

Association of Retired Teachers of Connecticut

Testimony in Opposition to *HB 5016* *AA Implementing the Governor's Budget Recommendations* *Regarding General Government*

March 8, 2012

Senator Harp, Representative Walker and members of the Appropriations Committee

My name is Catherine D'Agostino and I am a member of the Association of Retired Teachers of CT, a 10,000 member organization, and the Windham-Tolland Retired Teachers Association. I urge you to *oppose Section 4 of HB 5016* which impacts retired teachers. Section 4 of Bill No. 5016 increases retiree's premium insurance costs and decreases the state's contribution to the retired teachers' health insurance premium account (HIPA). This change will be harmful to our retired teachers. It is unfair and unjust.

Large numbers of our members are most elderly. They worked in the 1950's and 1960's when teacher salaries were low. Today they have modest pensions. The majority of these members do not receive Social Security. Those who do qualify for Medicare through a spouse or from having worked outside teaching, purchase the supplemental health plan through the TRB. If this proposal is passed, they will pay more toward their insurance, an increase from one third to forty-two percent, approximately \$35 more a month per person. Those who do not qualify for Medicare and must purchase their health insurance from their local boards of education already pay between \$500 and \$1,000 a month for their health insurance. Retirees can't afford an increase. At a time when retirees are facing increased expenses for food, gas, home heating fuel, a state tax on purchases as well as increased property taxes, an additional increase in their health insurance is a burden.

Retired teachers are not asking for a handout. During their working years they contributed to their pension and the health insurance premium account. When they retire, they pay for their health insurance. Their insurance is defrayed by \$110 a month which comes out of the health insurance account (HIPA). This \$110 is made up by equal contributions from active teachers, retired teachers and the state. Approximately one third is paid by the state. Teachers, active and retired, pay their share.

We have already done our part in shared sacrifice. For two years the state did not contribute its one third obligations to the health insurance account causing a loss of about 60 million dollars to the insurance account. If this measure is passed the state's contribution will further impact the health insurance account (HIPA), which already has an approximate 3 million dollar unfunded actuarial liability.

More than an effect on an account, the measure affects people. It is unfair to place an increased burden on retired teachers. The state made a promise to help retired teachers with their health insurance. Please help us by keeping that promise and oppose this section of the bill which harms retired teachers.