

## Finance, Revenue and Bonding Committee JOINT FAVORABLE REPORT

**Bill No.:** Senate Bill 442  
AN ACT INCREASING THE AMOUNT OF THE TEACHERS' RETIREMENT  
**Title:** SYSTEM HEALTH INSURANCE SUBSIDY.  
**Vote Date:** 4/6/2022  
**Vote Action:** Joint Favorable  
**PH Date:** 3/21/2022  
**File No.:** 618

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### **SPONSORS OF BILL:**

The Finance, Revenue and Bonding Committee

Co-Sponsors:

Rep. Anne M. Hughes, 135th Dist.

Rep. Michael A. Winkler, 56th Dist.

### **REASONS FOR BILL:**

This bill would increase the monthly health insurance subsidy under the Teachers' Retirement System (TRS) from \$220 to \$350 per month. The subsidy is for certain retired teachers, and their spouses or surviving spouses, who receive health insurance coverage from the retiree's last employing Board of Education. This would take effect July 1, 2022.

Currently, to qualify for this subsidy, the retiree must (1) have attained normal age to participate in Medicare (age 65), (2) not be eligible for Part A of Medicare without cost, and (3) contribute at least the subsidy amount towards his/her medical and prescription drug plan provided by the Board of Education.

These changes will make health insurance more affordable for the relatively small cohort of teachers who retired before the mid-1980s.

### **RESPONSE FROM ADMINISTRATION/AGENCY:**

[Henri Martin, State Senator, Connecticut General Assembly](#) testified in support of the bill. He stated that every year it becomes more and more apparent how much more the state can be doing to support its teachers. He is thankful for the incredible work that our teachers do every day, especially through the pandemic and the continuing recovery. He appreciates that a

constituent has brought the health insurance burdens Connecticut teachers face to his attention and has taken the time to investigate what the state is or is not doing to assist.

He testified that, currently, the state is spending \$15 million to implement a program which provides stipends to over 10,000 teachers toward their health insurance. The cost of this program is split between Teacher's Retirement System (TRS) and the General Fund. Currently there are just over 1,000 teachers who are not eligible for Medicare and instead receive the monthly \$220 subsidy. Another 9,200 teachers receive a subsidy of \$110 a month since they are Medicare eligible. At the very least, Senator Martin recommends increasing the monthly subsidy to \$300 for those 1000+ teachers who are not Medicare eligible, which would cost the state about \$1 million. The most recent time the subsidy amount was adjusted was 14 years ago in 2008. With the assistance of the Senate Republican Office research team and the Office of Fiscal Analysis, he knows that over these 14 years that health insurance premiums have risen roughly 50%. That is an incredible increase in costs without a penny increase in subsidy.

#### **NATURE AND SOURCES OF SUPPORT:**

The people listed below provided written testimony in support of the bill. They requested that the language in this bill to be amended to increase support to all retired educators who depend upon the Connecticut Teachers' Retirement Board (TRB) for their health insurance benefits. These testifiers would like to extend the 1/3 State subsidy that is currently applied only to those retirees who are enrolled in the TRB Advantage insurance plan to retirees who choose the more extensive healthcare protections that are provided by the traditional Medicare Supplement plan. Specifically, they are asking that the proposed adjustment would be a 1/3 State subsidy based on the Supplement premium cost; not the Advantage plan premium cost. The proposed change would help level the field for all retirees enrolled in TRB medical insurance plans.

[Walt Ciplinski, Retired Cromwell Public School Teacher, Spokesperson, Retired Teachers' Healthcare Advocates](#)

[Jackie Fastaia, Retired Hebron and East Haddam Public Schools Teacher, Member, Association of Retired Teachers Connecticut](#)

[Rita McDougald-Campbell, Retired Trumbull Public School Administrator, Member, Association of Retired Teachers Connecticut](#)

[Paula Schwartz, Retired Teacher and Administrator in South Windsor, Burlington, Farmington, Harwinton, Hebron, Marlborough and Andover Public Schools](#)

[Robyn Kaplan-Cho, Retirement Specialist, Connecticut Education Association \(CEA\)](#) testified in support of the bill. "We respectfully request that you amend [the bill] 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.... 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."

[Donald Titus, Retired Winsted Public School Teacher](#) supported the bill and thanked Senator Henri Martin and his staff for bringing the proposal before the Finance, Revenue and Bonding Committee. He testified that the present state subsidy of \$220 was set by the legislature in 2008, and has not been increased in 14 years, yet health insurance costs have increased more than 50% since then. Teachers hired after the mid-1980s qualify for Medicare, and most other Connecticut teachers qualify because their spouses have it. As retired teachers under the old system of state health insurance pass away, the state will be relieved of this subsidy. All Connecticut teachers will then be under Medicare.

#### **NATURE AND SOURCES OF OPPOSITION:**

[David Godbout](#) opposes the bill on the grounds that the current session of the Connecticut General Assembly is illegal, in breach of Article 3, Section 16 of the State Constitution.

**Reported by: Dawn Silveira**

**Date: 4/19/2022**