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TESTIMONY OF ROBYN KAPLAN-CHO, RETIREMENT SPECIALIST

THE CONNECTICUT EDUCATION ASSOCIATION (CEA)

CONCERNING

SB 442 AN ACT INCREASING THE AMOUNT OF THE TEACHERS' RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY

BEFORE THE FINANCE, REVENUE, AND BONDING COMMITTEE

MARCH 21, 2022

Good morning Senator Fonfara, Representative Scanlon, and members of the Finance, Revenue and Bonding Committee. My name is Robyn Kaplan-Cho and I am the Retirement Specialist for the CEA, representing active and retired teachers across the state of Connecticut who are members of the State Teachers' Retirement System.

CEA supports S.B. 442 and thanks this Committee for raising it (a similar bill has been raised by the Appropriations Committee). We respectfully request that you amend it to double the subsidy that is currently paid to all retired teachers and spouses who are not on Medicare and thus still on their previous school district's health insurance plan. These retirees pay the full group rate minus a \$110 per person per month subsidy paid from the Retired Teachers' Health Fund. The \$110 subsidy is statutory and has remained fixed at \$110 since 1996, while the cost of health insurance has consistently and significantly increased every year. Below is a sample of the monthly premium cost for a single retired teacher and a retiree plus a spouse in a sampling of school districts:

<u>District</u>	<u>Monthly Premium for Single Retiree</u>	<u>Monthly Premium for Retiree + Spouse</u>
East Hartford	\$1144.48 - \$110=\$1034.48	\$2288.98 - \$220 = \$2068.98
Chaplin	\$1057.66 - \$110=\$947.66	\$2115.32 - \$220 = \$1895.32
Westport	\$1044.02 - \$110=\$934.02	\$2255.83 - \$220 = \$2035.83
Danbury	\$1024.42 - \$110=\$914.42	\$2581.58 - \$220 = \$2361.58
Simsbury	\$986.13 - \$110 = \$876.13	\$1968.04 - \$220 = \$1748.04
Voluntown	\$983.16 - \$110 = \$873.16	\$2104.76 - \$220 = \$1884.76

Moreover, for approximately 1,000 retirees who do not qualify for Medicare, these exorbitant costs continue for life since they will not be able to move to Medicare at age 65, at which point the cost would be significantly less. They currently qualify for a double subsidy of \$220 and we ask that their subsidy also be doubled to \$440.

While they were actively employed, these retirees paid a contribution of 1.25% of their salary into the retired teachers' health fund from which this subsidy is paid, yet they have not seen an increase in the subsidy since 1996. Clearly, a 26-year freeze is too long. Even with the doubling of the subsidy, retiree health costs may still be prohibitively expensive, but at least it is a step in the right direction.

Thank you for your time and consideration.