Legislative History for Connecticut Act

Act Number:	07-221	
Bill Number:	5707	
Senate Pages:	5730-5736	**7**
House Pages:	1742-1759	**18**
Committee:	Labor: 681, 683, 698, 700, 718, 719, 720, 736	**8**

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Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
2007

VOL. 50
PART 18
5730-6038

[GAVEL]

THE CHAIR:

Senator Looney.

SEN. LOONEY:

Thank you, Mr. President. I would move for immediate transmittal to the House of Representatives of Calendar 324, Senate Bill 784.

THE CHAIR:

Hearing and seeing no objections, so ordered, Sir.

SEN. LOONEY:

Thank you, Mr. President.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Calendar 483, File 410, a Substitute for House Bill 5707, An Act Prohibiting the Diminishment or Elimination of Municipal Retiree Benefits, Favorable Report of the Committees on Labor and Planning and Development.

THE CHAIR:

Senator Prague.

SEN. PRAGUE:

Thank you, Mr. President. Mr. President, I move the Joint Committees' Favorable Reports and passage of the bill.

THE CHAIR:

Acting on approval of the bill, Ma'am, will you remark further?

SEN. PRAGUE:

Thank you. The bill before us bans the municipality or special taxing district from diminishing or eliminating a pension or retirement system right or benefits granted to a retiree at the time the employee retirees.

We passed a bill like this last year, Mr. President. We didn't include the special taxing district.

This bill does that, and it also permits a municipality or special taxing district to change the

retirement plan administration, as long as the rights and benefits provided after the change are at least equivalent to the rights and benefits provided previously.

This is protecting the pension and other rights that retirees have, those rights that were part of a contract negotiation, and I'm hoping that this Circle will support this. I'd like to yield, Mr. President, to Senator Cappiello.

THE CHAIR:

Senator Cappiello, do you accept the yield?

SEN. CAPPIELLO:

I do, Mr. President. Thank you.

THE CHAIR:

You may proceed, Sir.

SEN. CAPPIELLO:

Thank you, Senator Prague. I also rise in support of this bill. Senator Prague and I have worked very hard for a couple of years, and were

successful, I believe, two years ago, in protecting municipal employee's retirement and health benefits.

This expands it to include taxing districts. I would also like to state that this is simply based upon whether a retiree has their benefits locked into place.

It does not affect retiree's benefits that are linked to collective bargaining agreements with current employees. We're not changing that.

I think it's a very good bill to ensure that retiree's benefits are protected. If they are expecting a benefit, they should receive that benefit, and it should not be pulled away from them. I also rise in support. Thank you, Mr. President. Thank you, Senator Prague.

THE CHAIR:

Thank you, Senator Cappiello. Senator Debicella.

SEN. DEBICELLA:

Thank you, Mr. President. I, too, would like to rise in support of this bill. I would like to thank

Senator Prague and Senator Cappiello for their leadership on this.

I think, Mr. President, that a contract is a contract. If you've worked for a municipality or one of these special taxing districts for 20 years, and you have been promised a certain pension, it should not be the right of the municipality to come back and change that on you.

I think these people who are dependent on a pension for their retirement should not have the rug pulled out from under them.

I think this is a great bipartisan way that we can join together to actually help municipal workers to make sure that they are never penalized because a municipality is facing a budget crunch and wants to find an easy way out.

I stand in support of this bill, Mr. President, and, again, thank Senator Prague and Senator Cappiello for their leadership on it.

THE CHAIR:

Thank you, Senator Debicella. Will you remark further on the bill? Will you remark further on the bill? If not, Mr. Clerk, please open the machine for a roll call vote. The machine will be open.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Have all Senators voted? If all Senators have voted, the machine will be locked. The Clerk will call the tally.

THE CLERK:

Motion is on passage of House Bill 5707.

Total number voting, 35; necessary for passage, 18. Those voting "yea", 25; those voting "nay", 0. Those absent and not voting, 1.

THE CHAIR:

The bill passes. Senator Looney.

SEN. LOONEY:

Mr. President, if we might stand at ease for just a moment? Thank you.

THE CHAIR:

The Senate will stand at ease.

[SENATE AT EASE]

SEN. LOONEY:

Mr. President.

THE CHAIR:

Senator Looney.

