SUFFOLK COUNTY MUNICIPAL EMPLOYEES BENEFIT FUND

S.C.M. EMPLOYEE BENEFIT FUND

SCOTT MIRABELLA, ADMINISTRATOR

September 30, 2025

Dear Benefit Fund Member:

During our recent campaign for election to be the new Executive Board for the Suffolk County Association of Municipal Employees, we repeatedly raised concerns regarding the sustainability of the benefits being offered through the Suffolk County Municipal Employees Benefit Fund. These concerns were based on disturbing information we were receiving regarding the cost of several of these benefits versus their utilization rate. The information indicated that the Benefit Fund was hemorrhaging hundreds of thousands of dollars more per month than the fund was receiving through the County's contributions. These concerning revelations were further reinforced through our examination of publicly available financial documents filed by the Benefit Fund.

Furthermore, the indications are that the *only* reason why the Benefit Fund has remained solvent was due to the use of funds from the County's repaid loan by the prior administration for "operating" expenses, rather than restoring those funds to the investment reserves. Moreover, the Benefit Fund liquidated additional Benefit Fund reserves to cover monthly shortages. In fact, soon after the close of the election and prior to our taking office on July 1st, the Benefit Fund was compelled to liquidate $4 million of those reserves to cover expenses. These impacts are easily evidenced by an historical examination of our Reserve Funds, which once stood at over $30 million and now risk falling below $18 million before the end of the year.

Upon taking office on July 1st, we took immediate action by terminating certain staff due to actions we deemed not to be in the best interest of the Fund. Thereafter, we reappointed the former Fund Administrator, Scott Mirabella, to manage the Benefit Fund. Furthermore, we appointed a new Board of Trustees to oversee the Benefit Fund, consisting of four of the newly-elected AME Executive Board officers along with Suffolk County Corrections Officers Association President Louis Viscusi. Most importantly, since assuming control of the Board, the new Trustees have been reviewing the cost and utilization rate of the benefits offered by the Fund. This examination has shown a marked contrast between the utilization and costs of the long-offered "traditional" benefits offered (e.g.: prescription, tax, optical, etc.) and several more-recently added "newer" benefits (e.g.: financial planning, disability insurance, telehealth, etc.). Additional investigation has shown that significant year-over-year cost increases associated with our dental plan have also greatly contributed to the problem.

This past week, the newly-appointed Board of Trustees held its first quarterly meeting with the Benefit Fund Administrator, staff, and contracted vendors to review performance, utilization, and plan costs. Following the presentations, the Trustees reviewed the vendor presentations and our own prior benefit analyses to determine what actions were needed to safeguard the Fund. After much discussion and deliberation, several hard decisions were made to ensure the Fund remains solvent in the short-term, while we work on long-term protections. As such, the Trustees have determined that it is necessary to cease offering the following benefits and this statement herein serves as the required notification to the Members of the cessation of said benefits. These cuts will help save the Fund hundreds of thousands of dollars for the remainder of 2025 and into 2026.

PHONE (631) 319-4099
30 ORVILLE DRIVE, SUITE D
BOHEMIA, NY 11716-2513
www.scmebf.org
FAX (631) 218-7970

The Benefit offerings to be cut include:

Aura	(termination effective 10/31/2025)
Access Discount Health Care	(termination effective 11/30/2025)
Financial Planning Services	(termination effective 10/31/2025)
Pension Planning Services	(termination effective 10/31/2025)
Credit Card Dispute Services	(termination effective 11/30/2025)

Please take due notice of the above-mentioned termination dates and govern yourself accordingly. With regard to Access Discount Health Care, please be advised that our Employee Medical Health Plan provides behavioral health assistance, so Members in need of those services may wish to inquire about those options. Moreover, the Trustees determined that significant revisions needed to be made to the disability and life insurance benefits being offered if those benefits are to be retained in any form. As such, the Trustees have scheduled a follow-up meeting with the vendor to provide him with the opportunity to propose a more focused benefit at a much-reduced cost to the Plan. If a reasonable agreement can be reached, the Trustees will review the ability of the Plan to retain some or all of these benefits.

Nevertheless, despite all of the proactive steps to be taken, as outlined above, these alone will not resolve the Plan's negative cash-flow due to the high cost of our dental plan, as currently administered. Therefore, the Trustees have determined that we must immediately begin to draft and issue a Request for Quotes (RFQ) / Request for Proposals (RFP) to seek a more cost-effective dental plan for our members that offers desired dental services at a pragmatic and *sustainable* price with reasonable co-pays and price caps. It is hoped that the RFQ / RFP will be issued before the end of the year so that we can negotiate and execute the new Plan as soon as feasible.

The Trustees realize that the last thing a Member wants to hear is that benefits are being reduced. However, be assured that the Trustees are making these hard decisions *now* to safeguard the long-term viability of the Fund and ensure that it is solvent for our current members and those who are yet to come. We do not make these decisions lightly. Rather, we make them with the hope that a streamlined Plan under sound fiscal stewardship in partnership with responsible vendors will provide more focused and impactful benefits for all. Moreover, once reserves are stabilized and contracts are fully reviewed and revised, the Trustees can revisit the viability of implementing expanded offerings at reasonable costs in the future.

Our fiduciary responsibility – our mandate – is to safeguard your Benefit Fund and we are committed to doing so. Things may be difficult in the near-term, but the Trustees are confident that we can preserve the Benefit Fund and ensure its long-term viability.

Cordially and Fraternally,
Terry Maccarrone
Terry Maccarrone
Chairman