

Sacramento County Retired Employees Association
P.O. Box 161414
Sacramento, CA 95816

Very Important Notice to All Sacramento County Retirees, Spouses and Beneficiaries

“County Executive Recommends Meat Ax Approach to Insurance Subsidies”

Following 27 years of past practice by the County of Sacramento, County Executive Terry Shuten is recommending canceling the health and dental insurance subsidies to all retirees who retired after June 29, 2003. Over 1,200 County retirees are in this group.

This subsidy was relied upon by County employees based on the County’s past practice when they made their retirement decision. These career public servants trusted the County Executive and the Board of Supervisors. However, the County Executive is again recommending serious erosion of this long-standing practice. This year’s targets are retirees who for the most part are not yet Medicare eligible and cannot un-retire and go back to work to pay for this lost benefit.

Prior recommendations by the County Executive have significantly reduced the value of this subsidy. For example, until 2003, the subsidy was based on the cost of a designated HMO plan for the individual. The County Executive then recommended capping the subsidy based on the prior 2002 rate. Since then, the premiums have gone up a whopping 78% which retirees have had to absorb. No increase in subsidy has been provided since 2002 and many retirees are seriously struggling financially to pay this increased cost.

While the retirees who are denied health insurance subsidies currently may be able to access County health insurance plans and pay 100% of the premiums, the County provides “no guarantee” of future access to plans or access to group rates to any retiree.

The Board of Supervisors will hear this item on January 30, 2007 at 2:15 P.M. The new Supervisor Jimmy Yee met with the SCREA Board on April 21, 2006 and at that time committed his support to the continuation of the current retiree insurance subsidy program, stating benefits :should not be taken away from current retiree”. However, the County Executive’s recommendation is in total conflict with Supervisor Yee’s commitment to us, and we are very concerned about the outcome of this year’s vote.

It is again critical that you attend the Board meeting and provide support to maintain the subsidies for all currently eligible retirees. **We must stand together!** We have also attached a letter for you to use to express your feelings on this issue to the County.

SCREA Representatives:

Kiyoshi (Pat) Adachi	966-0904
Nancy Welford-Landers	457-3002
Mike DeBord	(530) 642-1234
Gil Magness	(530) 626-3983
Ron Hines	728-2914
Dee McKenzie	966-1006
Barbara Smith	684-5344

Board of Supervisors

Roger Dickinson (District 1)	874-5485
Jimmy Yee (District 2)	874-5481
Susan Peters (District 3)	874-5471
Roberta Mac Glashan	874-5491
Don Nottoli	874-5465
<u>County Executive</u>	
Terry Shuten	874-5878