

# The Connecticut General Assembly

## House Democrats



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### **REPRESENTATIVE FONTANA APPLAUDS NEW LEGISLATION TO FUND TEACHER RETIREMENT, SAVE TAXPAYERS BILLIONS**

New legislation crafted to provide \$6.9 Billion to the Connecticut Teachers Retirement Fund (TRF) passed through the House of Representatives relatively uncontested Monday night. Representative **Steve Fontana (D-North Haven)** praised the legislation for its ability to fund the pensions, while saving taxpayers billions of dollars in the long term.

“We simply could not put off fully funding the TRF any longer,” Rep. Fontana said. “It was time that we met our obligation to ensure that our teachers’ pensions will be permanently secure. This bill succeeds by not only taking care of our teachers, but by providing our residents with real savings in the future.”

The bill, HB 6141, reduces growth in the TRF’s unfunded liability, which is estimated at \$6.9 billion, by permitting State Treasurer Denise Nappier to power to purchase pension obligation bonds at more favorable interest rates, which allows the state to substitute higher interest for lower interest debt.

With a term of repayment that spans 25 years, the lower interest debt could save taxpayers \$2.8 billion.

“I am very pleased that we were able to pass this legislation this year,” said Rep. Fontana. “Given its long-term benefits, I think our constituents will endorse our action and approve of this responsible, cost-effective measure.”

One condition of the bond sale is legislation that commits to fund teachers’ pensions at 100 percent of the actuarial recommended contributions. Complete funding hadn’t been done by the state from 1992-2005.

The final vote on the bill was 145-5. The bill now awaits action in the State Senate.

*Rep. Steve Fontana is serving in his sixth term representing the 87<sup>th</sup> Assembly District of North Haven. He is Chairman of the Energy and Technology Committee, and a member of the Insurance and Transportation Committees.*

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