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Attached is an article posted March 13, 2018, written by David B. Brandolph from Bloomberg BNA on the **Congressional Committee to explore Union Pension Fund fixes.**

Below is a high level summary reported to the Fund on the first Committee meeting held on Wednesday, March 14, 2018:

The Joint Select Committee held their first organizational meeting. All 8 Democratic members attended along with 5 of the 8 Republican members, including the two co-chairs, Sen. Orrin Hatch (R-UT) and Sherrod Brown (D-OH). The meeting was simply to approve the rules of operation (nothing of note) and to allow the members to make statements on the issue and any other comments. The comments from the Republicans were urging a fiscally responsible approach and the Democrats emphasizing the need to protect retirement security.

There was no discussion of next steps though afterwards the Committee staff indicated that a full hearing schedule would likely be released in the next week or two.

The Fund is paying close attention to the Committee and will keep you updated accordingly as more information becomes available.

Regards.

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Congressional Committee Gears Up to Offer Union Pension Fix

By David B. Brandolph

Posted March 13, 2018, 2:12 PM

- Committee to hold first public session March 14
- Midterm elections coincide with panel's work and deadline

Sixteen members of Congress are holding their first meeting March 14 as part of their task to find solutions to fix the pensions of up to 1.5 million employees and retirees.

The House-Senate Joint Select Committee on Solvency of Multiemployer Pension Plans has until the end of November to propose legislation to fix the ailing multiemployer pension system. Multiemployer plans are set up through collective bargaining between unions and employers in the same industry, such as trucking and construction.

The Pension Benefit Guaranty Corporation estimates that 114 multiemployer pension plans are on the path to becoming insolvent. If that happens, the PBGC—the federal agency that backstops pension plans—will need to step in and pay benefits for the 1.5 million retirees in those plans. And the guaranteed amount PBGC will pay is often significantly less than the retirees receive from these plans.

The committee also must find a way to keep afloat the PBGC's multiemployer insurance program. The PBGC projects the program could be insolvent by 2024.

Democrats on the committee have supported solutions that don't cut retiree benefits but instead call for government funding or loan programs. Republicans on the committee haven't backed any of the proposals now circulating.

Committee member Sen. Rob Portman (R-Ohio) has been focusing on pensions for years. He believes "if all sides work together we can find a permanent solution that protects earned pensions, protects taxpayer dollars, and prevents" the PBGC's insolvency, Kevin Smith, Portman's deputy chief of staff and communications director, told Bloomberg Law in a March 13 email.

"I'm hopeful that the joint committee will make substantive progress toward a comprehensive solution to the multiemployer pension system," committee co-Chair Sen. Orrin Hatch (R-Utah) told Bloomberg Law in a March 12 email. "More than 10 million hardworking Americans and retirees depend on its solvency and the issues that have afflicted the system for years must be addressed." Hatch, chairman of the Senate Finance Committee, is retiring at the end of the year.

This call for action was repeated by committee co-Chair Sen. Sherrod Brown (D-Ohio). "Congress has responsibility to protect the pensions workers earned before it is too late," Brown said last month after being named to the committee. "This committee will force Congress to finally treat the pension crisis with the seriousness and urgency American workers deserve."

The Nov. 30 deadline Congress gave to members of the committee coincides closely with midterm elections on Nov. 6.

By moving the vote past the November midterm elections, it makes it "possible for Democrats who oppose pension cuts and Republicans who dislike government aid for union pensions to accept a compromise involving these difficult measures without having to explain them in the heat of a campaign," former PBGC Director Joshua Gotbaum told Bloomberg Law March 12. Gotbaum is a guest scholar at the Brookings Institution in Washington.

12 Members Seeking Re-election

Twelve committee members are up for re-election, and several hold office in states or Congressional districts that have a high number of retirees whose pensions are affected. None of the Senate Republicans on the committee are running for re-election, but all of the Senate Democrats are running in races that political analysts, such as the Cook Political Report and Sabato's Crystal Ball, say aren't safe seats for them.

All the committee members in the House are up for re-election.

The 400,000-member Central States Southeast and Southwest Areas Pension Fund is the largest plan in need of financial assistance, and could be insolvent by 2025. It has a significant population of retirees in Ohio (47,000), Michigan (47,000), and Minnesota (21,000). With such big populations of retirees in those states, Brown and Sen. Tina Smith (D-Minn.) could find multiemployer plans come up in their campaigns.

It could also become a campaign issue in states like West Virginia, where 26,500 members of the 100,000-member United Mine Workers of America Pension Plan reside. Sen. Joe Manchin (D-W.Va.) has frequently sought congressional help for the mine workers' pensions and it could play as a campaign issue in his state.

Rep. Phil Roe (R-Tenn.) could also see multiemployer issues come up in his campaign as 72,000 steelworkers who participate in the Pace Industry Union-Management Pension Fund live in his state.

Union leaders, retirees, and groups representing employers and unions—including the National Coordinating Committee for Multiemployer Plans—are calling for the panel to act swiftly.

"The committee's work is extremely urgent because some of the largest plans in distress are hemorrhaging cash, which makes any delay in a solution more difficult and expensive," Michael Scott, the NCCMP's executive director, told Bloomberg Law March 12.

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