



Published on Teamsters for a Democratic Union (<http://tdu.org>)

Calif Retirees Hit with Higher Costs

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Created 2012-03-23 17:50

March 23, 2012: "I retired last year thinking I had a good Teamster pension with affordable health care. Last month the Teamster health plan jacked-up my family health payment to \$975 a month."

That's what Tom Booth, Local 896, who retired last year after 29+ years at the Anheuser Busch InBev brewery in Los Angeles, told us. "We paid for that early-retirement plan with deferred wages—why do that if members are not going to be able to afford to use it?"

The Teamster Miscellaneous Security Fund, a health and welfare (H&W) fund, covering over 20,000 California Teamsters, just **doubled** the monthly cost to retirees. This kind of big hit is becoming too common, and it is undermining the principle of early retirement for thousands of Teamsters.

Solidarity means that our union must stand with its retirees not dump on them because they have no right to vote in union elections.

Tom, and some 2,000 other retirees, got a letter from the H&W fund in February announcing the doubling of retirees charges. The letter says the retiree portion of the fund suffered a \$2.5 million loss last year, due to the increased cost of medical care.

No doubt that's true, but they didn't mention that the fund took in \$173 million last year, and has \$68 million in reserves. This short-fall is just 1.4% of income, so bargaining even modest increases could protect the retirees.

"Our union fought hard to win early retirement, now members are going to have to fight to protect it, including affordable health care," Booth said. Teamsters often deferred wage increases to pay for the PEER 80 retirement plan.

Booth first contacted the Department of Labor, where he learned a cold fact. Federal law (ERISA) provides protections from pension cuts for Teamsters already retired, but not for hikes in H&W charges, which amount to the same thing.

The Teamster Miscellaneous Fund, like many other Teamster H&W funds, is accepting federal money, under the new Affordable Care Act, to help support benefits for early (pre-Medicare) retirees. That supplemental federal money should be used to help our retirees maintain affordable coverage.

We need to get back to solidarity. We need to demand that Teamster leaders bargain and allocate funding in our health and welfare plans to provide for Teamster retirees. They earned it, they deserve it, and our union owes it to them.
