



**Governor Ned Lamont
State of Connecticut**



FACT SHEET
2019 Legislative Session

**SENATE BILL 882
AN ACT CONCERNING MUNICIPAL ARBITRATION AND
THE MUNICIPAL EMPLOYEES RETIREMENT SYSTEM**

Summary of Proposal:

This proposal accomplishes three things. First, it revises the selection process for the neutral arbitrators that chair municipal arbitration panels. Second, it gradually increases employee contributions to the Municipal Employees' Retirement System (MERS) over a three-year period. Lastly, it charges the Advisory Commission on Intergovernmental Relations with recommending a new tier for the MERS modeled after the State Employee Retirement System.

Reason for Proposal:

To increase fairness in arbitrations and to reduce municipal costs by bringing employee contributions to MERS in line with employee contributions in other states and recommending the first new MERS tier since the system was established in 1947.

Section Details:

Sec. 1 calls for the neutral arbitrator on municipal arbitration panels to be selected at random rather than by the other two members of the arbitration panel. It also decreases the size of the pool of neutral arbitrators from twenty to ten members and increases the term of members from two to five years.

Sec. 2 increases the employee contribution to the Municipal Employees' Retirement System (MERS) by two percent for each of the next three fiscal years beginning on July 1, 2019.

For employees not contributing to Social Security, the current contribution of 5% increases to:

- 7% (7/1/19 to 6/30/20)
- 9% (7/1/20 to 6/30/21)
- 11% (7/1/21 to 6/30/22)

For employees contributing to Social Security, the current contribution of 2.25% increases to:

- 4.25% (7/1/19 to 6/30/20)
- 6.25% (7/1/20 to 6/30/21)

Contacts:

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- 8.25% (7/1/21 to 6/30/22)

Sec. 3 charges the Advisory Commission on Intergovernmental Relations, in consultation with the State Employees Retirement Commission, to make recommendation to the Secretary of the Office of Policy and Management by December 1, 2019, on a new tier for MERS modelled after the State Employees Retirement System.