

Comments Submitted

By

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## Delaware Public Employees Council 81, AFL-CIO

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Lieutenant Governor Bethany Hall-Long  
Tatnall Building  
150 Martin Luther King Jr. Blvd. South  
3<sup>rd</sup> Floor  
Dover, DE 19901

Dear Lieutenant Governor Hall-Long,

I am writing in response to recent discussions with the Retiree Healthcare Benefits Advisory Sub committee about cutting eligibility for retiree healthcare. I oppose making any such benefit cuts such as by increasing the years of service needed to get the state share, increasing the minimum age to 60 or cutting the state share for spouses – if those cuts affect current employees, regardless of whether those employees are vested in their pension when the change goes into effect.

As DHR Secretary Claire DeMatteis and OMB Director Cerron Cade recently noted in an email to state employees about the results of the state's Employee Benefits Survey fielded earlier this year, "Benefits are an important reason employees continue working at the State of Delaware." Benefit cuts, however, will send a strong message to those employees that the benefits they have been working toward (and that may have played a role in their decision to work for the state) cannot be relied on. While benefit cuts are never welcome, they are especially shortsighted at a time when Delaware and local governments are struggling to retain experienced public service workers.

I also want to emphasize that any changes to retiree healthcare benefits for current employees could have significant unintended consequences – at least from the perspective of employees. For example, in their recent email about the Employee Benefits Survey, Secretary DeMatteis and Director Cade highlighted as a finding that "(i)increasing eligibility for pensioner health care to 60 year old has the least impact on perceived value and greatest potential for cost savings of changes tested to retiree health care", at the same time that they noted, "*Neither this survey nor any other SEBC action has suggested any changes to the state pension plan.*" (Emphasis in the original). While that note about the state pension plan may be technically true, in practice increasing the pensioner healthcare eligibility age to 60 likely would be a stealth increase in the earliest age at which workers can afford to collect pension benefits. That is because access to affordable healthcare is critical to whether a worker can afford to retire.

I appreciate you considering my views and urge you to reject any cuts to retiree healthcare benefits for current employees.

In Solidarity,

Michael A. Begatto, Executive Director  
AFSCME Council 81

Cc: Senator Bryan Townsend  
Representative Paul Baumbach