

One Year in the Multiemployer Pension System

WHY CONGRESS MUST ACT NOW

PLAN FAILURE

SEVEN MULTIEMPLOYER PENSION PLANS COVERING 35,173 PARTICIPANTS WERE APPROVED TO CUT BENEFITS OF HARD-WORKING, BLUE-COLLAR WORKERS AND SENIORS IN THE LAST YEAR.

THREE PLANS COVERING 54,900 PARTICIPANTS AWAIT APPROVAL FROM THE TREASURY DEPARTMENT ON NEW RETIREMENT BENEFIT CUTS. ¹

178 MULTIEMPLOYER PENSION PLANS SUBMITTED NOTICE OF CRITICAL OR CRITICAL AND DECLINING STATUS. ²

PBGC INSOLVENCY

ACCORDING TO AN AUGUST 2019 REPORT, THE PENSION BENEFIT GUARANTY CORPORATION (PBGC), THE FEDERAL BACKSTOP FOR MULTIEMPLOYER PENSIONS, **IS PROJECTED TO GO INSOLVENT BY 2025.**

THE PROJECTED LOSS TO THE U.S. ECONOMY IS \$66 BILLION. ³

FOLLOWING A MARCH 2019 HEARING, THE NCCMP STATED THE PBGC'S INSOLVENCY WOULD LEAD TO AN AVERAGE BENEFIT REDUCTION **BETWEEN 94 AND 98 PERCENT.** ⁴

WHAT LAWMAKERS ARE SAYING

SENATORS SHERROD BROWN (D-OH) AND GARY PETERS (D-MI):

"Legislation to secure the pensions of millions of Americans who, through no fault of their own, are at risk of losing the benefits they earned, is long overdue. Addressing multiemployer pension insolvency is an integral part of remedying the economic impact of this epidemic..." ⁵

SEN. CHUCK GRASSLEY (R-IA):

"November 2019: "We need to act quickly, but we can't just pour money into failing and mismanaged funds. Our plan will provide relief and reform now, without it our retirees will be left without the future they worked for." ⁶

SEN. ROB PORTMAN (R-OH):

"We owe it to the retirees. We owe it to the workers and the participants in these plans. We owe it to the small businesses. Let's get serious about this..." ⁷

WHAT OTHERS ARE SAYING

NEIL BRADLEY, U.S. CHAMBER OF COMMERCE:

"The urgent problem is the multiemployer pension system, and members of Congress are having a hard time getting to yes, even though most Americans surveyed think Congress should act." ⁸

FORMER SPEAKER JOHN BOEHNER AND FORMER CHAIRMAN JOE CROWLEY:

"If the objective of Washington's 'stimulus' effort is to bolster our economy in the face of COVID-19 and reduce crippling anxiety in our communities about what the future holds, then addressing the pension crisis ought to be part of the response." ⁹

ALIYA ROBINSON, ERISA INDUSTRY COMMITTEE:

"If Congress fails to reach a bipartisan compromise this year, the risk of losses to workers, retirees, employers and the economy grows exponentially." ¹⁰

SOURCES:

1. PENSION RIGHTS CENTER
2. U.S. DEPARTMENT OF LABOR
3. PBGC PROJECTIONS
4. NCCMP MARCH 2019 HEARING

5. SHERROD BROWN NEWSROOM
6. SENATE COMMITTEE ON FINANCE
7. ROB PORTMAN NEWSROOM

8. THE HILL, NEIL BRADLEY
9. CNBC, JOHN BOEHNER AND JOE CROWLEY
10. THE HILL, ALIYA ROBINSON

