

New look at retirees' health costs

Cuomo officials "recognize the burden" of proposed hike

By RICK KARLIN Capitol bureau, Albany Times Union Saturday, July 23, 2011

ALBANY -- The [Cuomo Administration](#) is re-thinking plans to raise health insurance costs for retirees, and says it definitely won't increase them by the 6 percentage points proposed for many currently employed workers.

"We recognize the burden on retirees of this practice and are reviewing it," Cuomo spokesman [Josh Vlasto](#) said in an email about the proposed increase that could amount to hundreds of dollars per year.

The review was noted a day after the [Times Union](#) reported that retirees were concerned higher percentage rates proposed in the latest state worker contract would be unaffordable and unfair.

While acknowledging that they don't represent retirees, representatives of both the [Civil Service Employees Association](#) and [Public Employees Federation](#), two unions representing the majority of the state's unionized work force, said they believe retirees would be protected against a percentage increase since they were covered under past contracts when they worked for the state.

"The agreement doesn't change the language for retirees," said CSEA spokesman [Stephen Madarasz](#).

"Our interpretation is that whatever contract you retire under is your contract," added [Darcy Wells](#), spokeswoman PEF.

Vlasto countered that the state has previously passed along increased costs to retirees.

"Health care adjustments adopted in union contracts have in the past been automatically applied to retirees," said Vlasto. "Under no circumstances would a 6 percent increase in health care premiums be applied to retirees and that has never been the state's intention."

The rise of 6 percentage points is the higher of two increases laid out in the contract proposal. For lower-paid workers at Grade 9 or below, the percentage that employees pay would rise from 10 to 12 percent for an individual plan and from 25 to 27 percent for a family plan.

For those at higher pay grades, though, it would go from 10 to 16 percent and from 25 to 31 percent, respectively.

For a family on the [Empire Plan](#), one of the more popular offerings, that would mean an increase from approximately \$250 to \$331 per month, according to calculations by the [Retired Public Employees Association](#). That's a dollar amount increase of 32 percent.

For an individual, the rise from \$59 to \$95 amounts to a 61 percent increase in terms of dollars paid.

Members of PEF and CSEA will be voting on the tentative five-year contract in the next few weeks.

The deal also has no raises for three years and furloughs.

But in exchange for these cost-saving concessions, the Cuomo Administration says it could avoid what could be up to 9,800 layoffs.

Getting employees to pay more for their health care is a big part of the governor's savings package. The Administration notes that costs have risen 100 percent in the last decade and the percentages borne by workers have gone unchanged for years.

While the unions and governor disagree on what the state could do regarding retirees, they agreed on one thing: Retirees have no official standing in these talks since they are no longer represented by unions or employed by the state.

"They are not employees under the meaning of the law and they basically have nothing to bargain with," observed Stan Winter, president of the Retired Public Employees Association, which advocates for retirees.