Discussion Document: Options for Retiree Health Care Benefits
DRAFT FOR DISCUSSION PURPOSES

The purpose of this document is to begin a discussion on possible solutions.

Employee Groups

- New Employee
- Active Employee – not yet vested
- Active Employee – vested
- Retired Employee under 65 (not yet Medicare-eligible)
- Retired Employee aged 65 or older (Medicare-eligible)

OPTION #1

- Prohibit local units from granting lifetime retiree health benefits in contracts.
- Require review of labor contracts for lifetime provision of health care
- Mandate that health care benefits for all non-vested retirees must be made uniform with those of active employees.
- For new hires, require participation in defined contribution plan with employer match.

OPTION #2

- For new hires, require participation in defined contribution health care plan with employer match
- For non-vested retirees in defined benefit retiree health plan, set a maximum cap on employer health care contribution and possibly set other limits on health insurance parameters for health care

OPTION #3

- For all new employees, require participation in defined contribution health care plan with employer match.
- For active employees and non-vested retirees, enact health care stipend program.
- Size of stipend varies for pre- and post-Medicare retirees.

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