



— STATE COMPTROLLER —
SEAN SCANLON

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**COMPTROLLER SEAN SCANLON, GOVERNOR NED LAMONT,
MUNICIPAL AND LABOR LEADERS ANNOUNCE RETIREMENT SYSTEM
REFORM**

Deal reached could save municipalities up to \$843 million

(HARTFORD, CT) – This morning, Comptroller Sean Scanlon, Governor Ned Lamont, and municipal and labor leaders announced they reached a deal to reform the [Connecticut Municipal Employees Retirement System](#) (CMERS), the state-run pension plan for municipal public-sector employees including police officers, firefighters, boards of education, and public works employees.

This agreement will save 107 cities and towns across Connecticut \$32,369,000 in fiscal year 2024 alone and could amount to more than \$843,131,000 in savings over the next 31 years.

Shortly after taking office, Comptroller Scanlon convened a working group comprised of labor and municipal leaders to address the rising cost of CMERS. Employer contribution rates increased 75% on average over the last five years, while the plan's unfunded liability hit \$1.1 billion.

After six weeks of dialogue and negotiations facilitated by the Comptroller, the working group agreed to six reforms, several of which will provide immediate relief to municipalities by stabilizing the fund and leveling out employer contributions going forward. The group agreed to better align the cost-of-living adjustments (COLA) with current industry practice and re-amortize the unfunded actuarial accrued liability from 17 to 25 years which will save municipalities just over \$32.3 million FY24.

The group also agreed to several reforms that will encourage retention of municipal employees, including increasing the pension calculation multiplier for those with longer service and offering a Deferred Retirement Option Plan (DROP).

CMERS has not seen significant reform in decades, so the group has also agreed to improve data collection on municipal pension plans offered in Connecticut to help inform governance structure best practices and additional ways to make the plan more attractive to new towns.

“For years Connecticut cities and towns have seen record increases in their pension costs,” **said Comptroller Scanlon**. “And for too long, conventional wisdom was that nothing could be done, and no one should even try, because the towns and labor would never agree on potential fixes. That old, broken way of thinking about the challenges our state faces must end and, in reaching this agreement, we are proving it can. I’m proud to have brought this historic group together and look forward to future work with the stakeholders that collaborated on this deal and to ensuring the passage of the legislation to make these savings a reality.”

“Reaching an agreement on the future of our municipal retirement system is not only important for the sake of ensuring its continued ability to fund pensions for the workers who have earned them, but this is also needed to protect taxpayers by providing financial relief to cities and towns,” **said Governor Lamont**. “I appreciate the members of the working group for getting this deal to this point, and I thank Comptroller Scanlon for his advocacy on this topic.”

“I commend State Comptroller Scanlon on initiating the response to a problem that has been kicked down the road for too many years. Comptroller Scanlon rolled up his sleeves and identified labor groups and members of both sides of the aisle to work together and find a resolution. It wasn’t always easy, but we stuck together and did what needed to be done,” **said Windsor Locks First Selectman Paul Harrington**. “Windsor Locks alone stands to save almost half a million dollars next year alone and over \$12 million the next 30 years. For a small town like ours, that money can be used for better services, teachers, police, and fire. We look forward to continuing to work together as the workgroup takes on creating an additional tier for future groups to join and fiscal stability in the State.”

“The changes to CMERS proposed by Comptroller Scanlon and his advisory group of municipal and union leaders is a long overdue course correction that will give needed fiscal relief to our towns,” **said Hamden Mayor Lauren Garrett**. “Municipal leaders deal with the realities of increasing costs in operating budgets, so including us in this process was vital to ensuring an increase in the funding ratio and a reduction in municipal contributions for the Connecticut Municipal Employees Retirement System. I appreciate the unions for being partners in this effort and for coming to the table to be part of the solution.”

“AFSCME Council 4 represents roughly 15,000 municipal government and Board of Education (BOE) employees across the state,” **AFSCME Council 4 Executive Director Jody Barr said**. “We are pleased that labor and management came together to improve CMERS for our members who provide vital services to our towns and schools that ensure the health, safety, and livelihoods of the residents they serve. The new changes strengthen the overall system by enhancing worker benefits and lowering costs that would encourage additional towns to participate so that more workers can have the benefit of a pension. It also will help to ensure future town and BOE employees can enjoy the benefits of a pension. Every working American should have a pension. During a time when pension benefits in Connecticut have eroded over the past decade, we are excited this agreement is a win for municipal and BOE employees and a win for municipalities and look forward to continuing this relationship to further strengthen CMERS for our members.”

“I want to thank Comptroller Scanlon for his commitment to finding solutions that work. The working group’s recommendations will save cities and towns money while protecting retirement for municipal employees,” **said Speaker of the House Matt Ritter.**

“Addressing Connecticut’s municipal pension fund crisis is a bipartisan priority,” **said Senate Republican Leader Kevin Kelly.** “Towns and taxpayers are overburdened by surging costs. This agreement helps preserve the retirement benefit program and puts it on a path to long-term sustainability. That’s good news for retirees, towns, and property taxpayers. We thank Comptroller Scanlon and the CMERS Working Group for their hard work.”

“I appreciate that Comptroller Scanlon is focusing on this growing problem municipal leaders have warned about for years, and the working group’s recommendations for reform represent a positive first step toward helping cities and towns deal with this surging crisis and protect this worker retirement program,” **said House Republican Leader Vincent Candelora.**

Since CMERS is not collectively bargained by one unit, some of these reforms require legislative changes and approval from the State Employees Retirement Commission. The Comptroller’s Office is pursuing the passage of several legislative changes this session and has agreed to continue the working group into next year for additional reform.

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