

Testimony **Retired Teachers Insurance, H.B. 5016-section 4** March 8, 2012

Good afternoon Senator Harp, Representative Walker and members of the Appropriations Committee. My name is June Pinkin and I represent the retired teachers of the City of Hartford through the Hartford Federation of Teachers Retiree Chapter, an organization of approximately 500 members. I'm here today to testify against the part of section 4 of H.B. 5016, AN ACT IMPLEMENTING THE GOVERNOR'S RECOMMENDATIONS CONCERNING THE GENERAL GOVERNMENT that calls for a decrease in the state's contribution to the health care premiums of the retired teachers.

We are deeply disappointed, upset and concerned about the hardship this will cause many of our most vulnerable citizens. We think this proposal is short-sighted and unfair. The reason it is short-sighted is that should this pass, retirees will have less money to help grow the economy or to even maintain it. Many of our retired teachers have to work part-time now just to pay the insurance premiums at their present levels. They are working as tutors in the public school systems, in community colleges as adjunct professors, and in the private sector. It is a shame that insurance premiums have risen so much that this is necessary. Here is what I have heard from teachers since this bill was introduced:

"My understanding of this bill is that it would reduce the percentage of the state's contribution to retired teachers' health insurance premiums and shift that amount of the cost to retirees. Retired teachers paid into the health fund during their working years and continue paying one third of their premiums after retiring. Retirees are living on fixed incomes and face increasing costs for daily living. Putting more of the state's cost on retirees is like singling them out to pay a health care tax. Please vote to remove the above mentioned provision from H.B. 5016, or vote against the bill. That \$700 per couple per year adds up to \$7,000 in ten years."

Robert

"My situation is that my health insurance has to cover two people as my husband has worked for himself and has only a small Social Security pension for retirement. Our health premiums are double and we both pay for Medicare. In addition we have many additional co-pays for health care expenses. Our health expenses are 20- 25% of my pension after taxes are taken out. At 72 and 78 years of age, I am sure that our health care will continue to increase."

Martha

"I retired in June 2004 and was paying \$296 per month for health insurance. The \$110 per month state subsidy covered nearly one-third of my medical insurance. I am now paying \$614 per month --- more than a 100% increase in 7years. Although the state subsidy now represents only 15% of my premium, it still helps to blunt the rising cost of health insurance. Since I am not eligible for Medicare, I constantly worry about the cost of health care. I am a healthy person, but my out of pocket medical expenses for 2011 were \$12,000. Any reduction in the state subsidy would add to the burden teachers already feel in our fight for good health care at affordable prices."

Carol

"If our premiums keep going up, there is no way we can help stimulate the economy. Already, I don't spend as much as I did before. I have to work to supplement my pension and my premiums have gone up three times since I retired in 2008. I might even consider leaving Connecticut to be able to survive."

Cheryl

Aside from these personal reactions from our retirees, I would like to remind you of some critically important facts. The first one is that many teachers retire with reduced pensions because they stayed at home for years to raise their young children. Unlike other public sector jobs, teachers have to work longer to get full retirement ---35 years for a full pension and 37.5 years for maximum benefits. There is also a group of older retirees who left before the Education Enhancement Act and have very low pensions. Many of them do not have Medicare or Social Security. The governor's proposal would be a hardship, especially for those groups. I want you to be aware that Connecticut is one of a very few states that taxes teachers' retirement.

Please also remember that most teachers do not receive Social Security. And when a spouse dies, Connecticut teachers are denied spousal benefits. This is because of the federal Social Security GPO/WEP legislation (Government Pension Offset/ Windfall Elimination Provision). This same legislation greatly reduces the amount of Social Security teachers can receive even if they do get forty quarters, reducing their Social Security by about 60% compared to what others making the same contribution would get.

It seems that retired teachers are getting the short end of the stick:

- 1) no state contribution to our healthcare fund for the fiscal years ending in 2010 and 2011,
- 2) no COLA (cost of living adjustment) for two years for those retiring after September 30, 1992,
- 3) and now this devastating proposal by Governor Malloy that would further shrink our healthcare fund.

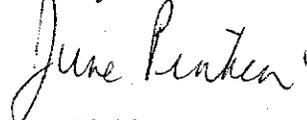
We worked hard.

We served well.

We were dedicated to the children we taught and therefore to the future of our state.

Please be considerate of our fiscal future and DON'T let this proposal pass.

Thank you.



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