SEN. LOONEY:

Yes, Mr. President. Thank you. I apologize for the interruption. Mr. President, I would move to reconsider the Consent Calendar just adopted, Consent Calendar 1.

THE CHAIR:

Motion is to reconsider Consent Calendar 1. Will you remark?

H-989

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
2007

VOL. 50
PART 6
1626-1974

CLERK:

On Page 7, Calendar Number 338, Substitute for House Bill Number 5707, AN ACT PROHIBITING THE DIMINISHMENT OR ELIMINATION OF MUNICIPAL RETIREE BENEFITS, Favorable Report of the Committee on Planning and Development.

DEPUTY SPEAKER GODFREY:

The distinguished Chairman of the Labor Committee, Representative Ryan.

REP. RYAN: (139th)

Thank you, Mr. Speaker. I move for acceptance of the Joint Committee's Favorable Report and passage of the Bill.

DEPUTY SPEAKER GODFREY:

The question is on acceptance and passage. Will you explain the Bill, please, Sir.

REP. RYAN: (139th)

Thank you, Mr. Speaker. As the title tell us, this Bill prohibits a municipality or special taxing district from diminishing or eliminating any pension or retirement system right or benefit that's been

granted to a retiree that is in effect on the date the person retires.

P & D went a little further with the Bill and clarified the fact that municipalities can change retirement benefits provided that the change is at least equivalent to the prior package, retirement package that the retiree had.

As we all know, retirees are on a fixed income, and any reduction in pensions or benefits can have an adverse effect on their well being.

Whether it's a pension reduction or a benefit reduction, they have no way to make up for it if they have this type of a loss, and this is going to be especially true if the retired individual is sick or infirm and unable to supplement their income to make up for this reduction in their benefits.

In their situation, a reduction of medical benefits could be life threatening in addition to drastically altering their quality of life. For this reason I ask my colleagues to help support this Bill to help protect our retirees. Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, Sir. The distinguished Ranking Member of the Labor Committee Representative Aman of the 14th.

REP. AMAN: (14th)

Thank you, Mr. Speaker. Through you, I have a couple of questions for the proponent of the Bill.

DEPUTY SPEAKER GODFREY:

Please frame your question, Sir.

REP. AMAN: (14th)

Yes. It's my understanding that current law covers all municipalities, and that the only real impact of this particular Bill is regards the City of Waterbury and their current situation with the Financial Planning and Assistance Board. Is my understanding correct?

DEPUTY SPEAKER GODFREY:

Representative Ryan, do you care to respond?

REP. RYAN: (139th)

Yes, thank you, Mr. Speaker. Well, last year we passed a bill that dealt with the City of Waterbury in this regard, and this Bill is just in case any other

municipality finds itself, makes a decision that is going to result in the reduction of benefits in municipalities.

We felt that any retiree from any municipality throughout the state should have the same protection as the retirees of Waterbury have.

DEPUTY SPEAKER GODFREY:

Representative Aman, you have the floor, Sir.

REP. AMAN: (14th)

Yes, Mr. Speaker. I think the Chairman and I are on the same page on that pretty much that last year's bill did cover all municipalities, and I believe this Bill will only come in if the Financial Planning and Assistance Board has to be reinstated in Waterbury, and at that time they would not be able to look at reducing the pensions.

Under the previous statute that the Financial Planning and Assistance Board was set up, they could look at retirements, benefits, and they did have some activity in that area on the same issue.

Even the AFL-CIO talked about the fact that this year's Bill they felt was pretty much redundant. I have spoken to our Waterbury delegation, and they are in favor of the Bill as it's being presented because they feel that the retirees of Waterbury are due their benefits, much like the Chairman mentioned.

Reducing benefits for retirees is something that is, I feel, very bad policy. I think there's been interest in this Bill not so much because of its direct impact, but because of its title.

If you look at the title of it, and you do not understand the history of the Legislature, it does seem like a very major piece of legislation. But at this time I will be supporting the Bill, and will ask my fellow colleagues also to support it.

DEPUTY SPEAKER GODFREY:

Thank you, Sir. Representative Boucher of the 143rd.

REP. BOUCHER: (143rd)

Thank you, Mr. Speaker. A couple of questions the ensuing debate raised in my mind. On one hand,

I'm hearing that the Bill addresses the City of Waterbury.

