

Lay Faculty Association
Local 1261
Newsletter

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WWW.LFA1261.ORG

February, 2020

Retiree Edition

Your Health Insurance

Important Changes

Currently, we have 271 retirees at Local 1261. There are 224 retirees who are eligible for the Mason Tenders Welfare Fund Medical Insurance plan. As you know by now you should have received a letter from the Welfare Plan Director indicating the plan on July 1, 2020 will not be available to you at the current premium of either \$300.00 or \$600.00 per year. The following is a review of these changes:

Effective July 1, 2020 for pensioners over the age 65 (with dependents) and for pensioners under age 65 (both with and without dependents) the cost is \$600.00 per month. For pensioners over the age of 65 with no dependents enrolled the cost is \$300.00 per month.

Effective January 1, 2021 for pensioners under age 65 (both with and without dependents) the monthly cost will be at least \$1,200.00. You will be advised in January, 2021 of the actual cost. For pensioners 65 or over with enrolled dependents the cost will be \$1,200.00 per month and at \$600.00 per month for pensioners over 65 years with no enrolled dependents.

Effective July 1, 2021 In addition to the above changes, the MTDC Board decided that the required contributions will be further increased based on the benefit costs at that time. Those rates will be calculated and communicated prior to July 2021.

Please contact the Welfare Fund directly for official information at: 1.212.452.9700. The Welfare Fund is responsible to answer your questions and to hear your complaints.

Why such a dramatic change in cost?

The Welfare Fund Trustees indicated to us that our local cost them over \$8.45 million dollars in seven years. Local 1261 has lost two schools that were enrolled with the MTDC plan and as a result, many people retired. Yes, many of us enjoyed an excellent insurance plan at a cost of \$300.00 or \$600.00 per year. The cost has been set at this price since 1997! We questioned their Board of Trustees: if the Fund lost over one million dollars each year since 2013, why wasn't the premium increased in increments to curb the losses? The response was "we hoped that things would change". The Welfare Fund has the right to change or even terminate the plan at any time for any reason. This is published in their Plan publication (page V, see below).

Does the Mason Tenders' Board of Trustees have the legal right to make these outrageous changes?

Page V of the MTDC Welfare Fund Summary Plan Description states:

“The Board of Trustees reserves the right, in its sole absolute discretion, to amend, modify, or ruminare the Fund’s benefit program, in whole or part, at any time and for any reason, including, without limitations, the right to modify or terminate benefits, or to reduce or increase cost of coverage under the Fund with respect to any employee, retiree or dependent thereof. Similarly, the eligibility rules of coverage under the Fund (including retiree eligibility) may change at any time, in the Board’s sole and absolute discretion. Employees, retirees, and their family members are not vested in, guaranteed any level of benefits under the Fund.”

What now?

The Mason Tenders’ District Council Trust Fund will mail out an enrollment form to all retirees which will give you the option to keep or opt out of the Fund’s coverage. All necessary documentation will be provided by the Mason Tenders’ office and all retirees must return all completed forms to the Fund’s office by May 31st, 2020. If you can afford it, continue with the current coverage. Our research has found that buying supplemental coverage to replace the current Mason Tenders’ Plan may be another option for some individuals. Those who are currently Medicare participants (primary) with MTDC as the secondary coverage AND who choose to opt out of the Mason Tenders’ Plan will have to purchase a credible prescription drug plan because MTDC did not allow you to have Medicare Part D. Failure to choose a prescription drug plan IF YOU OPT OUT OF MTDC can result in you being charged a penalty rate of 1 percent per month that you’re without coverage if you go without a prescription drug plan for more than 63 days (beginning July 1st, 2020). This additional cost will be charged to you for the rest of your life! The eligibility period to purchase new plans SHOULD YOU DECIDE TO OPT OUT OF MTDC will open starting April 1st, 2020. Also, if you currently use Medicare as your primary coverage, you will also need to consider a dental plan when you opt out, because Medicare does not cover these expenses. Supplemental plans are single coverage ONLY. Our research has shown that there are good plans with no deductibles of any kind and will cost just over \$300.00 per month.

Some suggested resources

This is an example of one supplemental Medicare and drug plan website:

www.aarpmedicaresupplemental.com

At this website you can examine eight different supplemental Medicare plans. The cost per month ranges from \$83.50 to \$320.00 per month for single coverage. There are also prescription drug plans that cost about \$36.60 per month. You will need to make sure that your medication is offered with each plan. You can find out if your medication is Tier 1,2, 3, or 4 by asking your pharmacist. Tier 1 and 2 drugs can be purchased a very low to no cost in most plans. Tier 3 and 4 medications carry a deductible with higher cost per medication.

<https://www.unionplus.org/benefits/health>

As a LiUNA Pension Recipient, you may wish to research Union Plus for other coverage options. To register for any of the benefits available to you on this website (many other savings besides health care are featured!), please have handy your LiUNA ID number, which is on your orange membership card.

A personal note from the LFA Secretary-Treasurer, Dan DiPleco:

“I have served on the Mason Tenders Board of Directors as a Delegate since 2015. At the January 2020 meeting, my last, I expressed my anger at this decision by giving illustrations how damaging this decision will be on our retirees who paid their dues faithfully for many decades. In addition, recruiting new schools without the carrot of medical insurance into retirement at a very low cost will basically terminate our recruitment program. For those of us current retirees, this was a great union benefit.

Let’s face it: this change is both very upsetting and unfair. It may not be a surprise that this dramatic change accrued under the plan’s new director: Ms. Anna Gutsin. The Fund’s former director, Mr. John Virga, has retired after 28 years of service.”

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1.212.452.9700. The Welfare Fund is responsible to answer your questions
and to hear your complaints.**

Yours in Unionism,

Ciro Quattrocchi

President/Business Manager

Jerry Franza

Vice Preseident

Dan DiPleco

Secretary-Treasurer

Jennifer Silverio

Secretary to the Board

CC: LFA Board of Directors

PRESIDENT'S MESSAGE.....

Retirees who have taken the Mason Tenders' medical into retirement and those contemplating retiring with the medical.....

It is with much tribulation that I have to present to you the new rates for our Medical Coverage. Dan DiPleco, our Secretary-Treasurer, and I have met with the MTDC Board of Directors concerning the new rate increases. Please understand that we have made every effort to make the MTDC Board aware of how devastatingly unfair these increases are.

The new Director, Ms. Anna Gutsin, did accommodate a slight change in the increase schedule; however, the rates are still extremely extraordinarily high considering what we have paid in the past. You will soon receive a direct notification of the changes from the Mason Tenders' District Council Trust Fund. The changes will be:

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Ciro A. Quattrocchi
President / Business Manager