

# SLT wins portion of retiree health care case

By Kathryn Reed

City of South Lake Tahoe retirees have been denied monetary compensation from a lawsuit they filed last year over health benefits.

A group calling themselves the South Lake Tahoe Retirees Association filed the suit in December in U.S. District Court in Sacramento. Who is in this group has not been revealed.

However, the city does not have any contract with this group and has never knowingly met with anyone in the group.

For decades retirees have received the same health benefits as active employees. That's the agreement the city has with retirees. When the plan changed for workers, it changed for retirees. This policy worked until the city did a major overhaul in 2014.

The city created what it calls Plan A. It is a basic health plan that has a \$5,500 deductible. The city picks up the cost for singles, couples and families. Vision and dental are no longer offered. If people want a better plan, they can pay the difference for it. The deal also said those eligible for Medicare must apply for it.

The City Council also voted to stop paying for health coverage for future retirees.

The retirees wanted to be compensated for the additional costs, including having lost dental and vision coverage. Their contention is that for the duration of their retirement they should essentially have the health plan from the day they retired.

But that was never going to happen because the plan has always been evolving. There is no plan to go back to because that plan no longer exists.

It would also be impossible for any public or private provider to have stagnant plans. Medicine evolves and costs increase, and deductible amounts change. The deductible went from \$750 to \$1,500 in 2012 and doubled again under Plan A.

“The city’s position is everyone gets the same plan – employees, retirees. The contract under which everyone retires has the same language; that they shall get the same plan as employees as long as there is a plan,” City Manger Nancy Kerry told *Lake Tahoe News*. “And the plans have changed every year. This year Plan A will be a little better than last year.”

It didn’t help the retirees’ cause when their attorney didn’t show up for the May court hearing.

One thing the retirees have argued is that they are on a fixed income, while employees get raises that can help with additional expenses. The reality is employee raises are subject to approval by the City Council and are not an annual occurrence, while through the California Public Employee Retirement System there is an annual cost of living increase. This means retirees really aren’t on a fixed income.

Other aspects of the case remain to be fleshed out, including the actual status of the group. The plaintiffs have 30 days to amend their complaint.