

**SUPPORT THE FULL RESTITUTION OF PENSIONS  
FOR DETROIT MUNICIPAL EMPLOYEES**

WHEREAS, in his December 13, 2013 decision, Federal Court Judge Steven Rhodes allowed Detroit to enter into Chapter 9 bankruptcy protection and allowed pensions of City employees and retirees to be cut as part of the reorganization; and

WHEREAS, Judge Rhodes's decision nullifies the protection that members of the pension system believed they had under the State Constitution, which says ". . . the accrued financial benefits of each pension plan and retirement system of the state and its political subdivisions shall be a contractual obligation thereof which shall not be diminished or impaired thereby;" and

WHEREAS, the court-appointed Committee of Retirees has reached a tentative agreement with the City of Detroit in which 20,000 city retirees will vote by July 11 on whether to accept up to a 4.5 percent cut to their pensions and eliminate cost-of-living increases, a proposal that undermines the Constitutional protection of benefits achieved through collective bargaining; and

WHEREAS, the pension crisis in Detroit is not the fault of the City employees, who have served the City for modest salaries and deferred a portion of their compensation as pensions, but rather of 30 years of tax policies that redistributed public funds to corporate interests and led to disinvestment in public pensions, a trend that accelerated after the 2008 recession; and

WHEREAS, Judge Rhodes and the Detroit city government threaten to establish a precedent that could be used by states and municipalities to abrogate contractual obligations to public employees; and

WHEREAS, such decisions undermine the contracts made between state and local governments and their public workers, thereby removing the sense of security that public workers may have; and

WHEREAS, all workers are undermined when pensions that Detroit workers have earned are denied them by their government, and all workers should stand together to demand full restoration of those pensions:

**RESOLVED, that American Federation of Teachers (AFT) recognize the achievement of the Committee of Retirees in negotiating a restoration of a substantial part of retirees' pensions for Detroit municipal employees in the tentative agreement, even as that agreement comes under attack from far-right corporate interests, but that AFT continue to support full restitution of pensions for Detroit municipal employees; and**

**RESOLVED, AFT pursue Congressional legislation to amend Chapter 9 bankruptcy laws to prevent Chapter 9 from being used to undermine protections afforded to retirees' accrued pension benefits as stated in state constitutions.**



President



Secretary