



general motors retirees association

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## NEWS RELEASE

**For Immediate Release**

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### **GM Retirees Call for Congressional Protection of Benefits**

New York, N.Y. (June 25, 2009) – Following denial by the federal bankruptcy court of the General Motors Retirees Association application for a benefits committee to protect GM salaried retirees, GMRA is now asking the U.S. Congress to act immediately in defense of the benefits these GM retirees earned through decades of labor and loyalty to GM.

"We at GMRA are deeply disappointed by the failure of the bankruptcy court to allow us to take reasonable steps under Section 1114 of the Bankruptcy Code to protect the health and security of all GM retirees," said John Christie, GMRA President. "The court, in our opinion, did not do what was necessary to permit all parties to be treated fairly."

"While the GMRA leadership will consider all the legal options available to us, we now look squarely to the Obama administration and to the U.S. Congress to make certain there is a fair process and outcome for all GM retirees," said Christie. "GM retirees always expected to sacrifice as part of GM's restructuring, but one group of retirees shouldn't bear the bulk of that burden. Surely our elected officials can intervene to protect the sick and elderly from poverty when these people worked hard and played by the rules."

The majority of all General Motors retirees have been represented by the United Auto Workers in negotiations with the GM leadership and bondholders on pension, healthcare, and other benefits.

However, over 122,000 salaried retirees and their surviving spouses were not part of the UAW agreement and have had no representation in discussions about the new GM. These non-union, salaried retirees were engineers, project managers, clerks, and other employees. Many earned annual salaries equal to or less than the wages earned by union employees.

For the non-UAW retirees, who live throughout the United States, the current GM proposal would reduce certain benefits by two-thirds, including the outright elimination of dental, vision, and long-term disability coverage. The retirees would see significant increases in premiums, co-payments and deductibles for health care.

The non-UAW retirees also would face an immediate reduction of life insurance benefits following the emergence of the new GM from bankruptcy. In some cases retirees would lose \$70,000 or more in life insurance benefits.

“For people living on a fixed income, the benefit losses proposed by GM are breathtaking,” said Karen DeOrnellas, Director of Communications for GMRA. “These retirees are old. Many are sick or disabled. In almost all cases they cannot make this money back or return to work.”

GM retirees have written GMRA to say the latest proposals for benefit losses will make them choose between paying for prescription drugs and paying for food, electricity, and housing. Many will be unable to replace lost life insurance, jeopardizing the ability of their spouses to remain in their homes.

“We want a reorganized GM to succeed, but bankruptcy shouldn’t push tens of thousands of retirees and their families into poverty or endanger their health when those people did nothing wrong,” said DeOrnellas.

GMRA is represented before the federal bankruptcy court by Farella Braun & Martel LLP.

The General Motors Retirees Association is a national advocacy organization devoted to the preservation of pension, health care, and other benefits earned by GM retirees through their years of labor and loyalty to GM. GMRA stands for the fair treatment of all GM retirees, including the salaried retirees not already represented by the United Auto Workers. GMRA collaborates with the National Retirees Legislative Network (NRLN). The GMRA Web site is at [www.gmret.org](http://www.gmret.org).

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