On October 11, 2018, St. Clare's Corporation told more than 1,100 former St. Clare's Hospital employees including former nurses, orderlies, laboratory technicians, clerical and housekeeping staff that despite their years of service, most of them would not receive a pension and others would have their pensions drastically reduced.

"Imagine having your entire financial future disappear in a single moment," said Gary Stone, an attorney at Legal Services NYC. "Our clients are devastated by the Diocese's complete lack of accountability and refusal to explain where pension funds or state bailout money went. Our clients worked their entire lives at this hospital, paid into their pensions, and planned for their retirements. They deserve answers and more importantly, they deserve the stable futures they were promised. We won't stop fighting until they get both."

"These are hard-working, dedicated people who served their community for years—in some cases decades—and the rug was pulled out from under them," said William Alvarado Rivera, Senior Vice President for Litigation at AARP Foundation, which helps vulnerable older adults build economic opportunity. "Justice requires that they receive the pensions they were promised."

The suit asserts that the Roman Catholic Diocese of Albany and its bishops controlled St. Clare's Hospital and subsequently St. Clare's Corporation through a variety of means, including its control of the St Clare's Board of Directors. It further asserts that since 1959 the Diocese made all major decisions affecting the rights and benefits of the St Clare's Plan's Participants, and that the Diocese and the Bishops are therefore responsible for the insolvency of the pension fund.

According to the website of the Roman Catholic Diocese of Albany, the Bishop of Albany is the president of the corporate structure of each separate parish in the diocese. The bylaws of St. Clare's Hospital and its successor corporation, St. Clare's Corporation, provide that the Bishop is the "automatic director" of the St. Clare's corporation board, with the power to appoint or remove multiple directors.

Bishop Scharfenberger has been the Roman Catholic Albany Diocesan Bishop since February 11, 2014; his predecessor, Bishop Howard Hubbard, served from March 27, 1977 until February 11, 2014. Both are named as defendants.

"My clients, like so many other people, gladly gave decades of their lives to St. Clare's Hospital and to caring for others," said Victoria Esposito, LASNNY's Advocacy Coordinator. "St. Clare's and the Diocese promised to take care of my clients when they were no longer able to work. They broke that promise. My clients are not asking for charity. They are not asking for a handout. They are asking for the pensions that they earned."

The lawsuit also names Robert Perry, Former Board President and Chief Executive Officer of the hospital; Joseph F. Pofit, the President of the Board of Directors of St. Clare's Corporation and an employee of the Diocese; the Retirement Plan, and the Board of Trustees of St. Clare's Retirement Income Plan Trust.

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