

# Facing destitution, Detroit retirees denounce pension cuts in letters to court

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Detroit retirees are bracing for the impact of Detroit Emergency Manager Kevyn Orr's bankruptcy restructuring plan, which many retirees say will render them incapable of paying necessary medical bills and house payments.

Taking into account the end to cost of living adjustments (COLA) and massive cuts to retiree health benefits, including complete termination of dental and vision care, many retired Detroit city workers are facing reductions of their income by more than 50 percent. An attorney for the Detroit Retiree Committee Carole Neville said total cuts will reach 85 percent of what is owed to the city's nearly 24,000 retired city workers and their families.

Under the "best" scenario for non-uniformed retirees, which would cut 26 percent from their pensions rather than 34 percent if all lawsuits against the bankruptcy are dropped, the average Detroit pensioner would see their monthly check reduced to barely \$1,100.

As for current city employees, their pension benefits will be frozen on July 1. While they continue to work for the city they will cease accruing pension benefits.

While Detroit's workers are stripped of their benefits Orr is preparing another \$85 million payment to the banks that swindled the city for hundreds of millions via the predatory interest rate swaps deal of 2005-06.

During the past months, the corporate media and political establishment promoted a "grand bargain," which would pool funds from the state, the Detroit Institute of Arts, and a number of private foundations to offset the cuts to pensions. While the scheme is intended to mollify the growing rage of workers against the cuts, even if it were approved it will only "save" retirees from a small fraction of the cuts. At the same time, should the cash-strapped DIA, the Michigan state government or the ultra-wealthy philanthropies reduce their commitment even greater pension cuts will be imposed.

The social fallout from Orr's adjustment plan is amply documented in the multitude of letters that have been submitted by retirees to the bankruptcy court.

On Monday, the WSWWS published selections from some of the retiree letters. Below are more selections from the tall

stack of letters addressed to Judge Rhodes.

## **Adriane Girty**

"My purpose for this letter is to explain to you how ruling in the favor of the City of Detroit bankruptcy would affect my life. Your Honor I have a chronic illness (Systemic Lupus/Rheumatoid Arthritis) where I am currently under doctor's care. I have an 8 y/o son at home with me that very much depends on his mom to care for him. With the city requiring me to pay for my own medical insurance and wanting to cut my pension by 34 percent, my son and I are endangered."

"I took an early retirement last year because of health reasons because I knew we would be receiving benefits and my pension is enough for me and my child to survive off of but if this drastic situation takes a turn for the worst me and my child will be living on nothing and barely surviving."

## **Rita Duheourou**

"I retired in 2005 based upon a certain amount guaranteed to me by the General Pension System. Little did I know that nine years later my health and pension allowances would be greatly cut.

"During the last nine years I have had many health challenges: I was diagnosed with spinal stenosis and cancer of the lymph nodes. For the rest of my life I will have to receive treatment for these conditions and from the residual effects of the treatment."

Not only do I have to deal with health issues, I have to deal with the psychological stress, the anger, the feeling of being a pawn, the loss of income, the feeling of hopelessness and despair that I feel.

"We in the twilight of our lives should not be treated this way—our financial responsibilities can't be met with the amount of money we'll be left with."

## **Patrice Robinson**

"A reduction in my pension would cause my home to go into foreclosure and cause me to lose the medical plan I've had to purchase. I will no longer be able to afford medicine and buy food. My insurance for health care is vital. I deserve a home and a roof over my head—I worked all of those years

and will not be allowed to keep my home and eat. There is no place for me to go. I will end up on the street as I have seen happen to so many people. Please do not cut my pension.”

**David Fedenis**

“My name is David Fedenis, a retiree from the City of Detroit for 31 years with the Department of Transportation. I started working as a mechanic in 1976 for \$6.00 an hour and retired as a Maintenance Superintendent. I never made top dollar with the city but had good benefits. I paid into them weekly. We maintained the buses out of the old trolley barns. We inhaled asbestos and diesel fumes every day.

“Now that I need my health care it’s being stripped away like it’s no big deal. Now I have Arthritis, High Blood Pressure, High Cholesterol and thyroid issues, and the added stress and depression on my wife and myself not knowing what our future holds. I now take 6 scripts daily. My medical is very important.

“When I first retired, the Governor taxed our pensions. Now to purchase health care it cost me \$800.00 a month with a high deductible not including scripts, dental and vision coverage. Now with a 34 percent cut to my pension it makes it impossible to survive.

“My Wife and Myself preached over the years to our two sons the importance of doing your best in college, giving your employer 100 percent everyday on your job performance and attendance and one day it will pay off for you. Wow this theory really fell apart for me.”

**Dino Braddy**

“I am writing you to explain how this bankruptcy would affect me and my family. I have worked for this city for 30 plus years, and would never thought that I would have to give back 30 percent of my hard earned pension.

“My house used to be a 2 family income now it’s only one. My wife lost her job back in 2012 after 25 plus years with the banking industry and she is not able to work due to medical issues and has lost her unemployment. Now with me having to pay my own health insurance and receiving 30 percent less pension I am in the poor house or you can say out in the streets. I’m not at the age to get Social Security. I won’t have enough to pay for medicines or office visits for us.

“It’s just a matter of time I will be homeless. Does anyone cares about us (Retiree) in the City of Detroit? Some of us didn’t have nice pensions but we’re glad to get what we have. Please Help!!!”

**Eric Davis**

“My pension is my only source of income. Any deduction of my pension would be devastating to my social economic status. It would place me into poverty, therefore force me to seek public assistance. It would be unjust and unfair. After

thirty years of earned benefits, to say the least.

“This reduction in my earned pension would be devastating for me. I’m the caregiver for my 80 year old mother which effects my quality of life immensely.

“Mr Orr is spending millions of dollars on consultants fees. Please do not reduce our benefits which have a wasting effect on our quality of life. We do not deserve this treatment.”

PS – “Obamacare has increased my health care already five times over.”

**Mary E.**

“Dear Honorable Judge Rhodes, I am a 64 year old widow, who has lived in my home for over 30 years. I am still paying a mortgage which comes out of my pension. If my pension is decreased, I will have to let my house go.”

**Cynthia Haskin**

“This adjustment is more than the 36 percent decrease in pension payment, as the City no longer assists with or provides medical payments for retirees. The average retiree is not eligible for Medicare (as I am at age 64 years old) and is paying the minimum medical insurance payment of \$300.00 per month out of pocket. If you want to keep your current medical provider, Blue Cross Blue Shield, the premium is double.”

**John Robinson**

“I worked for the City of Detroit as a bus mechanic for 29 years. During that time due to the continued receptiveness of bending, stooping, reaching and standing, I began having neck and lumbar spine problems. For more than 10 years I have seen a number of doctors and have had several tests and procedures trying to find relief.

“I recently found out that I have prostate cancer and will have to have surgery in the near future, and now I find out that the city is cutting my health insurance.

“In addition to having to provide my own insurance, the emergency manager wants to take 34 percent of my pension. With taking away my health insurance and 34 percent this will add up to far more than 34 percent. This will put me within the poverty level guidelines and will make me eligible for state assistance for the first time in my life.

“Judge Rhodes, take a moment and put yourself in my shoes, I’m sure you would feel this is unacceptable after working for so long for the City of Detroit, giving, sacrificing and working in the freezing cold in the winter and in the heat of the summer.”



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