

**OFFICE OF THE STATE
COMPTROLLER**

**HEALTHCARE COST
CONTAINMENT COMMITTEE**



**HEALTHCARE POLICY & BENEFIT
SERVICES DIVISION
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**Healthcare Policy & Benefit Services Division
Division Memorandum 2017-07**

TO THE HEADS OF ALL STATE AGENCIES

September 27, 2017

ATTENTION: Personnel and Payroll Officers

**SUBJECT: Suspension of Temporary Retiree Health Fund
Contribution Reduction**

I. INTRODUCTION

On August 31, 2017, Division Memorandum 2017-04 announced a process for implementing a temporary reduction of contributions to the Retiree Health Fund for those who elected to do so by September 14, 2017. The purpose of this memorandum is to announce that the temporary reduction, set to commence on the September 29, 2017 paycheck, has been suspended and will not take place.

II. DISCUSSION

Approximately 200 employees submitted an election to temporarily reduce their Retiree Health Fund contributions as provided for in the SEBAC 2017 Agreement. After Memorandum 2017-04 was issued, questions were raised about whether giving employees an election to reduce those contributions was consistent with IRS requirements applicable to the Retiree Health Fund and Trust. Out of an abundance of caution, the Comptroller's Office has determined to hold off implementing that program until the bargaining parties can conduct a thorough review.

Agencies are being asked to inform the employees who requested a reduction. If a decision is later made to proceed with the temporary reduction, it will be made available only to those who elected to do so prior to the deadline.

Please note that the increase in employee SERS contributions by 1.5% will still take place as planned for the September 29, 2017 paycheck for all employees participating in SERS, including those who made the election to temporarily reduce their Retiree Health Fund contributions.

III. CONCLUSION

Agency personnel with questions about should telephone Margaret Haering at 860-702-3486 or email her at Margaret.haering@ct.gov.

Very truly yours,

A handwritten signature in cursive script that reads "Thomas C. Woodruff". The signature is written in black ink and includes a horizontal line extending to the right from the end of the name.

THOMAS C. WOODRUFF, Ph.D.
Division Director