

MONTANA

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PUBLIC

EMPLOYEES

ASSOCIATION

SENATE STATE ADMIN.

EXHIBIT NO. 7

DATE 1.10.05

BILL NO. SB 72

January 10, 2005

Senate State Administration Committee

Re: SB 72

Madam Chair and Members of the Senate State Administration Committee my name is Tom Schneider and I am speaking on behalf of the 7000 members of the Montana Public Employees Association (MPEA) who adopted support for SB 72 by resolution at this years' convention.

SB 72 is the only legislation that deals with helping employees who have put in the time to retiree honorably, but cannot because of the high cost of retiree health insurance. SB 72 can work to both the advantage of the state and the employees. This is the same approach that has been used to the advantage of private sector businesses and many school districts throughout Montana in the past few years.

I would point out to the committee that currently an employee covered by the state or university health insurance plans and pre-medicare eligible will pay from \$ 425.00 to \$ 462.00 for single coverage and from \$ 216.00 to \$ 278.00 if medicare eligible. The inclusion of a spouse will increase the cost to about \$ 600.00 to \$ 650.00 for pre-medicare and \$ 425.00 to \$475.00 for medicare eligible. This is a large factor for employees making a decision to retire.

The cost of providing this insurance package will be offset by the savings of between \$6,000.00 and \$10,000 per position filled by lower salaries.

MPEA is in full support of SB 72 and requests your support for this important bill. Thank You.

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