

NC Retiree Q&A: County officials on the impact of a future without benefits

State teachers and employees who start their jobs after or on Jan. 1 won't get retiree health coverage, locally affecting hundreds of workers who may have been planning their entire future around receiving those benefits.

The change comes after an alteration was applied to a 2017 budget law that was approved by legislative republicans for future anticipated health care costs for covered employees.

Some employers feel the law is just a routine change to retirement benefits.

Pat Ivey, Division Engineer for the North Carolina Department of Transportation, said he hasn't seen an impact in the recruitment of his division. "The overall retirement package for state employees, which closely resembles a more traditional pension plan, is still a large incentive for new hires."

However, some employee activists and organizations agree that taking away health benefits could negatively influence the recruitment of good, quality candidates.

Lobbyist Suzanne Beasley, of the state employees association of North Carolina, said employment in areas like the Department of Prisons has enough trouble without limiting the people who apply and serve in those positions.

"There are those who might be willing to work for modest pay, with the promise of having good benefits; medical benefits after retirement have a big impact," said Beasley. "There is so much uncertainty in North Carolina right now; we might not be able to bring people in to work and serve the citizens."

The 2017 alteration won't affect employees with a pension and those who were hired before January 2021. However teachers are among the career fields that could be impacted the most by these changes, due to great benefits they could've received.

Randolph County Superintendent Stephen Gainey, a child of a retired high school principal and a retired high school teacher said, he's bothered and does not agree with the implementation of the 2017 budget law as well.

The Courier-Tribune spoke with Dr. Gainey about his perspective on the future of educators in a world without benefits.

Q: What are your thoughts on the state budget?

A: When recession hit the Wake County public school system, then assistant superintendent for Human Resources, Gainey and his colleagues were able to promote retirement and health benefits to encourage employees.

"I don't think the state gets a lot of credit for the great package they put on the table for employees," he said. "I hate to see any of this going away during the retirement days for retirees."

The state has pride in itself and its retirement system for teachers, school employees and state employees, according to Gainey. The elimination of benefits concerns Gainey because of his previous conversations with first-year teachers about the value of benefits that were offered for retirement.

Q: How many teachers or school employees are hired in Randolph County each year?

A: "Right now, we are the biggest employer in the county and as of December 2020 we have 2,302 employees."

According to Gainey, the administration should shift their focus to whether they will be able to retain people, since veteran teachers hold institutional knowledge and can be assets for new hires.

"It's not just about hiring but more about retention, and about who is going to stay for 30 years or more knowing that there will be no health benefits after retirement," he said.

Q: Would local school systems plan to offset the retirement coverage for new teachers?

A: The Randolph County school system has not looked into whether they'll offset retirement coverage for new teachers at this time. "I don't want to say never but at the same token, I don't know that our resources would allow us to do that," the superintendent said.

If given the opportunity, Gainey says they would have created a study to project the outcome. The study for the budget plan would've taken the school system into a different direction than where they are now.

Q: Could the benefits be a bargaining chip for school systems seeking new teachers?

A: "I think it could've been depending on if a school system's resources would allow them to go in that direction," Gainey said. "That will be the biggest challenge to determine if you are able to do that."

Q: Do you think the budget will deter current college students studying education?

A: "Yes, but only time will tell. We'll have to wait and see," he said.

Gainey plans to watch for trends showing negative impact, admitting that education majors could feel discouraged and influence hiring moving forward.

Q: Do you think Medicare will pick up the slack for the budget?

A: Gainey does not have a position on Medicare now but is adamant that teaching is a special career that could be tarnished without motivation for teachers and other employees, including maintenance, transportation, child nutrition and technology.

Q: What are your concerns coming into 2021?

A: "I've already had worries about where we are with salaries and now on the longevity of people coming in now," Gainey said. "I hope we won't have a negative hold on their tenure or length of it."