

Testimony of William Murray, President of CEA Retired and an elected member of the Connecticut Teachers' Retirement Board

SB 1081 An Act Concerning The Interest Rate Relating To The Teachers' Retirement System Cost-Of-Living Allowances And Reserving Lottery Fund Revenue For The Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve Fund

SB 1082 An Act Concerning A Retired Teacher Advisory Council, The Membership Of Term Limits For The Teachers' Retirement Board, And Medicare Supplement Plans For The Retired Teachers

March 26, 2021

Good afternoon Senator Osten, Representative Walker, and members of the Appropriations Committee. My name is William Murray, I am a retired teacher from Danbury, and I am President of CEA Retired, and I am an elected member of the Connecticut State Teachers' Retirement Board. I'm here today to first, speak in favor of SB 1081, specifically, relating the cost-of-living allowance to the changed assumption rate. I want to point out that this is not an enhancement of the COLA. It only matches the cost-of-living formula to the new assumption rate. This proposal comes from the Treasurer's office. I ask that you support this bill, SB 1081.

I'm also here to speak against SB 1082. First, this bill proposes appointing an insurance advisory council. I ask why? The Board has an insurance committee made up of elected and appointed members. This advisory would create a duplication of what the Board does now. This would be time consuming and expensive for TRB's administrative staff. The 22 member staff is already overworked and this just adds additional work for them. It would involve more time, more meetings, more mailings and duplicating what's already being done. Just as important, it could hamper, if not destroy the negotiating process with the release of proprietary information.

Second, term limits for Board members. I'll ask, why don't we have term limits for legislators? I'm sure you would agree with me, experience brings expertise and expertise brings efficiency and results. The Retirement Board members are elected. Any retired teacher can run for a Board seat. If they don't like the way things are being handled, run for the Board. There is a provision in this bill to add a retired teacher to the Board. That's the only part of this bill I am totally in favor of.

The third issue I have with this bill is actually a combination of two proposed provisions, a ceiling on the money paid to the insurance consultant and guarantee a Medicare Supplement plan along with the basic Medicare Advantage plan, and offer both plans at the same cost. This makes no sense and would make insurance unaffordable. The Basic plan would end up supplementing the Supplement plan. Everyone would jump off the basic plan and the cost would end up going out of sight. Right now, about one quarter of our members are on the MS plan. This brings me back to the insurance consultant. I'm a member of the TRB's insurance committee. We're only going to spend the money it takes to get the best plan possible for our members, but we can't have a legislated limit. Right now, our Medicare Advantage plan is an excellent plan with many enhancements. But we don't know what the future will bring in the way of insurance or type of plans that will be available. We need the flexibility, not legislated limitations.

I ask that you reject SB 1082.