And yet on the other, in the answer to that, I understood from the proponent that brought out the Bill, that in fact it does not, that Waterbury had been taken care, that this was for all other municipalities in the State of Connecticut, would apply to all of them.

Could I please, through you, Mr. Speaker, get clarification on this discourse?

DEPUTY SPEAKER GODFREY:

Representative Ryan.

REP. RYAN: (139th)

Yes, Mr. Speaker, through you, Mr. Speaker. While the Bill does refer to Special Act 01-1 that referred to the Waterbury situation from a few years ago, last year's bill just dealt with municipalities, and we find that in the state there are some special taxing districts that also have retirees, and this Bill is intended to help include those districts as well as the municipalities.

SPEAKER AMANN:

Representative Boucher, is that better?

REP. BOUCHER: (143rd)

Thank you, Mr. Speaker, that clarifies it immensely. May I ask one more question, through you, Mr. Speaker?

DEPUTY SPEAKER GODFREY:

Of course.

REP. BOUCHER: (143rd)

Does this exempt any of the teachers' contracts that we have throughout the State of Connecticut?

DEPUTY SPEAKER GODFREY:

Representative Ryan.

REP. RYAN: (139th)

I don't believe I find any exemptions in here but the retirees, the teachers' retirement benefits come under the state, and their local benefits, I believe would likewise. I don't think it would in any way exempt them because they're different [inaudible].

REP. BOUCHER: (143rd)

Thank you for that clarification, Mr. Speaker. I appreciate it.

DEPUTY SPEAKER GODFREY:

Thank you, Madam. The gentleman from the 72nd, Representative Butler.

REP. BUTLER: (72nd)

Thank you, Mr. Speaker. I rise in support of this Bill. Having been a local alderman in the City of Waterbury when this situation occurred, I have to tell you that my constituents were very upset with the fact that someone could come in and change their benefits once they had retired.

I, too, find that a repulsive thing to do to anyone who makes plans to retire, and has, some other entity comes in and changes or diminishes those benefits in any way.

I would strongly discourage any practice of this happening to any municipality anywhere in the state at any time in the future.

So again, I would encourage my colleagues here to support this Bill, and hopefully this will never happen again. Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

I thank the gentleman from Waterbury. The gentleman from Southbury, Representative O'Neill.

REP. O'NEILL: (69th)

Yes, thank you, Mr. Speaker. If I may, a couple of questions to the Chair of the Labor Committee, through you.

DEPUTY SPEAKER GODFREY:

Please proceed, Sir.

REP. O'NEILL: (69th)

I apologize that I haven't really had a chance to carefully examine this piece of legislation, but I know that wandering around this building in various Committees, including the Appropriations Committee, are pieces of legislation the purpose of which is to provide for a healthcare pool that apparently would embrace all municipal and educational employees, and

that this would be in both versions of the bill that I've seen through the Appropriations Committee.

This would be a mandatory program, and one of the questions that's come up from time to time is, what impact would such a program have on retirees.

So with that in mind, my question is, if this legislation were to pass, would we need to pass other legislation to set it aside to deal with requiring retirees to accept a healthcare plan that would be part of essentially what one might call a mandatory MEHIP type of program that's currently being discussed, and both of which bills, I believe have passed out of the Appropriations Committee.

So, through you, Mr. Speaker, with those bills in mind, if I could perhaps have an answer. Thank you.

DEPUTY SPEAKER GODFREY:

Representative Ryan, do you care to respond?

REP. RYAN: (139th)

Yes, thank you, Mr. Speaker. While I recognize Representative O'Neill's concern that there are bills going around that deal with municipal pools, I think

they deal with current employees, and I'm not, I really can't speak to the issue of how they affect retirees.

I'm not sure that those are also included, but this Bill does take anything of that sort into consideration. I'm just saying that the administration of the retirement benefit can be changed, as long as the level of the benefits remain the same.

But again, I can't speak to all the individual bills, because I'm not sure they actually deal with the retiree issue.

DEPUTY SPEAKER GODFREY:

Representative O'Neill.

REP. O'NEILL: (69th)

Thank you, Mr. Speaker. Well, let me ask another question. Does the Bill before us today deal with health insurance benefits for retirees? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Ryan.

REP. RYAN: (139th)

I'm sorry, somebody was asking me a question. I did not hear Representative O'Neill's question.

