

July 9, 2019

The Honorable Richard E. Neal, Chair
The Honorable Kevin P. Brady, Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Neal and Ranking Member Brady,

The Pension Rights Center, a 43-year-old national consumer organization committed to the protection of retirement security for workers and retirees, is writing to endorse the “Rehabilitation of Multiemployer Pensions Act” (also known as the Butch Lewis Act). The bill provides an innovative way to save financially troubled multiemployer pension plans while protecting the earned benefits of millions of retirees. We hope we can count on the support of the members of your Committee during the markup of the bill tomorrow.

For the past five years, we have worked with tens of thousands of employees and retirees across the country who have advocated for the repeal of provisions of the Multiemployer Pension Reform Act of 2014 (MPRA), which eviscerated fundamental provisions of the Employee Retirement Income Security Act of 1974. MPRA unprecedentedly allows trustees of multiemployer plans to cut retirees’ earned benefits as a misguided way to improve the funding of these plans. Since its passage, MPRA has led to pension reductions—sometimes in excess of 60 percent—for tens of thousands of retired ironworkers, truck drivers, clerical workers and their spouses and widows in 14 pension plans. And without a comprehensive alternative plan to save the multiemployer system, participants in approximately 130 other plans covering approximately 1.5 million participants and their spouses will also face drastic reductions in their benefits. This would devastate families across the country and businesses in their communities that rely on retirees with pension income to buy their goods and services.

The Rehabilitation of Multiemployer Pensions Act provides a sensible, common sense way of shoring up funding in critical and declining multiemployer plans. The bill would provide loans and other assistance to these severely underfunded plans to enable them to protect retirees’ earned benefits, while providing plans with sufficient time to recover their losses and repay their loans. We especially commend the bill for ensuring that those plans that have already received approval from the Treasury to cut retirees’ benefits must apply for financial support and restoration of previously suspended benefits.

Thank you so much for addressing this critical issue in your Committee, taking an important step toward enactment of comprehensive legislation to address the multiemployer crisis.

Sincerely,



Karen Friedman
Executive Vice President



Norman Stein
Senior Policy Advisor