

Senate Bill 1082
Joint Committee on Labor and Public Employees
February 6, 2007
Testimony by John Perra, Aetna Retirees Association

Senator Prague, Representative Ryan and Honorable Committee Members. Thank you for the opportunity to speak to you today about retiree health benefits.

My name is John Perra. I am Vice President of the Aetna Retirees Association that represents the interests of over 11,000 Aetna retirees, most of whom live in Connecticut. We incorporated over two years ago as a result of Aetna unilaterally terminating part of our health and dental benefits, which led to the fear that other reductions or the wholesale elimination of promised benefits could occur. ARA's guiding principle is that promises made should be promises kept.

Our work is carried out on a completely volunteer basis by former Aetna top executives, lawyers, accountants, actuaries, as well as human resources, financial, systems and government relations people from all levels of the organization. We work with other retiree groups such as the Connecticut Alliance for Retired Americans, Southern New England Telephone retirees and the National Retirees Legislative Network.

We testified before this committee two years ago when the concept of holding Connecticut corporations financially accountable was introduced. We still believe this is a correct course of action and commend Senator Prague and Representative Ryan for their leadership and persistence in this legislation. Consequently, we want to encourage the full committee to support the concept of financial consequences for employers who reduce or eliminate benefits that were promised to retirees.

Please understand that we believe companies have the option to modify benefits for retirees on a going forward basis. While choices facing employees may not be the best, at least they have choices and can plan for a different future than the one proposed by the employer. But for people who have been retired for 5, 10, 15, even 20 or 30 years, and have no choices, an elimination of benefits is a financial disaster for them personally.

Additionally, this can be a financial problem for the state as well, since the burden of providing health benefits could be shifted to the state and federal governments. We recognize that this General Assembly is wrestling with the critical issues of health care with its many issues, complications and alternative solutions. We don't need to increase the financial burden because of employers that renege on their promises.

We also understand that there are other opportunities and problems in regard to protecting retiree health coverage. I want to assure you that we have and are pursuing legal and federal remedies and have, currently, established a much more positive collaboration with Aetna regarding our concerns. However, the proposed legislation in HR 1082 is one piece of the puzzle that will help create a safer and surer retirement for many Connecticut senior citizens. We support its passage.

Thank you for your attention and your support of this legislation. I'd be happy to answer any questions you might have.