DEPUTY SPEAKER GODFREY:

Representative O'Neill, if you could repeat the question, please.

REP. O'NEILL: (69th)

Yes, thank you, Mr. Speaker. The question I have is, does the Bill that is before us now, House Bill Number 5707, in fact, or have to do with health insurance benefits of retirees? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Ryan.

REP. RYAN: (139th)

Through you, Mr. Speaker, it deals with benefits. It deals with the pension as well as any benefits that they may have after they retire.

DEPUTY SPEAKER GODFREY:

Representative O'Neill.

REP. O'NEILL: (69th)

Thank you, Mr. Speaker. So I take it from that that they would include any health insurance benefits. Is that correct? Health insurance benefits would clearly be affected by this? Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Ryan.

REP. RYAN: (139th)

Yes.

DEPUTY SPEAKER GODFREY:

Representative O'Neill.

REP. O'NEILL: (69th)

Thank you, Mr. Speaker. Well, this illustrates an issue and, which I do believe we are going to have to deal with because the health insurance benefits that are typically afforded to retirees, if I understand it correctly from the discussions that we've had on the other legislation relating to trying to create this large pool, those health insurance benefits for retirees are in some way related to the

benefits being provided to current employees through the plans that are going to be there.

At least that's my understanding from the discussions that I've had on the subject with people, both the ones in the Committee discussions, as well as privately, that the issue of how the retirees are going to be affected is going to be a somewhat difficult one because the retirees do have an expectation for programs that they negotiated back when they, before the retired, and this is going to perhaps become an issue going forward.

And as I say, I think it illustrates one of the problems that we're going to have in dealing with that other legislation. By itself, this piece of legislation looks fine in terms of its intent, which is clearly to protect the benefits of the retirees that are out there now.

But if we're going to change all of the healthcare systems for municipal and educational employees, I think we're going to have to think long and hard about whether or not we want to take the

position, or whether it should be the policy that no retiree is going to suffer any loss of benefits when the system is designed to try to create a one-size basically fits all type of system that's going to be available to everyone, hopefully reducing costs and that sort of thing. Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, Sir. The gentleman from North Branford, Representative Candelora.

REP. CANDELORA: (86th)

Thank you, Mr. Speaker. I do appreciate the intent of this Bill, and I can appreciate what we're trying to address.

I do have a question, though, to the proponent of the Bill specifically dealing with the language of at least equivalent.

If this Bill in fact does cover the health insurance part of peoples' retirement benefits, I can envision a circumstance where a municipality may, in order to save money in changing administrators, may create a, buy into a different policy that would

change the premium share possibly lowering it for the retiree, but increasing in a de minimis fashion the medical prescription portion of the premiums.

And my question is, does that language contemplate the flexibility of a town to make these type of de minimis cost-saving measures for their plans?

DEPUTY SPEAKER GODFREY:

Representative Ryan.

REP. RYAN: (139th)

Yes, through you, Mr. Speaker. As I mentioned earlier, those changes were made in Planning and Development, in that Committee, and I believe that for the purposes that Representative Candelora explained, I think it was made for exactly those purposes.

DEPUTY SPEAKER GODFREY:

Representative Candelora.

REP. CANDELORA: (86th)

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, Sir. Will you remark further on this Bill? Will you remark further on this Bill?

If not, staff and guests please come to the Well of the House. Members take your seats. The machine will be opened.

CLERK:

The House of Representatives is voting by Roll Call. Members to the Chamber. The House is taking a Roll Call Vote. Members to the Chamber, please.

DEPUTY SPEAKER GODFREY:

Have all the Members voted, and is your vote properly recorded? If so, the machine will be locked. The machine will be locked. The Clerk will take a tally, and the Clerk will announce the tally.

CLERK:

House Bill Number 5707.

Total Number Voting	147
Necessary for Passage	74
Those voting Yea	147
Those voting Nay	0
Those absent and not voting	4

DEPUTY SPEAKER GODFREY:

The Bill is passed. Mr. Clerk, Calendar Number 414, please.

CLERK:

On Page 11, Calendar Number 414, Substitute for Senate Bill Number 1212, AN ACT CONCERNING COVERAGE BY THE CONNECTICUT INSURANCE GUARANTY ASSOCIATION, Favorable Report of the Committee on Insurance and Real Estate.

