



Michigan **AFSCME** Council 25

News Release

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AFSCME and Retirees Sue County Over Premium Increases

Detroit MI April 19, 2007 -- On April 18, 2007 the American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO along with three retirees filed a class action suit against Wayne County and the Retirement Board to challenge unilateral premium increases for retiree life insurance. The case is assigned to Judge Prentice Edwards who ordered the County and the Retirement Board to show cause in his courtroom on Friday, May 4, 2007 why an injunction should not issue.

AFSCME's retirees have been paying level premiums for retiree insurance for about 40 years. Then, without prior notice, the premiums became age related. The effect of this change was to require the oldest retirees to pay the highest premium.

Nora Raymond, one of the plaintiffs, is 80 years of age. Her insurance premium was increased from \$27.14 per month to \$79.35 per month. She was forced to cut her insurance in half, and due to her age, cannot get insurance anyplace else. The policy in full would have been for \$11,500.

Florence Glover, 84 years old, also a plaintiff, saw her premiums go from \$27.14 per month to \$79.35 per month. She is hanging on to her policy because she knows she cannot replace it but is finding it to be a big strain on her limited income which comes from her County pension and Social Security.

The County sent all the retirees a form to encourage them to cancel their insurance. Many have cancelled or cut it. Once they cancel or cut, under the County's plan, they cannot get that insurance back.

Albert Garrett, AFSCME Council 25 President, whose union is also a plaintiff in this case, said, "For many of our retirees, this insurance was burial money. Now those who have been forced to cancel or cut their insurance worry about whether or not they will get a decent funeral after all their years of service to Wayne County. These enormous increases are without any justification. They make the old subsidize the young. Our collective bargaining agreement guaranteed these retirees lifetime life insurance at level rates. We cannot understand why the County would reduce the rates of younger retirees and raise those for the aged."

Garrett said, "We want the court to restore the rates to what they were before the change. And, we want our retirees to get their insurance back if they were forced to cancel or cut it."

The lawsuit is being handled by AFSCME General Counsel, Bruce A. Miller

Albert Garrett also serves as Vice President of AFSCME International. Michigan AFSCME Council 25 represents more than 90,000 public workers across Michigan. AFSCME International represents 1.4 million public workers nationwide. News releases issued by Michigan AFSCME Council 25 are available at <http://www.miafscme.org/Releases.htm>

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