPLOYEES.

Chr. Snyder: The Chair will recognize Mr. Beers.

Henry S. Beers, Glastonbury: Thank you very much. I don't know to whom you were referring a minute ago. I am the Chairman of the State Employees Retirement Commission. I'm speaking on behalf of H.B. 836 with the authority of the State Employees Retirement Commission who have worked with a number of other people to get this bill into shape. We have been particularly helped by Mr. John Hickman of the task force for social security for state and municipal employees. He is also a member of the Hartford Retirement Board.

The object of this bill is to coordinate social security with the municipal employees retirement system. At present, Bridgeport and twenty other towns are in the municipal employees system, although I shouldn't have said towns, it's twenty other towns, counties and other political subdivisions. The provisions that we have here do not affect Bridgeport and don't necessarily affect the other towns and political subdivisions which are in the bill at present. The bill permits those towns to take advantage of the social security provisions. It also permits any other towns to have social security and also to come into the municipal employees retirement plan.

This is done by setting up a scheme of coordinating the municipal employees retirement plan with social security. A town which accepts the social security provisions along with the municipal employee retirement benefits provides in effect that each employee will be covered by social security and the town will pay the town's share of the social security tax just as the employee pays the employee's share.

Employees earning less than \$4200 per year which is the limit of social security tax will receive a reduced benefit as compared with the benefit under the present plan and will make a reduced contribution.

4/5/57

Mr. Beers continues: Specifically, they will contribute two and one quarter percent instead of five percent towards the municipal employees' retirement plan. They will also have to contribute two and a quarter percent to social security so that their total contribution will be four and a half percent for the time being. For the time being, that's less than the five percent they have been paying, but later on the social security contribution will go up.

The benefit that they will receive will be one half of the benefit that would be provided by the present municipal employees' retirement plan. But when you add social security to that one half benefit, you will find that most employees pensions will be increased. The increase will be especially marked for a particularly difficult class of employee, namely those who have come to work for the town at a rather advanced age and will be retiring in the near future after short service. The shortest service in the municipal plan is fifteen years. Employees in that category receive quite small pensions under the present plan, and the increase that will be provided by coordinating the plan with social security will be especially helpful to the employees. And, incidentally, will be provided at considerably less cost, than could be provided by the town trying to provide those additional pensions themselves.

In addition to this, the employees will be entitled to the survivorship benefits of the social security act including the very valuable benefit in the social security act for the wife while the employee himself is pensioned provided the wife is at least 62 years old. If the wife is more than 65, she gets herself an amount equal to 50% of what the employee gets, so that in effect, the social security for a couple of that kind is 150% of what you normally think of as the social security benefits.

This scheme cannot be extended to any town unless the legislative body of the town approves it and unless the employees themselves have an election and a majority of them vote in favor of the change.

Mr. Beers continues: The plan cannot apply to policemen and firemen who are now covered by the municipal employees plan. The reason for that is that the social security itself excludes such employees. If the plan is adopted by any town this year, and I think a number of towns want to adopt it this year, the social security coverage will be made effective January 1, 1956 which will have the effect of giving just about full benefits to the employees who are facing retirement in the near future.

That requires some retroactive taxes. The retroactive taxes can be paid out of the present municipal employees retirement fund thus requiring no additional appropriations by the towns for retroactive taxes and thus requiring no retroactive payments by the employees themselves. As you can see, that is a pretty complicated and technical matter. It has been submitted to the social security officials of the Federal Government for their examination and the Boston Office of the Social Security Administration has written a two and a half page letter suggesting certain very technical changes in order to make the bill fit the social security tax better.

I believe that the changes are not changes of substance, I believe that they are corrections. I've looked them over. Mr. Hoskins, another member of the commission, has looked them over and we believe that the changes should be made and I will file this letter with you and we will be available to you to help you make the amendment if you desire our assistance in any way.

I believe that this will be a great help to the towns who want to have municipal pensions for their employees in addition to social security. I remember that when I was discussing how the plan worked with respect to employees whose salaries are less than \$4200, I forgot to mention the higher paid employees. Their pensions with respect to the first \$4200 are as I described. Their pensions with respect to the excess of their salaries over \$4200 per year would be exactly the same as they are at present. Thank you very much for the opportunity to appear.

CITIES AND BOROUGHES

4/5/57

Chr. Snyder: Thank you, Mr. Beers. Anybody else want to speak in favor of this bill?

Jasper McLevy, Mayor of Bridgeport: Mr. Chairman, members of the Committee, I am very much in favor of this bill. I think that this is, while I'm not familiar with all of the technicalities which of course requires a lot of study, I think that this is a sound system of providing pensions and social security for the people in the industrial age that we are living in at the present time.

We, in Bridgeport, have got some of our city employees under social security and some, that is those who were too old to be in our pension system just at the present time, and I believe this does embrace protection to the wives and others who kind of take advantage of our present pension system in the city of Bridgeport.

To me, in my opinion, this is sound in every respect. I don't know how the technicalities that would have to be worked out by the commission itself, but we all know that it is just possible that we might have a depression or a near depression or something of that kind. Of course, we can live in the clouds and think that it will never happen, but the fact of the matter is you could have this state fund built on an actuarial basis and social security. I believe that this is a step in the right direction and it is ultimately going to be the best way to solve a problem of this kind that means so much to the people with the passing of years. Thank you.

