

Sample Letter #1

REPRESENTATIVE OR SENATOR ADDRESS (Should be Senator (Senator's name) or The Honorable (Representative's name) when addressing your letter)

Re: Chrysler's Termination of Life Insurance Coverage for Non-Bargaining Unit (NBU) Retirees

Dear Senator OR Dear Representative: The purpose of this letter is to express the concerns of Chrysler NBU Retirees and to enlist your support in rectifying the inequities and injustices imposed upon them. As you may already know, the Equal Employment Opportunity Commission (EEOC) introduced regulations allowing employers to eliminate employer-sponsored retiree health benefits when retirees became eligible for Medicare. Purportedly, this action was deemed necessary to aid employers who faced a competitive disadvantage due to burgeoning health care costs. By failing to pass legislation reversing the EEOC regulations, Congress gave de facto approval to this attack on retiree benefits; and, as a result, Chrysler NBU retirees and millions of other retirees have had the burden of health care costs shifted to them.

By remaining passive and inactive, Congress allowed employers to exact additional sacrifices from retirees and to impose unexpected and unwarranted financial burdens upon them. The most recent example of such an added burden is Chrysler's decision to terminate company-sponsored life insurance coverage for retirees (pre-and post-age 65) effective June 1, 2008. The company justified eliminating retiree health care expenses in 2007 because they represented an ever increasing and unmanageable liability. This justification, however, cannot be applied to life insurance expenses because, unlike health expenses, they are a fixed and accrued liability. Facing the loss of life insurance, retirees have no compensatory "Medicare safety net" to rely on to help replace the life insurance coverage they have lost. Even more critical is the fact that retirees, by definition a high-risk group, will have difficulty (if they are able to at all) securing replacement life insurance coverage. And, if they are fortunate enough to secure coverage, they will likely be faced with a premium expense that for many may represent a difficult, if not impossible, financial burden.

Further exacerbating the burdens faced by retirees due to loss of life insurance is the mandated two-week time frame provided for them to make informed decisions relative to securing replacement coverage. This two-week time period is woefully inadequate; it does not allow sufficient time for retirees to make comprehensive comparisons with other plans, and it reflects a total disregard for the needs of NBU retirees—former loyal and productive employees. The least Chrysler can do for its retirees is to allow them additional time, minimally thirty days, to make informed decisions regarding the replacement of the life insurance coverage that Chrysler unexpectedly and unjustifiably terminated. Congress should mandate companies to provide a reasonable justification and a reasonable time period for retirees to secure replacement coverage whenever company-sponsored benefits are eliminated.

Though Chrysler did advise retirees of its reason for terminating retiree life insurance coverage, the reason--like the mandated time period discussed above--is woefully inadequate and woefully flawed. Chrysler claimed that termination was necessary to meet growing competition, but no other company has terminated its retirees' life insurance coverage to "remain competitive." What

is even more disconcerting than the flawed reasoning is that very likely senior management will earn bonuses based on the "improved" bottom line, an improvement largely resulting from the cuts in retiree benefits and from the manipulation of accounting figures rather than from improved profit-enhancing operations. Permitting companies like Chrysler to attack retiree benefits without restraint is neither productive nor justifiable. Further, companies should be compelled to direct profits toward improving operations. In the case of Chrysler, this would mean directing those finances to the design, manufacture, and sale of competitive, quality products and not to the reward of senior management for "creating" profits based on retiree benefit cuts.

Undoubtedly, the EEOC and Congress did not intend to grant companies blanket rights to arbitrarily and unjustifiably eliminate established retiree benefit programs, programs which employees contemplating retirement used as a basis for responsible retirement planning and, of course, depended upon in their retirement. It is critical that Congress act quickly and expeditiously to stop the all-out assault on retiree benefits. NBU retirees, as well as other retirees and other seniors, constitute a major voting group which seeks to support members of Congress who recognize that retirees, by virtue of their hard work and commitment, earned established company-sponsored benefits; and they seek to support members of Congress who will work assiduously to secure those benefits for retirees.

As a Chrysler NBU Retiree, I am joining other retirees in asking you to investigate Chrysler's ongoing cuts of retiree benefits, specifically the most recent termination of Chrysler's NBU Retiree Life Insurance Program. Though a reversal of the termination of life insurance is the ideal goal, we understand that such a reversal may be impossible. However, we encourage you to honor our request for an inquiry and investigation into the motivation and actions of big businesses, and we hope you will understand the critical importance of preventing companies from using retirees as "sacrificial lambs" in the future. We also encourage you to share our concerns with your colleagues and to effect legislation designed to prevent companies from shoring up their profits on the backs of their retirees, former employees who dedicated their careers to the success of the company.

Thank you in advance for your assistance in this matter. I look forward to hearing from you.

Sincerely,
Name Address

Phone Number
Email address
Jim Buttery