



General Assembly

February Session, 2020

Raised Bill No. 440

LCO No. 2196



Referred to Committee on APPROPRIATIONS

Introduced by:
(APP)

**AN ACT CONCERNING THE INTEREST RATE RELATING TO
TEACHERS' RETIREMENT SYSTEM COST-OF-LIVING ALLOWANCES
AND RESERVING CERTAIN LOTTERY FUND REVENUE FOR THE
CONNECTICUT TEACHERS' RETIREMENT FUND BONDS SPECIAL
CAPITAL RESERVE FUND.**

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

1 Section 1. Subsection (l) of section 10-183g of the 2020 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2020*):

4 (l) (1) Beginning the first day of January or July which follows nine
5 months in retirement, a retired member who retired on or after
6 September 1, 1992, or a member's successor beneficiary, except a person
7 receiving survivor's benefits, shall be eligible for an annual cost of living
8 allowance. The cost of living allowance shall be calculated by using the
9 percentage cost of living adjustment granted by the Social Security
10 Administration for the applicable year, computed on the basis of the
11 retirement benefits to which such retired member or successor
12 beneficiary was entitled on the last day of the preceding December or
13 June except benefits based upon one per cent or voluntary contributions,

14 provided no cost of living allowance shall exceed six per cent and
15 provided further, if the total return earned by the trustees on the market
16 value of the pension assets for the preceding fiscal year is less than [eight
17 and one-half] six and nine-tenths per cent, any cost of living allowance
18 granted shall not exceed one and one-half per cent.

19 (2) A member entering the retirement system commencing on or after
20 July 1, 2007, or such member's successor beneficiary, except a person
21 receiving survivor's benefits, shall, beginning the first day of January or
22 July that follows nine months in retirement, be eligible for an annual
23 cost of living allowance as follows: The cost of living allowance shall be
24 calculated by using the percentage cost of living adjustment granted by
25 the Social Security Administration for the applicable year, computed on
26 the basis of the retirement benefits to which such retired member or
27 successor beneficiary was entitled on the last day of the preceding
28 December or June, as applicable, except benefits based upon one per
29 cent or voluntary contributions, provided (A) no cost of living
30 allowance shall exceed five per cent, and (B) if the total return earned by
31 the trustees on the market value of the pension assets for the preceding
32 fiscal year is less than [eight and one-half] six and nine-tenths per cent,
33 any cost of living allowance granted shall not exceed one per cent, if
34 such total return for the preceding fiscal year is greater than [eight and
35 one-half] six and nine-tenths per cent but less than [eleven and one-half]
36 nine and nine-tenths per cent, any cost of living allowance granted shall
37 not exceed three per cent, and if such return exceeds [eleven and one-
38 half] nine and nine-tenths per cent, any cost of living allowance granted
39 shall not exceed five per cent.

40 Sec. 2. Subsection (d) of section 4-66k of the 2020 supplement to the
41 general statutes is repealed and the following is substituted in lieu
42 thereof (*Effective from passage*):

43 (d) There is established a regionalization subaccount within the
44 regional planning incentive account. If the Connecticut Lottery
45 Corporation offers online its existing lottery draw games through the
46 corporation's Internet web site, online service or mobile application, and

47 after any payment to the Connecticut Teachers' Retirement Fund Bonds
 48 Special Capital Reserve Fund required pursuant to section 12-182, the
 49 revenue from such online offering that exceeds an amount equivalent to
 50 the costs of the debt-free community college program under section 10a-
 51 174 shall be [deposited in] transferred to the subaccount, or, if such
 52 online offering is not established, the amount provided under
 53 subsection (b) of section 364 of public act 19-117 for regionalization
 54 initiatives shall be deposited in the subaccount. Moneys in the
 55 subaccount shall be expended only for the purposes recommended by
 56 the task force established under section 4-66s.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2020</i>	10-183g(l)
Sec. 2	<i>from passage</i>	4-66k(d)

Statement of Purpose:

To revise the interest rate relating to adjustments of cost-of-living allowances under the teachers' retirement system and reserve certain Lottery Fund revenue for payment to the Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve Fund prior to transfer to the regionalization subaccount within the regional planning incentive account.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]