Chr. Snyder: Yes, sir.

Edmund J. Kelleher, First Selectman, Town of Newington: Newington at present is participating in the employees retirement system. We are very much interested in and we are very much in favor of this bill, sir.

Chr. Snyder: Thank you. Anybody else?

Albert Gray, Jr., Town Manager, Town of Wethersfield: Our town is a member of the municipal retirement system. We are very much in favor of this bill. One point that hasn't been mentioned and which we face particularly in small

Mr. Gray continues: communities is recruitment of employees. It's difficult at best to recruit municipal employees and one of the first questions they ask is, do you have social security. When we say, no, many of them immediately lose interest, particularly the younger men with families. We feel the provisions of this bill will not only aid our employees who are now under the retirement system, it will aid us a great deal in recruiting future employees. Thank you.

Chr. Snyder: Anybody else?

Mr. Clark, First Selectman of Woodbridge: I'm here with several of my constituents and we are now in the social security branch of this bill and are in favor of combining the two. Thank you.

Chr. Snyder: Yes, sir. I've got to let this fellow talk or I won't get paid next time.

Preston C. King, Town Manager of the Town of Bloomfield: Mr. Chairman and ladies and gentlemen of the Committee, the town of Bloomfield presently has social security and we are presently undertaking a study to coordinate with our social security coverage additional retirement benefits which will give our employees what we feel is an adequate pension plan. I hope that the Committee will see fit to report favorably on this bill because we feel as a community that is interested in it that it would be of great advantage if we could consider and be able to join the municipal employees retirement fund if the townspeople so desire. Thank you.

Chr. Snyder: Yes, sir. Anybody else?

Albert Young, Town Accountant of the town of Windsor and President of the Municipal Finance Association of Connecticut: In behalf of both bodies of the town of Windsor who is a participant in the present plan for municipal employees, and in behalf of the association, we would like to go on record that we unanimously favor such passage of this bill and a copy of our resolution, I believe, is on file with your Committee. The town of Windsor also would like to register their

CITIES AND BOROUGHES

4/5/57

Mr. Young continues: agreement with this bill in all respects and sincerely hope that you will consider its passage.

Edward Splan, representing the 2nd taxing district: The 2nd district employees of the library, water and electrical departments are 100% in favor of this bill passing.

Chr. Snyder: Yes, sir. Anybody else would like to speak in favor of this bill? Nobody else? All right. Is anybody opposed to this bill? I might add for the information of the people here that Mr. Hoskins and Mr. Beers and the rest of his commission, the state employees retirement commission along in conjunction with the social security office in Boston and Mr. Wahlberg here, has drawn up a substitute bill which will take in all that they have told you about. It spells it out a little different than what is in the printed bill which you've seen. We did not get this substitute bill until yesterday. We have had no chance to have it printed yet, but of course you can tell a lawyer wrote it up because it's seventeen pages long, but I will assure you that there's nothing in this substitute bill but what has been spoken of this morning and it simply spells it out in better language and it possibly will take care of two or three other bills that we have for other towns here in the legislature at the present time which we have held up pending this substitute bill coming in.

Is there anybody opposed? If not, we'll declare the hearing closed on H.B. 836 and we'll return to S.B. No. 259.

Mr. Parskey continues: And it was felt because of the complexity of the matter, because of the requirements of the Federal law, because of the necessity of a referendum among the city employees, because of the possibility that corrections might be necessary, that it would be unwise to utilize the home rule provisions of the Hartford Charter and submit the matter to a referendum of the voters. And it was therefore the unanimous opinion of the special social security committee and of the Hartford Charter Revision Commission, and of the legislative committee of the court of common council and of the court of common council that the matter not be submitted to the voters and instead, be introduced as a bill in the general assembly.

The wisdom of that action is apparent now when it develops that certain problems have arisen. These problems were raised at the federal level and I assume that the same conference that Mr. Wahlberg attended on H.B. No. 836 (Rep. Padula) AN ACT CONCERNING SOCIAL SECURITY COVERAGE OF MUNICIPAL EMPLOYEES, incidentally, it occurs to me that in my earlier remarks I made reference to S.B. No. 209 (Sen. Borden) AN ACT CONCERNING RETIREMENT BENEFITS OF POLICEMEN AND FIREMEN IN THE CITY OF BRIDGEPORT. I have no desire to enter into the public controversy now raging in the city of Bridgeport. So any references that I made to 209 should have been made to 836.

It developed that, as a result of those conferences, we will have to make certain changes in the bill to include the people coming in under the 1943 Act as well as the 1947 Act. Those changes are being drafted now and we trust that within about a week those changes will be submitted to Boston and will have the approval of the Federal Security Agency so that we then can submit to the general assembly as a substitute to S.B. No. 259 (Sen. Borden) AN ACT CONCERNING MUNICIPAL EMPLOYEES' RETIREMENT FUND.

We favor the S.B. 259 in principle. We feel that it is a desirable change in the Hartford pension system. Mr. John Heckman, the chairman of the Hartford Pension Commission, is here. I don't know whether he plans to speak, but in the event that he does not, he is here