

# WHAT IS A MULTIEMPLOYER PENSION PLAN?

A multiemployer pension plan is an employee benefit plan that is collectively bargained and jointly administered by more than one employer and at least one labor union. The plans are generally grouped by industry or geographic area. Contributions are pooled into a trust, and workers are then paid a monthly benefit during retirement based on the amount their employer paid in and years worked.

There are about 1,400 multiemployer pension plans covering 10 million workers. Many participants come from the construction, small businesses and retail, manufacturing, mining, baking, music, and trucking industries.

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## Millions of American workers' retirements and billions of federal dollars are at risk.

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Many multiemployer pension plans are now projected to become insolvent, or bankrupt, within the next 10 years. This includes the Central States Pension Fund – one of the largest plans in America. Why? Unionization rates have dropped, certain industries have shrunk, and the ratio of active-to-inactive participants has shifted dramatically over the past few decades.

To make matters worse, the Pension Benefit Guaranty Corporation (PBGC), a federal government entity that insures the pension benefits, is projected to become insolvent by 2025. Congress must act now.



[RetirementSecurityCoalition.com](http://RetirementSecurityCoalition.com)



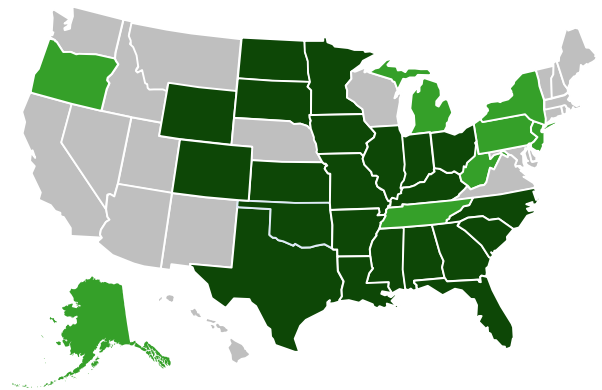
## THE CRISIS IS HERE.

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**If the Central States Pension Fund fails by 2025, the impact will be grave:**

- More than 55,000 U.S. jobs will be eliminated
- GDP will drop by \$5 billion
- Federal tax revenue will decline by \$1.2 billion

- Plans are currently failing
- Plans will fail by 2025



*\*Note: all 50 states have thousands of plan participants.*

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**Congress must act now to find a bipartisan compromise that:**

- Supports retirees
- Maintains the solvency of the PBGC
- Creates incentives for plans to enhance funding
- Adds new tools to reduce pension plan liabilities