



# Retired Public Employees Association

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## **Retirees Urge Legislature to Reject Budget Proposal**

Testifying before the Joint Fiscal Committees hearing on the Executive Budget, Jack McPadden, President of the Retired Public Employees Association (RPEA), called upon the Legislature to reject those portions of the budget which would impose significant premium increases upon retirees who participate in the New York State Health Insurance Program (NYSHIP).

McPadden stated, "With state revenue soaring, the Governor's actions show a callous disregard for the contributions of retirees. Social Security did not pay a cost of living adjustment (COLA) this year, and the Governor compounds the problem by asking Medicare eligible retirees in NYSHIP to pay more for health insurance. This makes no sense."

The most egregious Executive Budget proposal would cap the existing Medicare reimbursement at \$104 a month. Social Security has already raised the new basic premium to \$121 for some retirees. Approximately 5,500 retirees are already paying this higher rate and would, therefore, experience an actual cut in reimbursement. Furthermore, if there is a COLA next year, all Medicare eligible NYSHIP retirees would be paying more than the state would reimburse. That violates not only the spirit, but the language of the 1966 Medicare reimbursement law.

McPadden concluded, "Despite the misleading presentation in the Executive Budget, a Social Security COLA in 2017 would require 145,000 NYSHIP retirees to pay an addition \$30 million a year for health insurance, if this proposal were to be adopted. This is unacceptable, and we call upon the Legislature to once again support retirees. Any legislator who represents public retirees and understands their financial situation will reject the Governor's devastating proposals."