



For Immediate Release

ProtectSeniors.Org Chairman asks both House and Senate Budget Committees to Pass Legislation to Protect Earned Healthcare Benefits

On behalf of 14.3 million retirees, ProtectSeniors.Org Chairman C. William Jones submitted written testimony to both the United States House and Senate Budget Committees to enact legislation to protect earned retiree health benefits. The Earned Retiree Healthcare Benefits Protection Act (HR1322) would make it illegal for companies to make post-retirement reductions in or cancellations to retirees' health benefits. HR 1322 would add no cost to the federal government.

“We are facing a healthcare crisis in this country and HR 1322 should be part the overall solution... The federal government cannot afford to replace these benefits for millions of retirees. Nor can many of these retirees pay more out of their pockets to get the basic healthcare they need,” said Jones in his testimony.

While employers on one hand acknowledged their implied contract, in the 1980s and 1990s they added a clause to their benefits practice called “the Reservation of Rights Clause,” which they argue gave them the right to amend the plan at any time. This change was never communicated to employees during their careers and many first learned of this only through papers in their retirement-termination packages.

In his testimony, Jones detailed what happened to retirees at General Motors who retired early in exchange for lifetime healthcare insurance. After they retired, the company reneged on the agreement. Mr. Jones also included examples of similar cuts in corporate retiree health insurance at major companies including Aetna Inc., Bethlehem Steel Group, Caterpillar Inc., DuPont Co., Embarq, Kodak, Levi Strauss and Co., Lucent Technology, Sears, Roebuck & Co., Tribune Co., Verizon Communications, and Whirlpool Corp.

At the end of his testimony, Mr. Jones had told the committees that “[w]e are not here asking for a handout. What we want is for companies to live up to the promises they made.” He asked the Committee Chairmen to support HR 1322 and pass it into law.

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