



DRCEA

DETROIT RETIRED CITY EMPLOYEES ASSOCIATION

**P. O. Box 40713 ❖ Detroit, MI 48240-0713
Voice Mail: 313-927-0491 ❖ Fax: 313-894-4291**

Representing Detroit City Retirees Since 1960

www.DRCEA.org

June 2014

E-Mail: Info@DRCEA.org

MESSAGE FROM THE PRESIDENT

Shirley V. Lightsey, President

Dear General City Retirees:

I write to you today to recommend that you vote **YES** in support of the City of Detroit's Plan of Adjustment. The DRCEA board supports the plan to minimize the effects of the Plan of Adjustment. I believe that the terms of the current plan, which incorporates the Term Sheet negotiated by and on behalf of the DRCEA, are a better alternative for retirees than could otherwise be achieved in the chapter 9 bankruptcy case.

I have lived and breathed this case for over 11 months, working 7 days most weeks, reading thousands of pages of documents and participating in countless meetings and conference calls. I have represented your interests in mediations as your DRCEA President and as a member of the court appointed Retiree Committee. Based on the information I have gained through these efforts, I believe that the Plan Alternative A (shown on the next page) is in your best interest. This recommendation does not mean that the Plan is perfect, it is not. I recognize all too well that the Plan includes sacrifices from retirees. However, the alternatives of a cram down (Plan Alternative B) are truly catastrophic and unacceptable.

The chart contained on the following page provides a summary view of the Plan treatment if approved by retirees and State, Foundation and DIA contributions are made (Plan Alternative A) and the Plan treatment if rejected by either Class 10 or 11 (Plan Alternative B) or if the outside funding is not received.

The DRCEA has reserved its right to object to the Plan if a cram down is attempted by the City. In this regard we would continue with our appeal to Sixth Circuit Court of Appeals and object to the Plan during the confirmation trial. It is my hope that this path will not be necessary.

There is no doubt that some will criticize my recommendation. It would be easier to recommend a fight to the end, but after listening to all the arguments involved in this bankruptcy, I do not believe that is in the best interest of retirees. A long uncertain and unaffordable court battle is not the answer. After long thought and prayer I believe voting in favor of Alternative Plan A is truly in the best interest of retirees. I recommend you vote **YES** in support of the Plan.

SUMMARY VIEW OF THE PLAN TREATMENT

Treatment Subject	Plan Alternative A Classes 10 & 11 Vote Yes	Plan Alternative B Class 10 or 11 Vote No
Pension Reduction	4.5%	27% (or more)
Annuity Savings Fund Recoupment Amount	Capped at 20% of highest balance between 2003-2013	Capped at 20% of highest balance between 2003-2013
Reduction of Monthly Pension Based on ASF Recoupment	Limited to 15.5% (Maximum)	No Limit (pension could be cut to \$0)
Maximum Reduction to Current Pension Check	20% (Including Straight Cut and ASF Recoupment)	Up to 100% (Including Straight Cut and ASF Recoupment)
Cost of Living Allowance (COLA)	No COLA	No COLA
Restoration of Benefits	Pension Reductions Could be Restored	Pension Reductions Could be Restored
Order of Restoration	(1) 4.5% Cut; (2) COLA; (3) ASF recoupment	(1) 27% Cut; (2) COLA; (3) ASF recoupment
Governance	Retiree Representation	Retiree Representation
Death Benefit	One time election to receive lump sum payment of funded portion of death benefit	Unknown
Health Care	City Funded General Retiree Specific Voluntary Employee Benefits Association with Retiree Representation	City Funded General Retiree Specific Voluntary Employee Benefits Association with Retiree Representation

MEDICAL ALERT**OPTIONAL DENTAL & VISION STILL AVAILABLE**

The enrollment period for the optional Dental and Vision plans previously introduced by the Detroit Retired City Employees Association (DRCEA) have been extended. If you are interested in obtaining these optional plans you are able to submit your enrollment form from now until July 10, 2014 for coverage effective July 1, 2014. If you would like the enrollment forms faxed or e-mailed to you, please contact us at 248-641-4913.

