

## Information on timelines for Cadillac tax negotiations

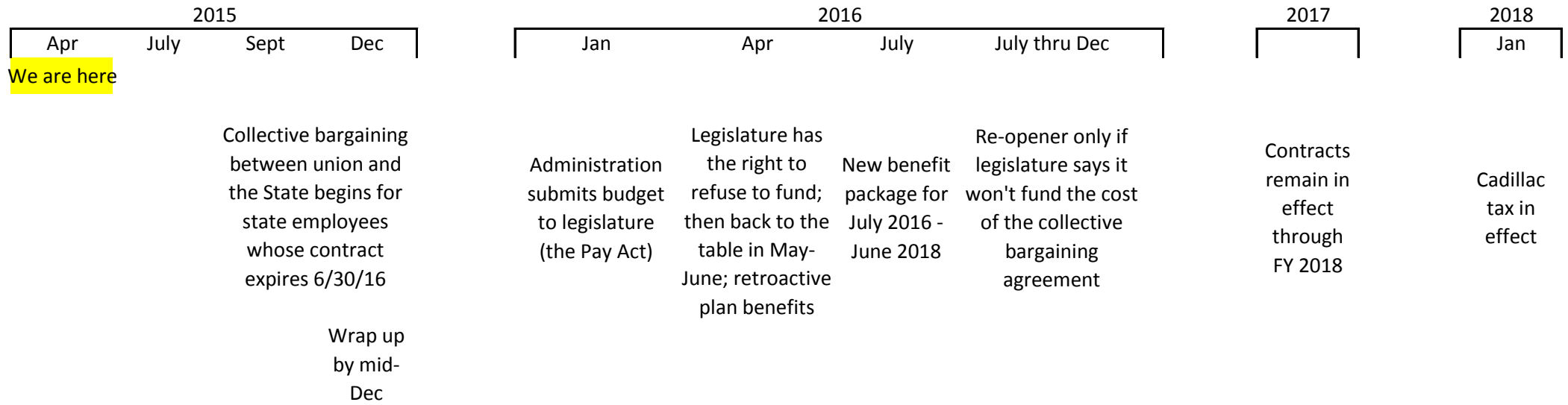
This document contains illustrative timelines to show when negotiations for health insurance benefits will take place for three groups of public employees:

- 1) State employees
- 2) School employees
- 3) Municipal employees

The Cadillac tax is a 40 percent excise tax that will apply to the value of health insurance benefits over certain thresholds beginning in January 2018. In many cases, negotiations for public employee contracts will take place this year--in the summer and fall of 2015--to determine health insurance benefits in contracts that will be in place when the Cadillac tax takes effect.

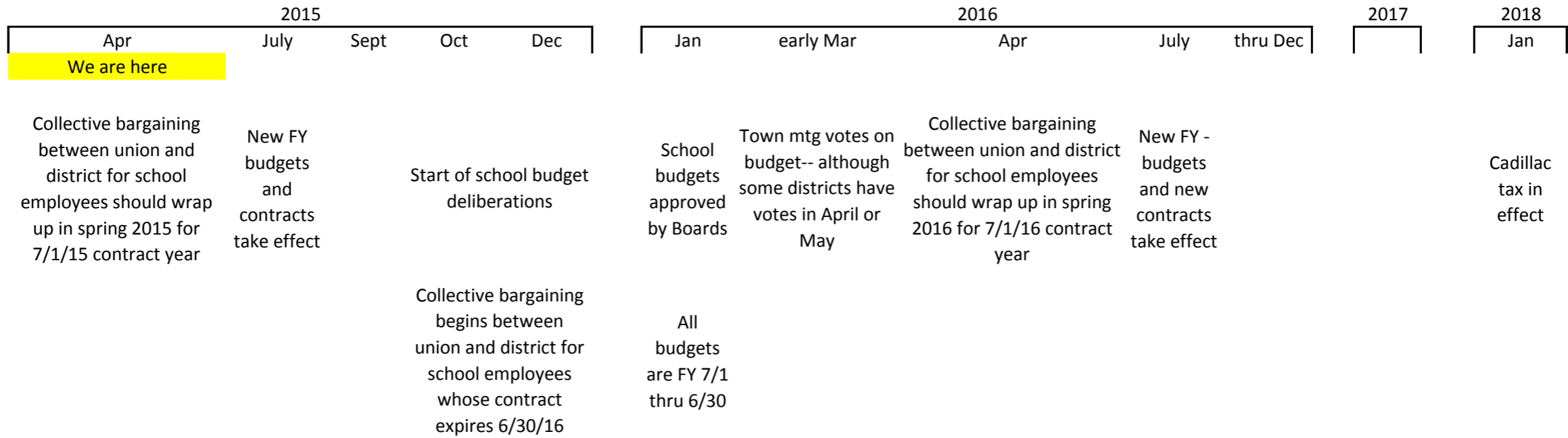
## Timeline for the Cadillac tax negotiations

### 1. STATE EMPLOYEES



**Timeline for the Cadillac tax negotiations**

**2. SCHOOL EMPLOYEES**

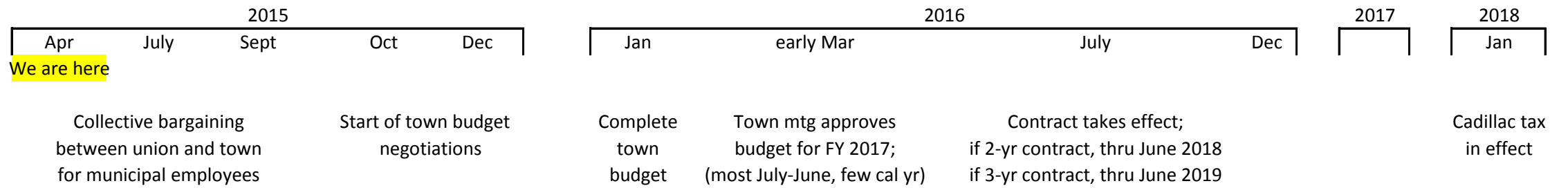


**Notes:**

- School districts typically have at least two bargaining units- professional staff and support staff. Many districts also have non-union employees.
- School districts are often bargaining with at least one employee group two out of three years.
- School districts now bargain as an SU- even though each district may have different contract terms.
- School districts typically settle 1, 2 or 3 year agreements. With the uncertainty around health care, there are fewer 3-year agreements.
- Unknown how many districts have contracts that take them into FY 17 and therefore have little time to consider Cadillac tax.
- Many districts have added reopener language to allow ability to respond to Cadillac tax and other changes in the health care arena.
- No school district has voluntarily given up grandfathered plans and left VEHI by design.
- School districts have been aware of Cadillac tax but assumed Green Mountain Care made the issue obsolete.

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**3. MUNICIPAL EMPLOYEES**



**Notes:**

Smaller towns often do not use collective bargaining; manager or Select Board decides

# employees 1-50: all in exchange; only 10-20 of 200 towns use collective bargaining

# employees 51-100: almost all collective bargaining; all in exchange in 2016

# employees >100: several are self-insured

Burlington is self-insured

Rutland

Brattleboro

Montpelier

Town of Hartford?

Chittenden Transportation Authority?

Chittenden Housing Authority?

