

ARTC Appropriations Committee Testimony – March 22
HB 6621

My name is Tom Singleton, president of the Association of Retired Teachers of Connecticut (ARTC) and I am writing on behalf of retired teachers. The Governor's proposed 2014 – 2015 budget has zeroed out the State's contribution to the retired teachers' Health Insurance Premium Account (HIPA). This proposal, if passed, will seriously, jeopardize the solvency of this account in three years.

The intent of the health insurance fund is to defray the cost of health insurance for retired teachers. Active teachers contribute 1.25% of their salaries toward this fund. Traditionally the state has put 1/3 of the cost of retired teachers' health insurance into this fund as well. Unlike state employees, retired teachers pay for their health insurance.

The State's Office of Policy and Management (OPM) and the Teachers Retirement Board's (TRB) projections on the solvency of our account show a significant loss of funds. Our health fund (HIPA), will be underfunded by approximately \$150 million over five years, including the proposed budget. This money along with the interest it may have accrued is forever lost to the fund. In addition OPM figures show a loss of \$44 million in the fund balance from June 2012 to June 2016 putting it in jeopardy. This is fiscally irresponsible and short sighted.

It is critical that the State meet its obligation in its contributions to HIPA. For many of the state's 30,000 retired teachers, especially those who retired before the Enhancement Act that increased teacher salaries, these benefits are all they have. We followed the rules and did our part by paying into these funds during our working years so we wouldn't have to worry. Now we need our legislators to protect our earned benefits.