DO NOT CALL THE CITY OF DETROIT BENEFITS OFFICE. THIS IS NOT A CITY OFFERED PLAN.

Forms received and processed by July 10, 2014 will have the deduction taken out of the August 1, 2014 Pension check. For more information, brochures etc. please call 248-641-4913.

GENERAL RETIREMENT SYSTEM AND EMPLOYEE BENEFIT NEWS

Thomas R. Sheehan, GRS Retiree Trustee

The GRS is planning on doing four informational meetings for retirees. These meetings are to present background information about the proposed changes to GRS pensions in the City's Plan of Adjustment. They are scheduled for:

Thursday, June 5, 2014 at Fellowship Chapel, 7707 West Outer Drive, Detroit, MI 48235 @ 10:00 am-12:00 noon and 2:00 pm -4:00 pm. The 2:00-4:00 session will be live streamed.

Thursday, June 12, 2014 at Renaissance Unity Church, 11200 E. Eleven Mile Road, Warren, MI 48089, @ 1:00 pm-3:00 pm and 6:00 pm-8:00pm. The 6:00-8:00 session will be live streamed.

55th DRCEA ANNUAL LUNCHEON

Events Committee

The **55th DRCEA Annual Luncheon is scheduled for Thursday, July 24, 2014** at the Best Western Sterling Inn and Convention Center located at 34911 Van Dyke at 15 Mile Road. Doors will open at 10:00a.m., lunch will be served at 12:00 noon, and parking is free. We have planned a lovely family style dinner of top round of beef, baked cod and all the trimmings.

A reservation form is included and should be sent back as soon as possible. Tickets are \$20 each and all reservations must be received by DRCEA no later than Saturday, July 12. There will be **NO** "Pay-at-the-door" sales. ALL monies must be paid in advance. **NO EXCEPTIONS!!** Dinner tickets will not be mailed but will be available the morning of the event at the DRCEA registration tables at the Sterling Inn.

Children under the age of 12 will not be permitted. If you bring a child under 12 you will not be admitted. This event is for DRCEA members. You must be a current 2014 member to participate. If you have not paid your 2014 Dues you may include it with your luncheon payment.

Plan to attend the Luncheon – see old friends, former co-workers, learn the latest information available about your pension and pension benefits. **REMEMBER, AS SOON AS POSSIBLE:** Fill out your reservation form, include your luncheon payment, and your 2014 DRCEA Dues [*if not already paid*] and mail it to DRCEA.

JOIN OUR ELECTRONIC MAILING LIST

*Sandra A. Coleman, Chair
Website and Publication Committees*

Your DRCEA Board is always focused on serving and representing you, our members. **There may be occasions during the year when we need to provide you with information electronically between newsletters. However, we need to have your e-mail address.** Although you are asked for your e-mail address on your renewal card, to ensure accuracy we ask you to enter/register your e-mail address. Visit the DRCEA website and complete the "Join Our Mailing List" form, it takes less than a minute. **Here's how:**

1. Enter <http://www.drcea.org> on your browser's (Yahoo, AOL, etc.) URL to go to DRCEA's Home Page
2. On the left side of the screen click on the "Join Our Mailing List" tab.
3. Complete and submit the form with your name and e-mail address.
4. Click the "Submit" button and you are done!

If you need to contact us, please submit the "Contact Us" form and it will be directed to the appropriate Board Member for a response. Long messages are better transmitted by sending an e-mail directly to Info@DRCEA.org.

WHEN YOU CHANGE YOUR ADDRESS

It is imperative that you notify City Pension Bureau General Retirement System [GRS] and the Benefits Division in writing of changes. Many members who are on Direct Deposit are not making the proper notifications. DRCEA obtains its mailing list from the GRS. If you fail to notify the GRS directly, your mail is returned and you miss important information we are attempting to send you.

