



MEMORANDUM

Date: November 8, 2007
To: All Part-time Faculty
From: CSU-AAUP
Re: **Healthcare/Retiree Healthcare for Part-time Faculty**

Background on Healthcare Issue

Dan Livingston, Attorney for the State Employees Bargaining Agent Coalition (SEBAC), met with faculty on November 2. The purpose of this meeting was to answer questions about the new healthcare benefit for part-time faculty teaching a combination of 9 or more load credits in the State public systems of higher education and to explain how this benefit will extend into retirement.

Prior to the introduction of this agreement, if someone taught part-time in one of the public systems of higher education they were eligible for healthcare benefits, but were required to pay for the entire premiums themselves. It came to the attention of the higher education unions that some part-time faculty were teaching a full-time load, but across the systems (CSU, UConn, and the Community Colleges). In the discussions between representatives of the three higher education unions and the State Comptroller's staff, it was argued that even though these individuals were employed by separate colleges and/or universities, their ultimate employer was the State of Connecticut, and therefore they should be considered full-time state employees and as such be eligible for health care benefits the same as other full-time state employees. The Comptroller's memorandum dated August 10 (State Sponsored Health Insurance for Adjunct Faculty) reflects that sentiment. Part-time faculty who teach 9 or more load credits across the public university systems in Connecticut are now eligible to be reimbursed for the state's share of their healthcare premiums.

The final agreement as explained in the Comptroller's memo represents a series of compromises over a number of years. For example, Attorney Livingston and the higher education unions were able to successfully negotiate for the Comptroller's Office to pay for the benefit. However, part-time faculty must pay for the benefit throughout the semester and receive a reimbursement check for the total amount of the state's share of the premiums at the end of the semester.

Retiree Healthcare

There is one new element of this benefit - *retiree healthcare* - on which we have reached a tentative agreement, pending approval by SEBAC leadership. In order to retire under the State Employees Retirement System, one has to meet the minimum age requirement [age 62] with either 10 years of state service (deferred retirement) or 5 years of state service (if one goes directly into retirement) to be eligible to receive healthcare benefits in retirement. In an effort to assure that part-time workers who did not receive healthcare as active employees would not receive healthcare benefits in retirement, the State successfully argued to include bizarre language in the SEBAC II healthcare and pension agreement. This language basically states that if a state employee had healthcare on the last day before they retire, they would receive healthcare in retirement. If they did not have healthcare on that day, they would not receive healthcare benefits in retirement. This language has caused a lot of confusion over the years and does not serve the purpose it was intended for. Therefore, the state has agreed to revise the language. For a complete explanation of this language change, please refer to the attached article *Clarification of Part-time Retiree Healthcare Language* written by Attorney Dan Livingston.

Under the proposed language, if a part-time faculty member teaches nine or more load credits a semester across any of the public systems of higher education, they will be eligible to receive healthcare in retirement, provided that they meet the age and service requirements and provided also that they are enrolled in a state retirement plan during those years of service. This agreement is *retroactive*, so any semester where one has taught nine or more load credits a semester at state institutions will count towards retirement. The ten years do not have to be consecutive, but the total service requirement is ten or more years. Also, one does not need to take advantage of the new healthcare benefit in order to receive health benefits from the state in retirement. One only has to be *entitled to receive healthcare as an active faculty member to be eligible for retiree healthcare*, provided they meet the age and service requirements and are enrolled in a state retirement plan.

Unions Continue to Monitor Issue

There was one additional announcement that was made at the meeting. Information that was being disseminated at one community college was contrary to the spirit of the new plan. This was an overreaction to the statement in the Comptroller's memo: "if the number of participants exceeds a reasonable number, the Comptroller reserves the right to charge the appropriate institutions". Their fear was that if too many part-time faculty signed up for this benefit, the institution would receive a bill from the State Comptroller, making the community college pay the state's share of the healthcare premiums. Because of this fear, the community college was not hiring part-time faculty who met the eligibility requirements for this benefit. Part-time faculty who were teaching nine or more loads credits were either not hired or encouraged to drop a course at another institution. The community college union, The Congress of Connecticut Community Colleges (The 4C's), has been assured by the Community College System Office Management that this was a miscommunication and it will be corrected.

