



Retired Public Employees Association, Inc.

435 NEW KARNER ROAD • ALBANY, NY 12205 • (518) 869-2542 • FAX (518) 869-0631 e-mail: mail@rpea.org
Stanley Winter, President Michael B. Fitzgerald, Executive Director

MEMORANDUM IN SUPPORT

April 8, 2011

S.4515, introduced by Senator Martins
A.6536, introduced by M. of A. Abbate

AN ACT prohibiting public employers from diminishing the health insurance benefits and contributions of retired public employees in the New York state and local employees' retirement system

The **Retired Public Employees' Association**, which represents approximately 40,000 retired public servants and their spouses, has made the preservation of public retiree health insurance benefits on parity with those afforded active employees a **very high priority** in its 2011 Legislative Program.

This bill would prohibit the diminution of the health insurance benefits that a public employer provides to its retirees and their dependents, including contributions made for such coverage, unless a corresponding diminution of benefits or contributions is made to the level of benefits or contributions provided to active employees of such public employer.

Facing rising costs, some public employers have attempted to erode retirees' health insurance benefits because there is no statutory protection afforded many retirees, especially at the local level of government. It is easier to raise retiree premiums or drop retiree or survivor health insurance coverage than to negotiate increased premiums or co-pay amounts for active employees at the negotiating table.

This legislation does not prevent public employers from reducing health insurance benefits as a cost-cutting measure, but it does, in effect, require that any such reductions apply **equally** to all current and retired public employees of the governmental unit. It prohibits cost-cutting on the backs of retirees because they are not present at the bargaining table and their vital health insurance benefits are an easy and vulnerable target for budget cutters.

The provisions of this bill would apply only to retirees that are members of the New York State and Local Retirement System and not to members of other State pension systems or members of the New York City pension systems. It should be noted, however, that educational retirees' health insurance benefits are protected by a similar law enacted temporarily in 1994 and made permanent by Chapter 504 of the Laws of 2009 (Part B, §14).

For the above reasons, RPEA **strongly supports** this bill and urges that it be passed by the Legislature and enacted into law by the Governor at the earliest opportunity.