AARP Michigan

Don’t raid retiree pensions to right Detroit’s fiscal house

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In response to the Detroit bankruptcy issue and its potential impact on pensions and health benefits, AARP Michigan State Director Jacqueline Morrison issued the following statement today:

“The firefighters and police of Detroit have dedicated their careers to protecting the city’s citizens. These first-responders – and other hard-working Detroit public employees – made their pension payments. They count on their health benefits. We can’t change the rules at the end of the game for these public employees.

“Attorney General Bill Schuette has said that, under the state Constitution, pension obligations to state and municipal employees and retirees in Michigan may not be “diminished or impaired.” Cutting the pension benefits of Detroit’s public employees, who have paid into the system over a lifetime of hard work, violates the Constitution and the state’s contract with all its retirees.

“Many retired public employees live on fixed incomes. And, unlike most Americans, Detroit’s firefighters and police do not get Social Security, and instead rely more heavily on the pension and health benefits they worked for when they retire. The average firefighter in Detroit survives on a pension of only $30,000 per year.”

“Raiding the pensions of hard-working Michiganders to make bondholders whole is not the way to right Detroit’s fiscal house. Detroit’s public employees – all of us – deserve an open, thoughtful discussion about the role we can all play in moving Detroit forward. And, Detroit’s retirees must have effective representation throughout the process of addressing the city’s challenges. Their participation will be crucial.

“On behalf of AARP members throughout Michigan, we fought to protect the retirement income of Michiganders from a substantial tax increase. AARP will continue to be a watchdog for our members and all older Michiganders. We will hold the politicians accountable for finding responsible solutions that protect retirees’ pensions and health benefits.”

- See more at: http://states.aarp.org/dont-raid-retiree-pensions-to-right-detroits-fiscal-house/print/#sthash.GQdtRIB1.dpuf