

Resolution Title: Resolution on Pre-Tax Dollars for Retiree Health Costs
Submitted by: Professional Staff Congress/CUNY

WHEREAS, the advantage that working people have of using pre-tax dollars for medical costs should not be discontinued upon retirement; and

WHEREAS, American workers have, under section 125 of the Internal Revenue Service Code, the ability to shelter from federal taxes pre-determined amounts of money for out-of-pocket medical expenses; and

WHEREAS, the federal government seemed to recognize the financial hardship facing Americans by introducing Health Savings Accounts in the Medicare Prescription Improvement and Modernization Act of 2003; and

WHEREAS, this law specifically prohibits access to Health Savings Accounts to retirees on Medicare (those on fixed incomes who are bearing the escalating costs of healthcare and prescription drugs); and

WHEREAS, the cost of drugs for retirees is increasing at three times the rate of other drug costs; and

WHEREAS, the financial hardship for retirees should be addressed in a manner that considers the possibility of tax savings on out-of-pocket medical costs so that retirees can live out their lives in relative comfort; therefore be it

RESOLVED, that NYSUT, with AFT and AFL-CIO, seek either new legislation, the expansion of the current provisions of section 125 of the Internal Revenue Service Code, or the enactment of a healthcare cost savings plan in order to alleviate the escalating financial burden facing retirees.