Dear Rep. Knollenberg,

This new benefit rule puzzles me greatly. Will you please explain to me why it was necessary as I am a retiree over 65 and on Medicare.

① How will it benefit me and how will it benefit those under 65.

② Or is this another thing that will help result in the destruction of Medicare?

Eagerly awaiting your reply.

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Retiree-benefit rule gets mixed reaction

By STEPHANIE ARMOUR
USA TODAY

Retiree advocates gave a mixed reaction Thursday to a new regulation allowing employers to provide more limited health care benefits for retirees who are 65 and older, though some critics called the change tantamount to discrimination.

The regulation from the Equal Employment Opportunity Commission (EEOC) says that employers can spend more on retirees under 65 than those older than 65 without breaking age-discrimination laws, so they can cut or reduce benefits for retirees when they become eligible for Medicare.

That could mean more expansive benefits for retirees under 65 than those who are over 65, says the AARP, which represents older Americans.

But the EEOC says the policy change, announced Wednesday, is aimed at protecting retiree benefits. The EEOC proposed the rule after a 2000 U.S. Court of Appeals decision that required that the health insurance benefits received by Medicare-eligible retirees be the same, or cost the employer the same, as the benefits for younger retirees.

Labor unions and employers told the EEOC that complying with the decision would force companies to cut or end retiree health benefits — potentially leaving millions of retirees 55 and older with less health insurance or none at all, the EEOC says.

Even some groups who say the change will hurt some older retirees agree there is a major benefit: "Some employers are likely to retain health bene-

said Robert Hayes, presiden of the New York-based Medi care Rights Center.

More than 10 million retir ees rely on employer-spon sored health plans as a prima ry source of coverage or as a supplement to Medicare, according to the EEOC.

But the percentage of employers offering coverage to those who retire before Medicare kicks in has dropped from an average of 21.6% of private-sector employers in 1997 to about 12.7% in 2005, according to the Employee Benefit Re-