

Court Rules for Vested Benefits, Rights of Retirees Dec 12, 2013

ALBANY - New York's highest court has ruled in favor of CSEA in an important case protecting the vested health insurance benefits and rights of retirees.

On Dec. 12, the New York Court of Appeals overturned an Appellate Division ruling that would have limited those rights. The case involved retirees from the Newfane School District in Niagara County who had sued after they saw increases in their health care costs, including co-payments, after they had retired - with vested health costs in place under their contracts.

The court based its ruling on the language in the CSEA/Newfane School District contract stating retiree health insurance shall be the coverage in effect on the date the retiree retired. The court held that this language grants vested rights for the lifetime of each retiree.

Had the Appellate Division ruling been upheld, these rights would have been strongly limited.

The Court of Appeals remanded the case to the trial court for evidence of the bargaining intent to further strengthen the protections.

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