



Schuette Fights For Michigan Pensions, Michigan's Constitution

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LANSING - Attorney General Bill Schuette today announced he is joining the City of Detroit federal bankruptcy case on behalf of Southeast Michigan pensioners who may be at risk of losing their hard-earned benefits in accordance with his responsibility as Attorney General to defend the constitution of the State of Michigan.

"The City of Detroit's bankruptcy will cause even greater hardship for many people in Southeast Michigan who are already struggling. Detroit's \$20 billion indebtedness is simply staggering. Equally staggering is the financial uncertainty of pension benefits relied upon by Michigan seniors living on fixed incomes and anticipating a safe and secure retirement after a lifetime of work," said Schuette. "Retirees may face a potential financial crisis not of their own making, possibly a result of pension fund mismanagement.

"Michigan's constitution, Article 9, section 24, is crystal clear in stating that pension obligations may not be 'diminished or impaired,'" Schuette said. "As Attorney General, I will defend the rights of Michigan citizens and defend the Constitution of the State of Michigan."

On Monday, July 29, 2013, Schuette will file an appearance in federal bankruptcy court in his role as the People's Attorney" on behalf of pensioners who could stand to lose pension benefits during the proceedings.

Schuette added that he and his office will continue to fulfill its constitutional responsibilities to aggressively represent Governor Rick Snyder and State departments in legal proceedings relating to the Detroit Bankruptcy.

Schuette also noted that the Michigan Constitution states in Article 9, Section 24 that "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. Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and such funding shall not be used for financing unfunded accrued liabilities."

Schuette will be informing the federal bankruptcy court that Michigan residents live under a constitution that protects hard-earned pensions. While no court action has been specifically initiated on the issue of pensions at this time, by filing an appearance, Schuette will be able to defend the State constitution if and when this does occur.