



General Assembly

February Session, 2024

**Substitute Bill No. 5401**



**AN ACT CONCERNING CREDIT FOR MILITARY SERVICE UNDER  
THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-436b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2024, and*  
3 *applicable to applications to purchase credit made on or after October 1, 2024*):

4 (a) As used in this section, "armed forces" and "period of war" have  
5 the same meanings as provided in section 27-103.

6 ~~[(a)]~~ (b) Any member of fund B of the municipal employees'  
7 retirement system [.] who, prior to such member's date of employment  
8 with a municipality that is participating in said fund B, served [in any  
9 branch of the armed forces of the United States during the times set forth  
10 in section 27-103] one or more days in the armed forces during a period  
11 of war shall be credited with the period of such service to the extent that  
12 such member makes contributions to said fund for all or any part of the  
13 period of such service, except that any veteran who becomes a member  
14 on or after October 1, 1984, shall not receive credit for such [war] service  
15 in the armed forces during a period of war if such member has received  
16 or is entitled to receive any retirement allowance for the same [years]  
17 period of service from the federal government. Such contributions shall  
18 be computed at a rate of two per cent of such member's first year's salary  
19 as such employee, with interest at five per cent per annum, payable

20 within one year of such employment, or on or before January 1, 1992,  
21 whichever is later, provided such contributions are made prior to the  
22 date of retirement. The period of such service for which contributions to  
23 said fund are made shall be counted for the purpose of computing the  
24 amount of such member's retirement allowance, provided such member  
25 shall have completed five years of continuous service or fifteen years of  
26 active aggregate service with a participating municipality or shall be  
27 retired prior thereto due to disability incurred in the course of  
28 employment. Any member who wishes to purchase credit pursuant to  
29 this section shall submit with such member's application sufficient proof  
30 of such service in the armed forces during a period of war, including,  
31 but not limited to, a DD 214 or other record or documentation of such  
32 service that is issued, or able to be verified as valid, by the United States  
33 Department of Defense or a written statement signed by such member's  
34 commanding officer. Any member who purchases credit pursuant to  
35 this section and who later receives a retirement allowance for permanent  
36 and total disability under this part shall, upon written request, be  
37 refunded all such contributions paid under this section, provided such  
38 [military service] credit for service in the armed forces during a period  
39 of war did not [serve] operate to increase the amount of disability  
40 retirement benefits for which such member was eligible.

41 [(b)] (c) Notwithstanding the provisions of subsection [(a)] (b) of this  
42 section, the municipal employer of any member who applies, on or after  
43 July 1, 1986, for such [military service] credit for service in the armed  
44 forces during a period of war shall pay all contributions required under  
45 said subsection [which] that are attributable to that portion of the  
46 member's [military service time] service in the armed forces during  
47 which [he] such member was a prisoner of war, provided such member  
48 submits with [his] such member's application for such credit for service  
49 in the armed forces sufficient proof from the United States Department  
50 of Veterans Affairs that [he] such member is a former prisoner of war.  
51 Any municipal employer [which] that pays the contributions required  
52 under this subsection for a member who later receives a retirement  
53 allowance for permanent and total disability under this part shall, upon

54 [its] such municipal employer's written request, be refunded all such  
55 contributions paid under this subsection, provided such [military  
56 service] credit for service in the armed forces during a period of war did  
57 not [serve] operate to increase the amount of disability retirement  
58 benefits for which [the] such member was eligible.

59 Sec. 2. Subsection (h) of section 7-440 of the general statutes is  
60 repealed and the following is substituted in lieu thereof (*Effective October*  
61 *1, 2024*):

62 (h) In the case of members serving with the armed forces of the  
63 United States in time of war, hostilities or national emergency or any  
64 acts incident thereto, as provided in section 7-434, the municipality shall  
65 forward to the Retirement Commission to be credited to the fund a like  
66 contribution on behalf of such member based upon his pay at the time  
67 of entering such service. Any member leaving the employment of the  
68 municipality before becoming eligible for retirement may withdraw on  
69 request to the Retirement Commission the total of all contributions  
70 made by him, including contributions made to another system and  
71 transferred to the Municipal Employees' Retirement Fund under the  
72 provisions of section 7-442b, less any retroactive contributions payable  
73 by such member under section 7-453 to the Old Age and Survivors  
74 Insurance System [which] that have been paid from the fund under the  
75 provisions of section 7-451, provided, if no request is made within ten  
76 years, such contributions shall revert to the fund. The withdrawal of  
77 contributions shall include interest credited from July 1, 1983, or the first  
78 of the fiscal year following the date of actual contribution, whichever is  
79 later, to the first of the fiscal year coincident with or preceding the date  
80 the employee leaves municipal service. Such interest shall be credited at  
81 the rate of five per cent per year. In addition, for the partial year during  
82 which the employee leaves municipal service or withdraws his  
83 contributions, whichever is later, interest shall be credited at the rate of  
84 five-twelfths of one per cent multiplied by the full number of months  
85 completed during that year, such interest rate to be applied to the value  
86 of contributions, including any prior interest credits, as of the first day

87 of that year. Any employee who withdraws his contributions from the  
88 fund and is subsequently reinstated shall not receive credit for service  
89 for such prior employment in the computation of his eventual  
90 retirement allowance unless the withdrawn contributions plus interest,  
91 if any, have been repaid with additional interest at a rate to be  
92 determined by the commission. Any municipality [which] that has  
93 made contributions on behalf of any member serving in the armed  
94 forces who is not reemployed by the municipality within six months  
95 following the termination of such service, unless this period is further  
96 extended by reason of disability incurred in such service, shall be  
97 entitled to receive from the fund on application to the Retirement  
98 Commission the amount of such contributions. Any municipality  
99 [which] that has made contributions in accordance with subsection [(b)]  
100 (c) of section 7-436b, as amended by this act, on behalf of any member  
101 who leaves the employment of the municipality and withdraws from  
102 the municipal employees' retirement system before becoming eligible  
103 for retirement shall be entitled to receive from the fund on application  
104 to the Retirement Commission the amount of such contributions. In case  
105 of the death of a member before retirement, who has not elected a  
106 retirement income option in accordance with the provisions of this part  
107 or who has made such election but has not completed the age and  
108 service requirements that would permit him to retire on his own  
109 application, or after retirement without having made such election, or  
110 in case of the death of the survivor of a member who has made such  
111 election and his spouse after a retirement allowance has become  
112 payable, his contributions to the fund plus such five per cent interest, if  
113 any, less any retirement allowance paid to him or his spouse, and less  
114 any retroactive contributions paid by such member to the Old Age and  
115 Survivors Insurance System [which] that have been paid from the fund  
116 under the provisions of section 7-451, shall be paid from the fund on the  
117 order of the Retirement Commission to the beneficiary or beneficiaries,  
118 if any, named by such member. If no named beneficiaries survive the  
119 member, or the survivor of the member and his spouse, payment shall  
120 be made to the executors or administrators of such member or his  
121 spouse, as the case may be, except that, if the amount is less than five

122 hundred dollars, the refund may be made, at the option of the  
123 Retirement Commission, in accordance with the terms of section 45a-  
124 273.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2024, and applicable to applications to purchase credit made on or after October 1, 2024</i>	7-436b
Sec. 2	<i>October 1, 2024</i>	7-440(h)

**Statement of Legislative Commissioners:**

In Section 1(c), "such credit in the armed forces" was changed to "such credit for service in the armed forces" for clarity; and in Section 2, the effective date was changed from "from passage" to "October 1, 2024" for consistency.

**VA**      *Joint Favorable Subst. -LCO*