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Retiree Leader Says Bankruptcy Court's Decision Is Slap In The Face To Delphi Salaried Retirees

*Retirees To Have Health Care and Life Insurance
They Worked A Lifetime To Earn Taken Away*

WASHINGTON (February 25, 2009) – The leader of a national retiree organization today called on President Barack Obama to make good on his commitment to reform corporate bankruptcy laws to protect workers and retirees before more retirees suffer the fate handed to Delphi salaried retirees and their spouses by a bankruptcy court judge.

U.S. Bankruptcy Judge Robert Drain on Tuesday, Feb. 24, 2008 granted Delphi Corp. permission to cancel its salaried retirees' health care and life insurance for 15,000 people as early as April 1. The judge said the automotive systems company's plan represented "good business judgment."

"President Obama needs to pressure Congress to pass legislation to make good on his promise to place workers and retirees 'higher on the list of debts that companies cannot shed,'" said Bill Kadereit, President of the National Retiree Legislative Network. "The ink is barely dry on the letters that I sent last week to President Obama and members of the Senate Judiciary Committee citing Delphi's proposed plan as an example of why the status of workers and retirees need to be elevated in bankruptcy proceedings."

Kadereit, whose organization represents more than 2 million retirees, said the court's decision was a slap in the face to retirees who had worked long and hard for General Motors and then were separated into Delphi in 1999. Kadereit noted that Judge Drain only agreed to appoint a temporary 1114 committee to review whether some retirees have special rights to continue health insurance benefits, thus limiting the authority that bankruptcy courts often give retiree committees to negotiate for benefits with their former employer.

"Vendors and shareholders who assumed business risks should be first in the line to absorb Delphi's losses, not the retirees who did their utmost to build the company," Kadereit said.

"While President Obama and Congressional leaders are focusing their attention on health care reform legislation, they are allowing corporations to evade their moral obligations by breaking the promises they made to provide retirement benefits," Kadereit said. "Health care costs placed on retirees have eroded their income by as much as 30 percent, and many are in or headed toward poverty."

Kadereit noted that catastrophic medical coverage is one of the biggest losses that Delphi salaried retirees and millions of other retirees are facing due to the elimination of their company-sponsored health care plans.

"Even if a retiree is eligible for Medicare, there is no catastrophic provision in Medicare," he said. "One serious illness or major surgery can wipe out a retiree's lifetime savings."

"People 65 and over are more than twice as likely to file bankruptcy as those younger," he said. "The bankruptcy filing rate for those 75 and older has more than quadrupled, many the result of debts incurred for medical treatment."

Kadereit said with many companies declaring bankruptcy and many more laying off workers Congress should pass legislation to allow individuals age 50 to 64 to buy into Medicare at a cost that would not further burden the system but provide an affordable cost to purchase health care coverage. He said it is a fact that individuals in this age range find it more difficult to gain employment, especially a job that provides health care benefits.

"The elimination of the company-sponsored life insurance benefit is a severe blow to Delphi salaried retirees who had counted on their life insurance to help their surviving spouses pay final medical bills, funeral expenses and hopefully have money remaining to make life somewhat comfortable," Kadereit said. "Congress needs to wake up and prevent former employers and bankruptcy courts from stripping away the life insurance benefit that becomes unaffordable or unattainable for many retirees to replace at their age."

Kadereit added, "Congress is vastly misunderstanding the level of anger and backlash that is rapidly building among tens of millions of retirees across this country. You can't dally over health care access-for-all while at the same time stand still and watch millions get their access and lives ripped away. Where is the justice?"

"Retirees are shamed when they are called "legacy" by corporations and Congress. America needs to shame the executives that screw up what retirees have built. We have offered solutions to Congress but retirees are being treated like the step-children of our society - Congress just doesn't get it! Delphi salaried retirees gave their working lives to GM and Delphi and our great country. How will their children and grandchildren judge us?"

Based in Washington, D.C., the National Retiree Legislative Network (NRLN) is the only nationwide organization solely dedicated to representing the interests of retirees and future retirees. The NRLN's mission is to secure federal legislation to protect retirees' employer-sponsored pensions and benefits plus keep Social Security and Medicare strong. The NRLN is a non-profit, non-partisan, grassroots coalition of retiree associations and individual members representing more than two million retired men and women seeking to preserve the retirement benefits they earned during their many years of employment. For more information and to join the grassroots network, visit the NRLN website at <http://www.nrln.org>.

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