



News from:

COMPTROLLER KEVIN LEMBO

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COMPTROLLER LEMBO ANNOUNCES ELIMINATION OF DECADES-LONG RETIREMENT BACKLOG; ESTABLISHES GOVERNMENT SAVINGS AND EFFICIENCY

Comptroller Kevin Lembo today announced that a retirement backlog that has plagued the state for decades – spanning at least three administrations, undermining retirement administration efficiency and costing millions in interest over the years – has been eliminated.

The massive undertaking was accomplished through a combination of automating retirement payroll calculations – shifting from a manual to electronic system – and an intensive focused review by retirement audit and payroll staff.

“A retirement backlog that has plagued state government for generations, costing millions and undermining efficiency, is finally gone – and it’s not coming back,” Lembo said. “This was an essential priority for me to eliminate costs and deliver government efficiency. I’m grateful and proud of the work and focus that our retirement, payroll and Core-CT teams have accomplished and thank them on behalf of the people of Connecticut.”

Under the old system, when state employees left state service, a preliminary slightly reduced estimated pension payment was provided. Subsequently, each retirement had to be manually audited to ensure accurate calculation of salary history, overtime, hazardous duty, any starts and stops to state service and many other factors that could complicate these calculations.

The retirement backlog dated back to at least 1992. Every attempt to reduce it over the years was undermined and exacerbated by frequent early retirement incentives that compelled thousands of employees to retire at once – making it impossible for a manual finalization system to keep pace.

Consequently, these manual retirement finalization audits often required years to accomplish and, when finalized, resulted in changes to pension amounts on which the state was forced to pay years' worth of interest on back payments. When preliminary pensions were overestimated in rare cases retirees were forced to pay back to the state any overpayment. Annual costs for these interest payments over the years ranged anywhere from \$400,000 to nearly \$850,000.

By incorporating retirement auditing and payroll into the state's automated system, retirements are now more rapidly finalized under a high-functioning electronic system – ensuring no recurrence of a retirement backlog.

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