DEPUTY SPEAKER GODFREY:

The gentleman from Clinton, Representative O'Connor.

REP. O'CONNOR: (35th)

Thank you, Mr. Speaker. I move acceptance of the Joint Committee's Favorable Report and passage of the Bill.

DEPUTY SPEAKER GODFREY:

The question is on acceptance and passage. Will you explain the Bill, please, Sir.

REP. O'CONNOR: (35th)

JOINT
STANDING
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PART3
614-944

2007

JUDITH WEST: I can't, I don't know how many female correction officers we had at that time. But it was, if I might say without offending anyone, pretty much a man's domain.

SEN. PRAGUE: But these other workers are pretty much also male dominated positions.

JUDITH WEST: The majority are, yes.

SEN. PRAGUE: Okey-doke. Thank you.

REP. RYAN: Do we have any other questions for Ms. West? Thank you. Thank you for coming in. The next to testify is Tom Carusello.

I'm sorry. Someone made a mistake. They said something. This is Lori Pelletier's testimony?

TOM CARUSELLO: Well, you know, she decided that she would leave me in charge today, so, hi. Senator Prague, Representative Ryan, my name is Tom Carusello. I am the Political Director of the Connecticut AFL-CIO.

I am not Lori Pelletier, but I do work for the same 211,000 unionized men and women in the State of Connecticut that we represent, including the clericals that work in the corrections.

I cannot begin to explain to you what they do on a daily basis better than they can. But understand that we at the AFL-CIO strongly support this legislation. I think it's been pointed out here that they are the only group that does not have this designation now and

HB 6958
SB 402
SB 1050
HB 5707
SB 848
SB 1082
HB 5696
HB 6988

House Bill 5707, AN ACT PROHIBITING THE DIMINISHMENT OR ELIMINATION OF MUNICIPAL RETIREE BENEFITS. We support that, though we believe that it may be redundant in what was passed last year, but if it is not, we certainly would support it.

And now just let me, just to get into a couple of others, Senator Caligiuri's bill, AN ACT CONCERNING LOANS TO MUNICIPALITIES TO FULLY FUND PENSION SYSTEMS. S.B. 848

There are, as he pointed out, a number of cities and towns in the state where the number of pension plans are, if not significantly in trouble yet, are certainly underfunded. I live in the City of Waterbury.

After five years of the Oversight Board being in the City of Waterbury, the pension fund in the City of Waterbury, after five years of the Oversight Board, is $40 million more in debt than it was before the Oversight Board took over.

So after five years we are now at about $470 million. We are concerned about that issue. We want to see the City of Waterbury get out of that.

There's $13 million of the taxes of the people of the City of Waterbury, out of $55 million tax rate, $13 million goes to pay into the pension fund for current retirees and to advertise this fund over 25 or 30 years.

I don't think this is a very expensive item for the budget either. There aren't too many people pre-1984, you know, who are really going to fall under this. This is just really an issue of equity for folks.

REP. BELDEN: Well.

REP. RYAN: Any other questions for Mr. Filson? Thank you. Thank you very much for coming in.

PAUL FILSON: Thank you.

REP. RYAN: The next person I see on the list is Mr. Melita, and I don't see him in the room. We have written testimony from him. If he comes in, we'll bring him up.

Mr., excuse me, I didn't write this very well, Mr. Heimer. Mr. Heimer who wanted to testify on his bill. Okay. If he comes in, we'll come back to it.

We're going to go back to the beginning of the bills and start with House Bill 402, AN ACT CREATING AN ADDITIONAL RETIREMENT INCOME, but that's already been testified on.

So we'll go to Senate Bill 848, AN ACT CONCERNING LOANS TO MUNICIPALITIES TO FULLY FUND PENSION SYSTEMS. Steve Laccone I believe is the name. Good afternoon, Sir.

STEPHEN LACCONE: Good afternoon. Honorable Members of the Labor and Public Employees Committee, I thank you for the opportunity to speak this

HB 5707
HB 6075

I would strongly encourage this Committee to pass this most vital legislation. The next bill I would like to comment on is House Bill 5707, AN ACT PROHIBITING THE DIMINISHMENT OR ELIMINATION OF MUNICIPAL RETIREE BENEFITS.

