



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 Section 7-436b of the general statutes is repealed and the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)

VA *Joint Favorable Subst. -LCO*

PD *Joint Favorable*