



STEPHEN E. SANDHERR, Chief Executive Officer

December 10, 2014

The Honorable John Kline  
U.S. House of Representatives  
Washington, DC 20515

**Re: Support the bipartisan Multiemployer Pension Reform Act of 2014**

Dear Rep. Kline:

On behalf of the Associated General Contractors of America, I am urging you to support the bipartisan Multiemployer Pension Reform Act of 2014 in this session of Congress. Multiemployer pension plans are common in the unionized sector of the construction industry and give employers the opportunity to provide their employees with a defined benefit plan that allows them “portability” to earn continuous benefits as they go from job to job within the same industry. Of the 10 million participants in multiemployer defined benefit plans, more than half are construction industry workers and retirees.

Many multiemployer plans suffered significant losses as a result of the 2008 U.S. financial crisis. While some improvements in investment returns have helped some plans, the current rules, long-term demographics, and market conditions continue to put the viability of the plans and their contributing employers at risk. This is particularly true for the construction industry, which has been affected by the economic recession to a far greater degree than most industries. In short, further legislative reform is needed and, with the Pension Protection Act (PPA) nearing sunset, the further deteriorating financial condition of the Pension Benefit Guaranty Corporation (PBGC) and certain plans means inaction will expose taxpayers to further risk, put employers out of business, and cost thousands of construction workers their jobs.

I urge you to support the Multiemployer Pension Reform Act of 2014 as it follows the “Solutions Not Bailouts” proposal that was a private sector, joint labor-management proposal to solve the multiemployer pension system failures and avoid a federal bailout. The legislation will provide modifications to the PPA that will strengthen plans’ funding positions and ensure long-term retirement security.

Opponents to this compromised legislation solution point to a federal bailout as a solution, which is extremely unlikely to occur, and, even if it were to occur, would still fail to formulate the needed systemic changes to the multiemployer system that would make it sustainable for its participating employers, workers and retirees.

Again, please support the bipartisan Multiemployer Pension Reform Act of 2014 during the current session of Congress.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen E. Sandherr', is written over a horizontal line.

Stephen E. Sandherr