

WVSSPA PROPOSALS FOR REFORMING PEIA

- ***Eliminating the responsibility of the OPEB liability from county boards of education and shifting it to the state***

With counties being required to assume the liability, local school boards have to set aside millions of dollars to pay for health insurance for current and future retirees or list the debt as an unpaid liability. If the school boards do not have the funds to set aside they could go into default, risk being taken over by the state, or damage their ability to get financing for school construction projects in their counties.

- ***Reinstating the Retiree Health Care Subsidy for New Hires***

The PEIA Finance Board has voted to eliminate the subsidy. Therefore, those hired after July 1, 2010, will be required to shoulder the entire cost of their health care premium (an additional \$700 - \$1,000 a month) upon retirement, thereby making health care cost prohibitive. Full-time employees who take a leave of absence and return after July 1, 2010, will also be deemed a new hire upon reinstatement and will lose the benefit as well. Legislation needs to be passed to reverse the PEIA Finance Board's decision.

- ***Increasing the Experience Increments***

This will provide a boost in salary for many of our veteran employees and reduce the financial pressure on PEIA as fewer employees will qualify for the retiree health care subsidy. Equally important, increasing the increments will provide an incentive for teachers to stay in the profession and help alleviate the shortage of certified teachers.

- ***Clarifying the 80/20 Cost-Sharing***

Currently, premiums for health insurance are split 80/20; that is, the state pays 80% and the employee pays 20% of the premium. Any premium increases are split along those lines. But, when PEIA is faced with an increase in health care costs, the state only absorbs their share (80%) of the premium increase whereas employees are required to shoulder their share (20%) as well as the entire increase in other areas such as deductibles, co-payments and out-of-pocket increases. The law needs to be amended to provide for a true 80/20 division of costs.

- ***Providing a Dedicated Source of Revenue for the PEIA Retiree Trust Fund***

We understand the cost of health care is increasing. But we believe the State has a moral obligation to provide affordable and accessible health care for our retirees. To fulfill this obligation, we seek legislation to provide a dedicated source of revenue (e.g., increasing the tobacco tax) to fund the Trust to ensure education employees, upon retirement, will be able to afford health insurance.

- ***Reconstituting the PEIA Finance Board to create more voting seats for public employees***

There are two seats reserved for representatives from labor and education organizations and one for retirees. At best, we have three votes out of a possible nine and we are consistently outvoted. Public employees deserve a meaningful voice on the PEIA Finance Board.

