

Workers at Detroit retiree meetings voice anger over pension cuts

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At meetings of Detroit city retirees this week, retired workers voiced strong opposition to the massive cuts contained in the plan of adjustment being proposed by Detroit Emergency Manager Kevyn Orr.

The latest round of meetings was called by trustees of the police, fire and general retirement systems. They followed the pattern of previous meetings called by the Official Committee of Retirees, a nine-member panel of union officials and their legal advisors, where workers were handed an ultimatum—either vote to approve massive pension reductions or face even more draconian cuts.

Under terms of the plan of adjustment proposed by Orr, general retirees will see their cost-of-living allowance eliminated and their pension checks reduced by 4.5 percent. This comes on top of massive cuts to retiree health care benefits and a so-called clawback of money workers deposited in the Annuity Savings Fund. Orr claims the city paid excess interest to retirees who invested money in the annuity account, money that he is now demanding be repaid. In some cases, this could amount to tens of thousands of dollars per retiree, depending on how much he or she invested. All the cuts together amount to a 40 percent aggregate cut to retiree income.

While retirees are being asked to vote on the plan of adjustment, the ballot is itself a sham. In case the vote goes against the plan, Orr is threatening a “cram down,” imposing a further reduction in benefits. Even if every class of creditors approves the plan, federal bankruptcy judge, Steven Rhodes, can ignore the vote and impose even steeper cuts.

The Reverend Wendell Anthony, president of the Detroit Chapter of the National Association for the Advancement of Colored People (NAACP) opened the meeting called by the General Retirement System of

the City of Detroit. Anthony, who sits on the general retiree pension board of trustees, praised the work of the board, which is calling for a “yes” vote on the plan of adjustment. Referring nervously to the massive opposition to the cuts he urged retirees, “not to slay the messenger,” adding, “We don’t want to throw anyone out of here.”

This did not prevent Anthony, whose church hosted the event, from banning the distribution of leaflets on the premises. Supporters of the Socialist Equality Party who attempted to distribute copies of a newsletter opposing the plan of adjustment were forced to leave the building and move out to the street. Later, during the session, a security guard manhandled a female retiree who attempted to speak from the floor.

The support by Anthony for the plan of adjustment further demonstrates that all sections of the political establishment, from the Obama administration, to the unions to the official civil rights movement are united in a conspiracy against the workers of Detroit. These attacks are to serve as a model for what is in store for workers across the United States.

During the session, there were repeated heavy-handed attempts to intimidate workers. The main presenter, Claude Montgomery, the attorney for the general retirement system, even posted a slide on the overhead projector written in capital letters declaring, “You cannot avoid a reduction in your pension benefits by refusing to vote.”

Montgomery also touted the “Grand Bargain,” under which the state of Michigan and private foundations will contribute several hundred million dollars to facilitate the implementation of Orr’s plan of adjustment. The state legislature also recently approved a plan to maintain the city of Detroit under a financial dictatorship for up to 13 years after the city exits

bankruptcy. As part of the deal, the Detroit Institute of Arts will be put under the control of a trust bankrolled by wealthy foundations.

Following the presentations, the organizers quickly brought the meeting to an end, hardly allowing any time for questions and then only accepting ones written out in advance and prescreened.

Afterwards, *World Socialist Web Site* reporters spoke to retirees. Carl Dingle said, “It looks like what they’re doing is using a scare tactic. But either way, whether we accept or reject the plan they’re going to cut our pensions.”

Another retiree, Saereee Mansbury, said, “I don’t like what they’re doing. They’re balancing their books on the backs of the workers. But you know what, they’ve had this plan in the works for years.”

Bill, a retired Detroit Department of Transportation worker said, “When you are relying on a small pension check and a little Social Security you are up against the wall. How do you prove that they are telling you the truth? Where do you go to get real information? It is a gamble either way you go. You are taking chances with your future.

“The only people that matter are those that are affected by the cuts. The pension board members won’t be affected.”

Marchel, a retired parks and recreation worker added, “I am not happy about it. The state constitution has to mean something. If they were being fair we would get a decision on the lawsuits [challenging the legality of the bankruptcy] before we voted. Why should we give up our rights? How can people stand a 20-to-40 percent reduction in pensions?”

At the meeting of police and firefighters, the legal team for the police and fire pension systems said that while they were opposed to the December 3 court ruling by US Bankruptcy Judge Steven Rhodes declaring the city eligible for bankruptcy, they now believe it is necessary to accept the “Grand Bargain.” There was noticeable disquiet toward this position, including outbursts of murmuring and other mild forms of disruption during the presentations by the attorneys.

Raymond Marshall, a firefighter who retired in 2007, spoke to the WSWS after the meeting. “If we vote yes, we sign all our rights away. If we vote no, they screw us anyway.

“I have already lost all my health care, and now

they’re talking about taking the COLA. This is throwing a major wrench in my life plans. It’s going to be no more vacations, and skimping and saving every penny to get by.

“They’re putting the retirees into different tiers, with some getting better treatment than others. This seems intentional to me. They want to keep us divided.

“The truth is, though, this is going to hurt everybody. Everybody, that is, except the rich folks downtown. They seem to be doing better than ever.”



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