

# United States Senate

WASHINGTON, DC 20510

May 5, 2017

Senator Lamar Alexander  
Chairman  
United States Senate Committee on Health,  
Education, Labor, and Pensions  
Washington, DC

Dear Chairman Alexander,

Tomorrow marks the one-year anniversary of the denial of the Central States, Southeast and Southwest Areas Pension Plan's ("Central States") application to cut pension benefits under the Multiemployer Pension Reform Act of 2014 ("MPRA"). Though over 400,000 participants and beneficiaries were temporarily spared draconian cuts to their monthly benefits, the denial did not solve Central States' financial problems and retirees remain uncertain about the future of the pensions they have earned. Moreover, there are a considerable number of other multiemployer pension funds that are also in dire financial situations.

We are writing today regarding the urgent need for action to address this looming multiemployer pension crisis facing hundreds of thousands of our nation's hardworking families. Accordingly, we urge you to hold a hearing in the Senate Committee on Health, Education, Labor and Pensions ("HELP") to examine solutions to this crisis.

It is imperative that the hearing also review ways to bolster the financial security of the Pension Benefit Guaranty Corporation ("PBGC") as it provides 40 million Americans with insurance protection for nearly 24,000 pension plans. The benefits guaranteed by PBGC are even smaller than benefits that could be paid under MPRA and even those are in jeopardy due to PBGC's financial status. PBGC's 2015 Projections Report stated that the agency's multiemployer program is likely to run out of money by 2025, which is the year before Central States is projected to become insolvent.


Insolvency would be devastating not only to those receiving benefits from Central States, but also to those who are receiving benefits from any plan getting financial assistance from PBGC's multiemployer program. Hundreds of thousands of older Americans unable to reenter the workforce would receive pennies instead of their full pensions. This would be devastating to the economy. It would be wrong for us to allow it happen.

We have the opportunity now to develop a workable solution to help our nation's multiemployer plans like Central States and prevent the PBGC from becoming insolvent. We must ensure that hardworking Americans who sacrificed part of their compensation in order to get a pension later in life receive what they have earned. We must explore and develop common sense solutions to solve this looming problem, before it becomes a widespread economic crisis. We owe retirees and plan participants the peace of mind that they will not be forced to carry the financial burden of the multiemployer pension crisis.

Thank you for your consideration of a hearing on the critical issues facing many multiemployer pension plans as well as the PBGC. Please do not hesitate to contact us if you have any questions.

Sincerely,


  
Tammy Baldwin

  
Patty Murray


  
Bernard Sanders

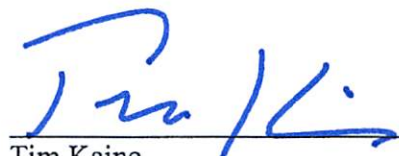
  
Robert P. Casey, Jr.

  
Al Franken

  
Michael F. Bennet

  
Sheldon Whitehouse

  
Elizabeth Warren

  
Tim Kaine