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Crippled by Pension Debt, Pennsylvania City Seeks Bankruptcy.

- **Receiver files for Chapter 9 bankruptcy, a rare move by cities**
- **Step comes after decades of fiscal distress, population loss**

Chester, Pennsylvania, a city near Philadelphia that's been contending with financial distress for decades, filed for bankruptcy protection because of a massive debt to its employee pension funds.

Michael Doweary, a state-appointed receiver empowered to oversee the city's finances, filed the petition under Chapter 9 of the US Bankruptcy Code in the Eastern District of Pennsylvania. The filing will protect the city from creditors while it works on a plan to steady its finances.

The one-time industrial city, whose population has tumbled since the 1950s, joins a rare group of local governments that have filed for bankruptcy. Vallejo, California, Detroit and Puerto Rico all did so in the wake of the Great Recession, in part because of obligations to retirees they couldn't afford to pay.

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