



December 9, 2014

United States House of Representatives
Washington, DC 20515

RE: Support for Multiemployer Pension Reforms

Dear Representative:

On behalf of North America's Building Trades Unions, I urge your support for critical and bi-partisan reforms to the multi-employer pension system that have been proposed by the Education and Workforce Committee before this session of Congress expires.

The longer we wait to fix this problem, the harder it will be to fix. And the longer we wait, the more we risk increasing the severity of the impact on retirees and workers, particularly those retirees whose benefits accrue from those plans that are in the worst financial shape.

Further delay will also increase the burden on employers struggling to fund and extend these pension plans. The mere prospect of waiting to take action weakens the system and threatens the economic and retirement security of workers and families nationwide.

That is why a strong majority of North America's Building Trades Unions endorsed the joint labor and business proposal known as **Solutions Not Bailouts** (www.solutionsnotbailouts.com). Today, we urge you to support the bi-partisan legislation developed by the Education and Workforce Committee that follows this model because it will strengthen the multiemployer pension system for the long-term and provide hard-earned security for our members.

That said, we are concerned with the PBGC premium increase contained in the final legislative language and would urge lawmakers to take a serious look at PBGC structure and funding next year. Furthermore, our Solutions Not Bailouts proposal treated all employers and plans equally. We would have preferred that this principle be included in the legislation. Despite the inclusion of single company provisions, however, we believe that the pension protections afforded to 10 million multi-employer plan participants make this bill worthy of support.

Beginning in 2008, with the implosion of financial markets followed by what can accurately be described as a 'depression' in the construction industry in the United States, we stood witness to construction unemployment rates that exceeded 40, 50 and even 60 percent. As you can well imagine, such an economic disaster placed many multi-employer plans in the construction industry on shaky financial footing.

The bi-partisan proposal developed by the Education and Workforce Committee will modify the expiring Pension Protection Act (PPA) and give plan trustees the tools they need to strengthen their plans. This proposal helps troubled plans avoid insolvency, puts the plans recovering from the economic downturn on firmer ground, and helps those plans – and retirees – that are most in trouble avoid losing everything.

Importantly, this proposal also protects taxpayers by avoiding a massive taxpayer-funded bailout that could cost billions. Further, it is important to note that the measures contained in the **Solutions Not Bailouts** proposal are voluntary. All plan decisions will require buy-in from both labor and management, and no decisions can be made without both sides agreeing that they are in the best interest of plan participants.

We strongly urge you to support legislation and take action on this issue before it is too late – and before this Congressional session ends.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean McGarvey". The signature is fluid and cursive, with a large initial "S" and "M".

Sean McGarvey
President