

Update on SCREA Lawsuit Against County Retiree Health and Dental Subsidies By Mike DeBord

The following provides an update on the class action lawsuit by Sacramento County Retired Employees Association (SCREA) and six named plaintiffs vs. County of Sacramento.

On March 31, 2012, the Federal Judge denied in total the "Motion to Dismiss" that had been filed by the County of Sacramento, and the ruling also required the County to file an answer to SCREA's Complaint (lawsuit) within 21 days, which the County did primarily by denying the allegations. This lawsuit was filed by SCREA to establish retiree's entitlement to the continuation of health and dental insurance premium subsidies. The lawsuit alleges the following four claims:

1. Violation of the "contract clause" of Article I, Section 10 of the U.S. Constitution
2. Violation of the "contract clause" of Article I, Section 9 of the California Constitution
3. Violation of the "equal protection" clause of the Fourteenth Amendment to the U. S. Constitution
4. Violation of the "equal protection" clause of Article I, Section 7 of the California Constitution

On April 26, 2012, the County submitted a "Request for Production of Documents" and also requested the "First Set of Interrogatories" from SCREA. The first set of interrogatories asked SCREA to explain, identify and/or describe with specificity nineteen different areas related to SCREA's Complaint (lawsuit). A questionnaire was prepared by SCREA's attorney, Mark Merin, concurrent with the County's request, and the questionnaire was mailed to the SCREA membership in June 2012. The number of responses from retirees was very significant, with more than 1,000 responses received. One of the key questions asked County retirees "At any time during your employment with the County did you have the belief or understanding that, upon retirement, you would be entitled to receive a health insurance subsidy?" The overwhelming response from retirees, who previously held County positions at all levels of the organization, from the front line to the highest levels in the organization, was "YES". The responses also provided information regarding hiring statements and other very important information. I personally read each and every one of the responses, and we followed up on information provided. SCREA Board Members worked with our attorney to respond to the County's requests for documents and interrogatories, which was submitted to the County on July 27, 2012.

In addition, SCREA's attorney is working with Sacramento County to complete a Joint Status Report for the court to establish dates related to the legal process and the trial date.

Your SCREA Board of Directors wishes to express our appreciation to all of you for your responses to the questionnaire on this important issue! We clearly understand the financial impact that each of you face as your health premiums continue to skyrocket up and the subsidies are reduced to practically nothing or eliminated. We will remain diligent in representing your interests regarding the long standing, continuous past practice (since 1980) of providing County retirees with health and dental premium subsidies.