If you have a question dealing with GRS Board activity, investment policy, or pension/benefit matter, you are encouraged to visit the DRCEA website at: www.drcea.org and submit your inquiry by e-mail. We will follow-up with an answer to you by telephone or e-mail. If you do not have e-mail access, you may call our voice-mail number 313-927-0491. Often the DRCEA member does not know who to contact to answer a question or take care of a pension/benefit problem. You are encouraged to use our resources - we are here to help you!

No Check? If you do not receive your pension check by the first day of the month, call the Pension Bureau at 888-288-2684 (toll free) or 313-224-2742 (local). Protect your pension check and avoid problems by signing up for direct

REMINDERS

DO NOT IGNORE CORRESPONDENCE FROM THE GENERAL RETIREMENT SYSTEM

Every month the General Retirement System (GRS) pension staff randomly selects 375 retirees or surviving beneficiaries who are sent a letter requesting information to verify the retiree or beneficiary is still living and to update retirement system records. The letter is titled: "Signature Verification of Pension Recipient" and the retiree or beneficiary is asked to complete the form with Name, Social Security Number, Address, and Telephone Number.

The form must be signed by the retiree or beneficiary, the signature notarized, and the letter returned to the pension office within a stated period of time. If the retiree or beneficiary does not complete the form and return it as requested, a reminder letter is sent that will inform the retiree or beneficiary of the potential "HOLD" of a pension check, direct deposit, and all health care benefits.

Since retirees vacation and/or travel for extended periods of time and may not be able to immediately complete the form, pension staff will allow a reasonable delay; however, it is vitally important to return the form as soon as possible to avoid the interruption of a pension payment or health care coverage.

Death? The Pension Bureau must be notified in the event of your death. Only the beneficiary you designated when you retired can collect a continued pension or other benefits.

Beneficiary Change? If your beneficiary dies before you, you must name a new beneficiary for any entitled benefits.

CONTACTING THE BENEFITS OFFICE

The Benefits Office is located at 2 Woodward Ave., [CAYMC] Suite 1026. The Office is open from 8:00 am to 4:00 pm. The telephone numbers are: 888-288-2684 (toll free) and 313-224-2742 (local).

VOICE-MAIL CALLS

DRCEA does not have an office to receive direct calls from our members. Do not expect the phone to be answered by a live person when you call 313-927-0491. DRCEA subscribes to a voice-mail answering service.

Our Officers and Directors all serve on a volunteer basis and work from their home telephones. Calls to our voice-mail service are checked several times daily and recorded to be returned as soon as possible.

When you call, please speak slowly, spell your first **AND** last name, give your working contact telephone number, and reason for calling.

If you receive a message with the caller identified as someone from DRCEA, please return the call to the telephone number on the message so we may assist you. At the end of your message, please repeat your name and telephone number.

WHAT MUST YOU DO AT AGE 65?

When you or your spouse, turn 65 you are automatically notified by Social Security to enroll in Medicare. You must notify the City Benefits Division, **in writing and include a copy of your Medicare Card (both front and back)**, located in the Coleman A. Young Municipal Center, Room 1026, Detroit, MI 48226.

If you do not do this it could mean the loss of benefits and considerable personal expense for your medical and hospital care. Make sure you are covered correctly for all of your medical care needs.

The above requirement to enroll in Medicare Parts A and B and notify the City Benefits Division along with a copy of the Medicare card also applies to disabled retirees and their spouses as soon as they become Medicare eligible. This is also required by the City's medical care plan.

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We're on the Web! Visit us at: www.DRCEA.org

SAVE THE DATE

2014 ANNUAL MEMBERSHIP MEETING

Thursday, October 23, 2014

Burton Manor Banquet and
Conference Center

This meeting is open to all retirees