Clarification of Part-Time Retiree Healthcare Language

By Dan Livingston, Attorney for the State Employees Bargaining Agent Coalition

Background: For active employees, there is an on/off switch approach, rather than a proportional approach which determines entitlement to employer-paid health insurance. That is, instead of the employer paying its full share for a full-time employee, 75% of its share for a $\frac{3}{4}$ time employee, and 50% its share for a $\frac{1}{2}$ time employee, etc., the employee either pays its full share or nothing depending upon whether an employee is considered “full-time” for health insurance purposes. Employees working $\frac{1}{2}$ or more are considered “full-time” for these purposes. Employees working less than $\frac{1}{2}$ time are considered “part-time”, and get no employer contribution towards their health insurance. This approach benefits all employees who work at least $\frac{1}{2}$ time but less than full-time, since they get the full employer contribution towards health insurance rather than only a proportional share. It is less favorable (than proportional coverage) to employees working less than $\frac{1}{2}$ time, because they get no employer contribution at all.

Defining $\frac{1}{2}$ Time: Within a bargaining unit, $\frac{1}{2}$ time is simply 50% the normal full-time working hours. Two complications may occur. First, in higher education, workload is by credit hours, rather than by working hours. Those units use a number of credit hours meant to approximate $\frac{1}{2}$ time to determine entitlement to employer-paid healthcare. Second, employees, particularly in higher education, may work part-time in more than one bargaining unit, with the total exceeding any reasonable definition of half-time. It is clear that employees should not be denied healthcare simply because their service is split between bargaining units. This issue has been specifically clarified recently in higher education, where it has been determined by the Comptroller that employees teaching 9 or more credit hours in more than one higher educational institution meet the definition of $\frac{1}{2}$ time or more and are therefore entitled to health insurance.

Retiree Health care after SEBAC II: During the concession bargaining that occurred during the Weicker administration, State negotiators successfully insisted on language meant to assure that part-time workers (i.e. less than $\frac{1}{2}$ time workers) who were not eligible for employer-paid healthcare while they worked would also not be eligible for employer-paid retiree healthcare. The actual language of the agreement – inartfully drafted – doesn’t define full versus part-time employee for purposes of retiree healthcare. Instead, it says if you weren’t getting employer-paid health coverage as an active, you don’t get it as a retiree:

Except as provided below, in no event shall any person except those vested on or before June 30, 1992 receiving benefits from any state-sponsored retirement system be eligible who was not covered by such insurance while a state employee.

This language caused great mischief, because instead of premising retiree healthcare like other retirement benefits on the career of the employee, it premises them on the instant before retirement. Read literally, it suggests that a 30 year career full-time employee would not get retiree healthcare if just before s/he actually retired he accepted part-time work. Indeed, it even suggests a 30 year career full-time employee would not get retiree healthcare if just before s/he actually retired s/he declined health coverage (perhaps because s/he was covered by a spouse’s plan and didn’t want to pay the employee share). Both of these results are obviously illogical and unacceptable from the Union point-of-view. Equally illogical and unacceptable from the state

point-of-view is that the language read literally could provide retiree healthcare to an employee who worked only 2 hours a week for his/her entire state career, as long as that employee took a full-time job for long enough to get health insurance just before s/he retired. In both cases, obviously, the language read literally did not comport with its intent, which was to provide retiree healthcare to those who could fairly be defined as retired full-time employees, and not to provide such healthcare to retired part-time employees, again using the ½ time or more definition of “full-time.”

The Rewrite: The parties have rewritten the language to comport with its actual intent. The new language makes no distinction based upon whether one actually received healthcare as an active employee, since it recognizes that some employees entitled to health coverage will refuse it because they are covered elsewhere. And it determines whether one is a retired “full-time” rather than a retired “part-time” employee for retiree healthcare purposes by a measure consistent with the normal practices of the parties, and analyzes their career in state service, rather than the instant they retire. Those who have 10 years or more of full-time employment (5 years for those who go directly from state employment into retirement) are considered to have been full-time for retiree healthcare purposes regardless of whether they also have other years of part-time employment. Their entitlement to retiree healthcare effectively vests as soon as they have 10 years of active full-time service. Again “full-time” means ½ time or more, as defined by the applicable collective bargaining agreement or if applicable, through the protocols covering employees working in more than one bargaining unit. The new language counts all years of state service for these purposes, including those which occurred before any of the new language was agreed upon.

Text of the new language: *For purposes of meeting the eligibility rules for Retiree Health Care outlined in section VIII of SEBAC 5, employees who have part-time service at 50% or more of full-time service as defined under their collective bargaining agreement or as if the present interpretation of active part-time employees entitlement were in place shall receive credit for such time as if it were full-time service. Employees who have part-time service at less than 50% of full-time service shall not receive credit for such time. This shall replace the limitations in the previous provisions of SEBAC agreements regarding retiree health insurance for part-time employees.*