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Chairwoman Harp, Chairwoman Walker and Members of the Appropriation Committee:

The CT Alliance for Retired Americans, with a membership of over 53,000 seniors, opposes the Governor's budget plan eliminating the State portion of the Teachers' Retiree Healthcare, and shifting this cost instead to the Teacher's Retirement Fund. This plan does not save \$70 million; it just creates a shell game of taking the \$70 million from another pot, so to speak. This negatively impacts the solvency of the Teachers' Retirement Fund and the ability of retirees in the future to have the health coverage they need as they age.

This action would weaken the retirement fund because the fund is not designed to cover both the retirement obligation and to further subsidize health insurance for retirees beyond the 1/3 presently calculated into the formula. I fear the TRB would have to find a way to increase revenue into the retirees fund to cover this sudden increase in cost, or look at cutting into benefits that allow retired teachers to live with dignity.

This action would jeopardize the continuance of the limited support offered to teachers, once retired, in obtaining appropriate healthcare insurance. Many teachers will never qualify for Medicare and are, therefore, saddled with the cost of healthcare insurance for their remaining years of life. Whether they choose the state plan offered through the TRB or continue with the local plan from which they retired, the cost can quickly become prohibitive. Tossing the responsibility of subsidizing the cost of needed healthcare back and forth only leads to someone dropping the ball somewhere down the road.

I realize, and appreciate, that Governor Malloy and the General Assembly are trying to make up for years of neglect of proper funding of Connecticut's pension and retiree benefits funds. Last year it was refreshing that the Governor and the Legislature, made up for the previous two years of non-funding of the Teacher's Retiree Healthcare. It is dangerous, I believe, to reverse that movement toward solvency now and pass the responsibility to the TRB which is unprepared for this additional drain on the Teacher's Retirement fund.

Retired teachers have nowhere to turn for additional income as they age after a lifetime of commitment to our communities and our schools. In preparing for those years they counted on the state keeping the commitments they had made to them to help subsidize healthcare they know is crucial. It is quite scary to think that the state might renege on this obligation. I ask that you fund the \$70 million Retiree Healthcare.