



North Carolina Association of Educators

## Reforming and Improving Employee Benefits Attracts and Retains Top Quality PreK-12 Educators

The latest “Teacher Turnover Report” shows the continued increase in educators leaving the PreK-12 school employment ranks, which has increased from 11.17 percent in 2010-11 to 12.13 percent in 2011-12. In the next five years, more than one-third of teachers could exit from the profession through retirement. The maintenance of a viable health insurance plan and a fully funded retirement system are vital to recruiting and retaining a stable, vibrant workforce for North Carolina’s PreK-12 public schools.

NCAE supports and will work during the 2013 legislative session to restore a free state-paid health premium benefit for all active and retired employees. The Association will also work to ensure the Retirement System remains fully funded and continues as a Defined Benefit Plan that allows full pension benefits after 30 years, regardless of age. During the 2011 Session, a bill was filed. The bill failed that would have required educators to work until age 60 for full pension benefits.

NCAE believes that a solid state health plan should consist of both a *free* employer-paid premium and improved health insurance benefits with minimized reductions in cost and structure. The state health plan should also be on a calendar year so employees can make an informed decision on selecting which options of coverage to choose. Currently, *Open Enrollment* is in the spring, but final plan designs and premium costs for selecting coverage decisions are not finalized until July 1 or after.

Other improvements needed in the State Health Plan include:

- Working to expand the preferred provider network;
- Allowing employees to be immediately covered for benefits at initial enrollment (not waiting 30 days);
- Increasing choices in health coverage benefits;
- Subsidizing premiums for lower-paid employees and families.

The Association will work to establish annual cost-of-living adjustment raises for retirees that keep up with inflation, while working to increase the accrual formula on which pension benefits are calculated. The cost of living has not kept up with inflation. Employer contribution rates have dropped drastically since 1999, from an all-time low of zero in 2002, and only increasing slightly during the past decade. NCAE will fight to keep the Retirement System sound, while maintaining its AAA Bond rating.

Retirement is listed as one of the top five benefits employees consider when making employment decisions. Good health insurance benefits help attract the best employees to work in our schools. With the projected need for many additional educators in the very near future, how will the state attract needed employees when highly valued benefits, such as health insurance and retirement, remain stagnant or dwindle? The Association will work closely with lawmakers to provide quality employee benefits that support true education reform!!

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AND  
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