

Managerial Employees Asked To Pay Into Health Costs

FRIDAY, 15 JANUARY 2010

White Plains, NY - County Executive Robert P. Astorino announced that he is proposing legislation that would require all non-union managerial employees (including those at Westchester Community College and the District Attorney's Office) to contribute 15 percent of the overall cost of their health insurance premiums.

The announcement was made today before an audience of about 500 at the Westchester County Association's 13th Annual Breakfast with the County Executive at The Doubletree Hotel in Tarrytown. Astorino emphasized that he is making good on his campaign promise to cut county spending and that he remains committed to running a fiscally responsible government.

"The intent of this legislation is twofold," said Astorino. "First, reduce the cost of county government and second, align public sector pay practices with those in the private sector. It is simply a matter of fairness and fiscal responsibility that those who receive health care benefits from the county should pay a share of the cost."

Unlike most private sector employers, which have long required employees to pay a percentage of their health care costs, Westchester County doesn't require its employees to contribute towards their benefits. Co-pays have increased over the years but that increase is miniscule compared to the actual cost of providing insurance, said Astorino. For example, the county's budgeted cost for employee health benefits has more than doubled over the last decade - jumping from about \$67 million in 2000 to almost \$149 million this year.

The average annual cost to the county for employees who have "single" health care coverage is roughly \$7,992, while the average cost for "family" coverage is about \$22,057. Employees would be required to pay 15 percent of those costs -- i.e. about \$1,200 or \$3,300 a year. Under the new legislation, employees who choose an HMO plan would continue paying the difference between the county's contribution and the higher costs of that option.

The legislation would affect more than 400 county employees and would mean a savings of about \$1.2 million a year.

Astorino noted that while making such contributions may be difficult for some employees -- many of whom haven't had a raise since 2007 -- these are difficult economic times that unfortunately require tough decisions. He added that requiring employees to contribute to their health care insurance is an accepted practice in most business settings.

The proposed legislation is also directed at elected officials. However, state and local laws currently prohibit any reduction in those salaries during the officials' current terms unless certain referendum requirements are met. The legislation would automatically go into effect for elected officials at the start of their next terms.

Astorino said he would voluntarily make his contributions as soon as the legislation goes into effect and is urging other elected officials to do the same.

"My administration is committed to restoring financial equilibrium to Westchester County," he said. "This legislation is a first step toward returning to Westchester the proper and rightful balance between spending and taxes."