As an employee of the City of Waterbury, I have first hand knowledge of the devastating effects that any reduction in benefits would have on a retiree. Your psych ward imposed severe reductions in both medical benefits and pension payouts.

With no cost of living increases, it has detrimentally altered our retirees' quality of life.

I implore you to vote in favor of this bill and allow retirees to continue to receive the pay and benefits that they earned through a long tenure of employment with the respected municipalities.

Finally, I'd like to comment on House Bill 6075, AN ACT CONCERNING RETIREMENT CREDIT FOR MUNICIPAL EMPLOYEES WHO SERVED IN THE MILITARY. This legislation would allow all the brave men and women of the military to buy back their time served for pension purposes, if they accept the employment with a municipality.

This is a benefit our employees enjoyed prior to the Oversight Board stripping this provision from our collective bargaining agreement during a time of war.

I believe our veterans should be afforded this

SB 1082 HB 5696 HB 5707
HB 6958 HB 6988

000718

CONNECTICUT AFL-CIO

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Testimony of Lori J. Pelletier, Secretary-Treasurer, Connecticut AFL-CIO before the Labor and Public Employees Committee

February 6, 2007

Good Afternoon Senator Prague, Representative Ryan and the Members of the Labor and Public Employees Committee. I am Lori Pelletier and I serve as Secretary-Treasurer of the Connecticut AFL-CIO. I am here on behalf of our 900 affiliated local unions from all across this great state who represent 211,000 working men and women, and I appreciate the invitation to address this committee.

Thank you for the opportunity to speak with you this afternoon regarding the bills you have before your committee.

Proposed S.B. No. 402 AN ACT CREATING AN ADDITIONAL RETIREMENT INCOME OPTION UNDER THE STATE EMPLOYEES RETIREMENT SYSTEM. **Support**

We support this legislation. Any legislation that corrects a problem or enhances the negotiated retirement benefits of CT's workers is good legislation.

Proposed S.B. No. 848 AN ACT CONCERNING LOANS TO MUNICIPALITIES TO FULLY FUND PENSION SYSTEMS. **Support**

We strongly support this legislation. With nearly 50 cities and towns in CT facing significant unfunded liabilities, we feel this is the least harmful and costly way of addressing and solving the problem once and for all. This "revolving fund" will allow the municipalities to invest the funds and pay off the indebtedness with less strain om taxpayers.

S.B. No. 1050 (RAISED) AN ACT CONCERNING RETIREMENT BENEFIT OPTIONS FOR SPOUSES OF CERTAIN DECEASED STATE EMPLOYEES. **Support**

We support this legislation. Spouses of deceased state employees should be entitled to their dead spouses pensions and be able to have benefit choices that make sense for them and their families.

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Ray Soucy
Paul Wallace
Kurt Westby
Thomas Wilkinson

S.B. No. 1082 (RAISED) AN ACT CONCERNING ELIMINATION OF STATE FINANCIAL ASSISTANCE FOR COMPANIES THAT REDUCE RETIREMENT BENEFITS. **Support**

This is important and overdue legislation that would stop a growing and disturbing trend of companies reneging on their retirement obligations to their employees. This is a good first step but we must find a way to stop all of corporate America from stealing retirement benefits owed to their employees.

Proposed H.B. No. 5696 AN ACT CONCERNING FUNDING OF EMPLOYER-SPONSORED RETIREMENT PLANS. **Support**

We support this legislation though it is sad that we need a law to ensure that businesses notify an employee when they fail to fully fund an employer sponsored retirement plan. This legislation might also be expanded to cover CT's municipalities. A large part of the reason the city of Waterbury's pension fund is still $470 million unfunded was it's failure to fully fund the employee pension fund.

Proposed H.B. No. 5707 AN ACT PROHIBITING THE DIMINISHMENT OR ELIMINATION OF MUNICIPAL RETIREE BENEFITS. **Support**

We support this legislation, though, we feel that it might be redundant based on a law passed last year.

HB. No. 6958 (RAISED) AN ACT EXTENDING HAZARDOUS DUTY RETIREMENT BENEFITS FOR CLERICAL WORKERS AT CORRECTIONAL INSTITUTIONS. **Support**

H.B. No. 6988 (RAISED) AN ACT UPDATING THE SOCIAL SECURITY RETIREMENT AGE TO REFLECT FEDERAL CHANGES. **Support**

We strongly support this legislation. It's only effect will be to bring CT law up to the reality of an increasing retirement age. The benefit is intended to be a retirement supplement until full retirement which traditionally at age 65. That is no longer the case. Retirement age is increasing and the state law has not been updated to keep up with this change. This is an important and necessary change.

