

## Kodak reaches deal with retirees

Posted at: 10/10/2012 11:33 PM  
Updated at: 10/11/2012 2:05 AM  
By: Don Hudson



A major announcement from Kodak on Wednesday evening- it has reached a deal in principle with the official committee of retirees.

The plan will terminate benefits at the end of the year... In 2 and a half months for retirees not yet eligible for Medicare.

Instead they will get payments to help cover part of future medical and dental costs. But how much is contingent on Kodak's emergence from

bankruptcy? And for the struggling company, the deal could save Kodak \$10 million per month and help it get back on its feet.

Mark Frank said, "If they stop the benefits at the end of the year, then according to my records I have 2 months that I am going to be out."

Kodak retiree Mark Frank just learned about the new Kodak agreement. He said, "What I pay now and what I am going to pay is going to be more."

The Chili man was set to lose his Kodak benefits at the end of February anyway. But he has a brother and friends who still work there and he is really concerned for them.

Frank said, "You have your plan all set up. Now your plan is shot. Now you got to go and regroup."

And that impact hits thousands of people.

Art Roberts said, "About 25 thousand in the Rochester area."

Art Roberts is with the Eastman Kodak Retirement Association and saw this coming. He said, "I'm not surprised by the fact that the benefits are being cut."

But he did say he was surprised the announcement was made through the media.

Roberts said, "Kodak didn't feel it was important to inform people personally and that is distressing."

That announcement, from Kodak CEO Antonio Perez reads:

"With this proposed resolution to our U.S. retiree benefit legacy liabilities, Kodak takes a major step forward toward our successful emergence. Today's agreement is a decisive accomplishment toward one of our fundamental objectives in our restructuring. At the same time, Kodak continues to make progress in the other important restructuring areas as we prepare Kodak for emergence."

George Conboy said, "Retirees have seen their benefits trimmed the last number of years as Kodak has slid."

Rochester financial expert George Conboy, who has been tracking the Kodak downfall for years says the deal in principle is harsh.

Conboy said, "Health benefits, life insurance, survival benefits, dental... all that is done at year

end."

And he says the way Kodak delivered the message has to rub employees and retirees wrong.

Conboy said, "From the top of Kodak we have yet another announcement that everything is going fine and senior management is doing great. What we have on the ground is Kodak treating retirees just like the shareholders and bond holders. Stand in line."

Kodak is providing the retirement committee \$7.5 million to support initial administration costs and \$635 million in unsecured money to help subsidize costs.

Conboy and Roberts said that will never be the amount. They estimate retirees will see between \$70 and \$170 million.