

NPUT

NEW PALTZ UNITED TEACHERS BENEFIT TRUST FUND

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SUMMARY PLAN DESCRIPTION
DOT / POLICY
INCLUSION OF RETIREES

July 1, 2005

INCLUSION OF RETIREES IN THE BENEFIT TRUST FUND

THE TEACHER CONTRACT HAS UNDERGONE 38 YEARS OF EVOLUTION. IT IS THIS CONTRACT THAT ESTABLISHED THE BENEFIT TRUST FUND.

THE 73 STAFF OF 38 YEARS AGO ARE SOME OF TODAY'S RETIREES. IT IS THE RETIREES THAT BROUGHT ABOUT THE CONTRACT THAT WE ENJOY TODAY.

WE WOULD NO MORE DIMINISH THE CONTRACTUAL BENEFITS PROVIDED TO RETIREES THEN WE WOULD OMIT THEM FROM THE BENEFITS OF THE TRUST THAT THEY FOUGHT FOR.

HAVING SAID THAT, IT IS OUR RESPONSIBILITY TO THE ACTIVE MEMBERSHIP TO INSURE THE PROPER USE OF THE CONTRACTED FUNDS PROVIDED TO THE TRUST ARE FOR THE ACTIVE MEMBERSHIP.

WITHOUT QUESTION, OUR RESPONSIBILITY IS TO USE THESE FUNDS TO PROVIDE BENEFITS TO THE ACTIVE EMPLOYEES. THE RETIREES PAY THE PREMIUM OF THEIR BENEFIT SELECTIONS.

THROUGH THE INPUT OF THE TRUSTEES, MEMBERS AND ADVISORS THE TRUST SEARCHES OUT NEW PLANS OR ENHANCEMENTS OF EXISTING PLANS TO PROVIDE TO THE MEMBERSHIP, ACTIVE AND RETIRED.

IN DOING THIS, WE ALWAYS RUN INTO THE SAME QUESTIONS REGARDING THE PLANS THAT WE OFFER. MEMBERS ASK ABOUT :

THE HIATUS WHEN THEY ARE NOT EMPLOYED DURING JULY AND AUGUST;

THE STATUS OF THE PLAN WHILE ON A LEAVE OR IF THEY ARE DISABLED ;

INCLUSION OF THEIR DEPENDENTS OR PARENTS AND IN-LAWS ;

COORDINATION OF BENEFITS WITH OTHER PLANS ;

THE STATUS OF THE PLAN UPON RETIREMENT;

THE PORTABILITY OF THE PLAN IF THEY LEAVE THE DISTRICT .

ALL OF THESE CONCERNS BECOME PART OF THE NEGOTIATIONS THAT TAKES PLACE WITH ANY PROSPECTIVE COMPANY THAT IS OFFERING US ONE OF THEIR PRODUCTS.

SINCE THE STATUS OF THE PLAN UPON RETIREMENT IS IMPORTANT TO OUR ACTIVE MEMBERS IT NATURALLY BECOMES A SUBJECT OF NEGOTIATIONS.

TO DATE, MOST COMPANIES HAVE HAD NO PROBLEM INCLUDING ACTIVE EMPLOYEES CONTINUING THE PLAN INTO RETIREMENT . THEREFORE, WE MAKE THE PLAN AVAILABLE TO RETIREES. THE RETIREES PAY THE FULL PREMIUM.

NOW THAT THE PLAN IS OPEN TO RETIREES. WE NEGOTIATE THE INCLUSION OF EXISTING RETIREES. WE INCLUDE THE RETIREES IN OUR CENSUS SO THAT WE ARE PROPOSING COVERAGE FOR THE ENTIRE TRUST MEMBERSHIP. THIS GIVES MORE BARGAINING POWER AND BETTER RATES.

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THERE IS NO LIMITATION ON RETIREE PARTICIPATION IN THE CATASTROPHE PLAN, THE DENTAL PLAN, LEGAL PLAN OR VISION PLAN. WE GIVE THE NEW RETIREE ONE OPPORTUNITY UPON RETIREMENT TO PARTICIPATE IN THE PLAN OR NOT. WHEN A NEW PLAN IS OFFERED , EXISTING RETIREES HAVE ONE OPPORTUNITY TO PARTICIPATE.

IN NEGOTIATIONS FOR THE TERM LIFE PLAN, WE LIMITED THE APPLICATION OF RETIREES ELIGIBLE TO PARTICIPATE TO ONLY THOSE RETIRING AFTER THE DATE THE TRUST WAS FORMED. THIS SOMEWHAT LIMITED THE IMPACT OF ANY ADVERSE SELECTION.

WE SEE OUR SELF-FUNDED DENTAL PLAN AS POTENTIALLY BEING IMPACTED BY RETIREE PARTICIPATION BUT TO DATE THAT HAS NOT OCCURRED.

RETIREES ENJOY THE SAME PREMIUM SCHEDULE AS ACTIVE EMPLOYEES UNLESS THEIR PARTICIPATION IDENTIFIES ANOTHER SCALE IN WHICH CASE THAT SCALE IS APPLIED TO THE RETIREE. WE TRY TO KEEP THE ACTIVE EMPLOYEE'S PREMIUM FROM BEING IMPACTED BY THE RETIREE'S PARTICIPATION.

ONE ACTIVE MEMBER PUT IT THIS WAY, " WHAT GOES AROUND COMES AROUND , WE HAVE NO PROBLEM SUPPORTING THE PLAN FOR RETIREES AS HOPEFULLY WE WILL BE THERE ONE DAY AND IT WILL BE SUPPORTED FOR US. "