



We Make Rhode Island Happen

## AFSCME Rhode Island Council 94

American Federation of State, County & Municipal Employees, AFL-CIO

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### PRESS RELEASE

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#### *RI Council 94, AFSCME Announces Retiree Health Care Court Case Victory*

North Providence – Rhode Island Council 94, American Federation of State, County, and Municipal Employees, AFL-CIO announced that the Superior Court issued a decision in the case of Botelho v. City of Pawtucket.

Botelho v. City of Pawtucket was filed by Council 94 on behalf of retired members of Pawtucket School Employees, Local 1352. For many years, the City of Pawtucket paid the cost of medical benefits for the retirees until they became eligible for Medicare, as specified in their contract.

In 2007, the City began sending invoices to retirees for a health insurance premium co-share. The City claimed it had the right to charge retirees the same costs as active employees.

Council 94 challenged this action as a breach of contract on behalf of the retirees.

In 2010, Judge Lanphear issued an initial decision that did not fully resolve the dispute.

On January 5, 2012, Judge Taft-Carter issued a bench decision in which she found that the City had breached their promise to retirees to pay health insurance benefits from the time of retirement until age 65.

In issuing the decision, Judge Taft-Carter relied upon the fact that the contract provided a vested benefit which could not be altered during retirement. On page 10, Lines 15-17, the decision states: “. . .rights which accrued or vested under the agreement will, as a general rule, survive termination of the agreement.” The holding on page 13, Lines 4-7, states, “Here, the Court has determined that plaintiffs’ rights have vested, and thus they cannot be altered by the defendants without plaintiffs’ consent.”

President J. Michael Downey, concluded, “The Court’s decision represents a significant victory for retirees by affirming that employers cannot unilaterally cut retirement benefits. We look forward to having the Court determine the appropriate remedy for these retirees. Council 94 is gratified by this decision and will keep on fighting for the retirement security of all Rhode Islanders.”

Council 94 represents over 8,000 municipal, state, and private sector employees and 2,500 retirees.

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