

# State Employee Union Members' Cost Savings 2009 & 2011

## Billions of Dollars in Sacrifices

State worker sacrifices in the 2009 and 2011 SEBAC deals combined produced ongoing annual savings of about \$950 million. Through June 30, 2016, that means state workers have sacrificed approximately \$6 billion.

## General Wage Increases

From fiscal year 2010 through fiscal year 2016, state workers saw no general wage increases for three years. This averaged out to a raise of 1.6% annually – compared to an average private sector increase of 3% per year.

Raise Date	Increase
7/1/2009	0%
7/1/2010	2.5%
7/1/2011	0%
7/1/2012	0%
7/1/2013	3%
7/1/2014	3%
7/1/2015	3%

## Healthcare Savings

Workers negotiated increases in the retiree healthcare contributions in 2009 and 2011 saving the state \$122 million. Healthcare benefit changes negotiated in 2011, including the Health Enhancement Program, are saving an additional \$163 million each year. Changes in pharmacy co-pays negotiated in 2009 is saving \$32 million and premium increases is saving another \$22 million.

## Pension Changes

Between changing the COLA on the pension, the impact of the wage freezes on pensions, adopting a cap on pensions, creating a new cheaper pension tier (Tier 3), and the early retirement benefit reduction, state workers are saving the state approximately \$118 million annually.

## Summary of Ongoing Sacrifices:

- Three years of hard wage freezes
- Increased share of medical premiums
- Increased co-pays on pharmacy and emergency room visits
- New contributions for retiree healthcare

- Increased the charge to employees for Early Retirement and added a medical premium share for those retirees
- Increased the normal retirement age beginning in 2022
- Reduced projected cost of living adjustments for retirees
- Created a new cheaper pension tier – Tier 3
- Created a new Health Enhancement Program that increases employee premiums and deductibles if they do not get preventative medical screenings/counseling
- Eliminated longevity payments to any state worker hired after June 30, 2011

*These are hard sacrifices, in addition to the millions of additional savings state employees provided that have streamlined state government and improved state services, even while the **state workforce is now the smallest it's been since 1960.***

*Note: All of these sacrifices do **not** include the layoff of state employees in 2016 or short-term sacrifices like furlough days.*