

# Letter: City misleading public regarding retirees

To the community,

The article in *Lake Tahoe New* on June 18 is, as usual, misleading to put it mildly and I would like the public to hear the truth.

## Health insurance

Retirees who turn 65 do and always were required to join and personally pay for Medicare Parts A and B. The city's plan then became secondary to Medicare and the city's plan only paid 80 percent of the 20 percent Medicare did not pay.

This past January the city shifted all retirees 65 and older to Medicare supplement plans and discontinued Health coverage for these retirees under the city's plan. Therefore the city is currently not paying one dime in medical claims for retirees 65 and older.

The city is paying their portion of the Medicare supplemental plan's monthly premium as agreed to in the retirees memorandum of understanding (employment agreement) that was in place when the retiree retired. What percentage the city pays of the premium is based upon years of service with the city. You have to work 25 years for the city in order to get the premium paid at 100 percent by the city. Which, by the way, currently isn't close to the \$1,500 stated in the article even at 100 percent premium paid by the city? The most costly plan is about half that.

Yes, this benefit of the city paying a percentage of the monthly health insurance premiums was agreed to years ago between the different employee groups (fire, police, public works, general) and management, including the City Council was

given this same benefit. It was agreed to with the employee groups because the city didn't have money for raises for years and years and this was something the city could give that wouldn't cost them for years to come. But the city never funded this liability and in fact when they did have surplus in the health insurance reserve they robbed it to balance the general budget along with many other tactics too involved to go into.

City discontinued giving this benefit several years ago to new hires and now there are very few city employees still working that have this. Last year it was said that getting the 65 and older retirees off the plan would save thousands and thousands. What happened to those savings?

## **PERS**

Just for the public's information, the city contracts with PERS for the level of retirement pay, not the employees. Non-safety employees (not fire or police) that retired 10 plus years ago get an average of somewhere between \$1,000 and \$2,000 a month in retirement income. Yes, we get a 2 percent raise every year, but 2 percent on \$2,000 is \$40 a month. What city employee is living on that?

City stop blaming all your budget problems on retirees.

What about looking at your current spending and salary levels and try to be more honest to the public about what really is the truth. The retirees appreciate the benefits we have but most of us are just getting by like everyone else.

**Thomas Fay, Quartzsite, Ariz.**

*Fay was a 52-year resident of South Lake Tahoe and a 28-year employee of South Lake Tahoe who has been retired for 19 years.*