HB 6075

000720

CONNECTICUT COUNCIL 4

Local 353 Blue Collar Union
Waterbury, CT

Stephen Laccone, President
Marcy Michaud, Vice President
Jerry Carroll, Recording Secretary
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Dennis Lemieux

Honorable members of the Labor and Public Employees Committee, I thank you for the opportunity to speak this afternoon. My name is Stephen Laccone and I come before you today not only as President of AFSCME Local 353 (the Blue Collar Union), but also as a City of Waterbury resident, employee, homeowner and taxpayer. I would like to comment on a few bills before you today.

First, I would like to speak on S.B. 848, AN ACT CONCERNING LOANS TO MUNICIPALITIES TO FULLY FUND PENSION SYSTEMS. As the former Labor Representative on the Waterbury Financial Planning and Assistance Board, I had the rare opportunity to oversee all financial aspects of our City Government, including detailed analysis regarding our unfunded pension liability. If this legislation is passed, it would be a great benefit to our Municipality in regards to budgetary assurances and potential tax decreases. It would assure the taxpayers and employees of our fine city that our elected representatives are mandated to keep its fiduciary responsibility toward the solvency of our pension fund.

If this bill becomes law and monies are allocated to allow us to bond our full liability, it would be a potential savings to our Municipality of tens of millions of dollars per year. This would allow both tax decreases and opportunities to begin the process of repairing our decrepit infrastructure. I strongly encourage this committee to pass this most vital legislation

The next bill I will comment on is H.B. 5707, AN ACT PROHIBITING THE DIMINISHMENT OR ELIMINATION OF MUNICIPAL RETIREE BENEFITS. As an employee of the City of Waterbury, I have first hand knowledge of the devastating effects any reduction in benefits would have on a retiree. The Oversight Board imposed severe reductions in both medical benefits and pension payouts. With no cost of living increases, it has detrimentally altered our retiree's quality of life. I implore you to vote in favor of this bill and allow retirees to continue to receive the pay and benefits that they earned through their long tenure of employment with their respective Municipalities.

HB 6075

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UNIFORMED PROFESSIONAL FIRE FIGHTERS ASSOCIATION OF CONNECTICUT
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Tuesday February 6, 2007

Senator Prague, Representative Ryan and members of the Labor & Public Employees Committee.

My name is Gary Keating. I am the Legislative and Political Affairs Director for the Uniformed Professional Fire Fighters Association of Connecticut. The UPFFA represents approximately 4,000 career Fire Fighters in 50 local bargaining unit affiliates.

This testimony is in **support** of 2 bills that are before you today.

The first is Proposed **H.B. 5707 AN ACT PROHIBITING THE DIMINISHMENT OR ELIMINATION OF MUNICIPAL RETIREEE BENEFITS**.

This bill will provide protection for retired fire fighters who are unable to defend themselves from attacks upon their contractual benefits without incurring costly legal expenses. In an effort to save money, municipalities have often times sought to change retiree benefits. These actions take advantage of the most vulnerable of people, retirees, living in many cases on fixed incomes and without the resources to fight back to preserve their rights. Several private sector industries have attempted to reduce retiree benefits, even when those same benefits were included as part of the retirement agreement. In some cases, employers have tried to reduce benefits, even when those same benefits were promised in return for other concessions on the part of the employee. The exploitation of the elderly is starting to be seen in some Connecticut municipalities. In fact, the Waterbury retired fire fighters were forced to sue the municipality to protect their benefits and they were vindicated by the Connecticut Supreme Court. However, it is widely believed that without legislative intervention, similar attacks on our most vulnerable population will continue. Please act to correct these injustices and pass this bill. This is fair, just and should be considered redress of gross injustices done to the least able amongst us to protect themselves.

Walter M. O'Connor *President Emeritus* | Raymond D. Shea *President Emeritus* | Santo J. Alleano, Jr. *Vice President Emeritus* | Patrick J. Shevlin III *Treasurer Emeritus*