

House Republican Press Release

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Rep. DelGobbo: Teachers Retirement System Pulled Back from the Brink



Legislation Provides \$2 Billion toward State's \$6.9 Billion Unfunded Obligation to Retirement Fund

After years of under-funding, the Connecticut General Assembly has taken a significant step towards meeting its financial obligation to the Teachers' Retirement Fund, state Representative Kevin M. DelGobbo, R-Naugatuck, said today.

"I'm very pleased to report that the state legislature has finally taken long-overdue action to restore the fiscal integrity of the Teachers' Retirement System," said Representative DelGobbo, the House Ranking Member (Republican Leader) on the Appropriations Committee, where the measure (House Bill 6141) to provide \$2 billion toward the state's \$6.9 billion unfunded liability to the retirement fund originated. "Thanks to legislation we approved last week, the financial problems that have plagued the retirement fund for so long should be resolved permanently within the next few years."

"Active and retired teachers from throughout Connecticut who were justifiably concerned about whether their retirement pensions would be there for them in the years ahead now have reason to be optimistic about the future," Representative DelGobbo said. "While the legislation we passed last week does not completely wipe out the state's unfunded liability to the Teachers' Retirement Fund, it goes a long way toward restoring it to fiscal soundness."

"The General Assembly's failure to fully fund the retirement system over the years had jeopardized the integrity of the fund," Representative DelGobbo said. "In addition to threatening the security of retired and soon-to-be retired teachers, it was placing Connecticut's taxpayers at risk as well. With the retirement fund in danger of coming up short within the next few years, the people of Connecticut could have been hit with a major tax increase to keep the fund solvent."

"This legislation not only pulls the retirement system back from the brink of fiscal chaos, but also requires the state to make its full annual contributions to the fund," Representative DelGobbo said. "It will help reduce the long-term cost to taxpayers of our unfunded liability and fulfill our obligation to Connecticut's teachers, who are not covered by Social Security for the years they put in educating our children."

The bill, which received final legislative approval in the state Senate June 5th, passed the state House June 4th and was forwarded to Governor M. Jodi Rell to be signed into law.