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Brewery
workers

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beverage beers in
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If retailers are explicitly promised
HC beers for life, these
promises should be upheld.

HEALTH CARE FOR RETIRED WORKERS

Pabst Brewery, Milwaukee

ISSUE

On August 29, a federal court granted a temporary restraining order preventing Pabst Brewing Company from eliminating the health care benefits to more than 700 retired workers (who had been covered under the Collective Bargaining Agreement with Brewery Workers Local 9) on September 1. Pabst argued that it had the right to cut off retiree benefits while retirees asserted that Pabst had committed itself to pay retiree benefits for life. The Department of Labor filed an amicus brief that argued that retirees' health benefits should not be eliminated until additional information about the contract is evaluated. A hearing on the Motion for a Preliminary Injunction is scheduled on September 16.

The Milwaukee Journal-Sentinel (8/30/96) reports that Representative Kleczka will encourage the President to make Pabst's now-stalled plan part of the President's Labor Day agenda. The Department of Labor believes that your Milwaukee trip would be an excellent opportunity to highlight the Administration's involvement in retiree health protection issues.

MEDIA COVERAGE

Pabst's actions have been widely reported by the local media. Secretary Reich is quoted in the Milwaukee Journal-Sentinel (8/30/96) as saying "from a legal point of view we think Pabst is wrong." He continued, "If Pabst promised lifetime medical benefits to its retirees, it will honor that commitment."

CONGRESSIONAL INVOLVEMENT

Representatives Jerry Kleczka and Tom Barrett have been very involved in this issue on behalf of Pabst retirees and asked the Secretary of Labor to investigate the case and take action if appropriate. Both Congressmen recognized the Department of Labor's efforts in recent press releases (8/29/96).

UNION INVOLVEMENT

Most of the retirees affected by Pabst's actions had been covered under Collective Bargaining Agreements with Brewery Workers Local 9, a member of the AFL-CIO.

ADMINISTRATION HISTORY

The Secretary of Labor filed an amicus brief in a similar case to enforce the health benefit promise that General Motors made to its employees. On August 14, 1996, the court ruled in favor of the 84,000 non-union retirees.

August 30, 1996