



MEMORANDUM

TO: Partnership for Multiemployer Retirement Security Organizations

FROM: **Blue Engine Message & Media**

SUBJECT: **Solutions Not Bailouts Communications Support Plan**

DATE: February 15, 2013

Thank you for joining us in support of the release of *Solutions not Bailouts: A Comprehensive Plan from Business and Labor to Safeguard Multiemployer Retirement Security, Protect Taxpayers and Spur Economic Growth*. As you know, this report is the culmination of 18 months of work by the NCCMP's Retirement Security Commission – which is comprised of more than 40 members from both business and labor.

On February 19, the Partnership for Multiemployer Retirement Security will release the Commission's report outlining a series of recommended reforms to ensure that multiemployer pension plans are able to continue to provide cost-effective and reliable retirement benefits to millions of working class Americans while protecting taxpayers. As a partner in this effort, we need your help to get the word out about the report and about these very important solutions.

In the below memo, please find background material, sample communications products as well as our contact information in case you have any questions or need support for communications activity.

Included in this packet:

- I. Issuing a Statement and Template Press Release
- II. Talking Points for Conversations With Press, or, for Drafting Your Own Statement
- III. Sample Quotes With Recommended Language Drafting Your Own Statement
- IV. Brief Summary of the Commission's Report
- V. Conclusion

If you don't have a communications staffer or department, **Blue Engine Message & Media** is here to help. Just send an email to NCCMP@blueenginemediacom and we can assist.

I. Issuing a Statement and Template Press Release

One way you can help us is to issue a statement of support not just to your networks, but to your media contacts as well. In order to demonstrate the broad support that exists for these recommendations, we are asking for public statements from a large variety of leaders and groups who support our proposals.

Below, please find a template press release for use by your organization to send **after 10:30am Tuesday, February 19**, allowing the Partnership to manage the official release prior to your reaction. We recommend you use this language as guidance for your own release. We suggest you

include a quote from your leader or spokesperson as reflected in the template and that you distribute this release to your media list by email. You can also provide your organization's leader's quote as a statement to reporters who call you for comment. Some sample talking points and quotes follow this release. We also suggest varying the formatting (fonts, etc.) or wording slightly to avoid multiple organizations issuing identical releases.

We would appreciate if you do distribute a release, that you include us in that distribution. You can add nccmp@blueenginemediacom to a BCC list of contacts, or forward your finished press release to that address. That way we can keep track of validator quotes when we are having our own discussion with reporters, or to feature on the Partnership's new website: www.solutionsnotbailouts.com. At that site, anyone can download the report being released on Tuesday.

[ORGANIZATION NAME] Lauds Business-Labor Proposals to Protect Multiemployer Retirement Security

New Plan Outlines Private Sector Solutions to Protect Multiemployer Plans and Spur the Economy Without Taxpayer Bailouts

(WASHINGTON) – Today, the Partnership for Multiemployer Retirement Security released a report outlining a series of reforms to ensure that multiemployer pension plans are able to continue to provide cost-effective and reliable retirement benefits to millions of working class Americans while protecting taxpayers. This report was completed over 18 months with input from more than 40 stakeholders from both business and labor.

[ORGANIZATION NAME] is a member of the Partnership, a unique coalition of business and labor groups that work together to protect multiemployer pension plan solvency.

[Statement of support]

The new proposals are outlined in the report, "*Solutions not Bailouts: A Comprehensive Plan from Business and Labor to Safeguard Multiemployer Retirement Security, Protect Taxpayers and Spur Economic Growth.*" Click [here](#) for the full report.

The recent economic downturn has exacerbated the cumulative effects of three decades of statutory and regulatory changes to multiemployer pension plans. This is further compounded by the addition of broader financial reporting requirements, tightening credit markets, and unprecedented competitive pressures on contributing employers, leading to an environment of decreased long-term viability of many plans as new employers are discouraged from participating and existing employers are encouraged to withdraw.

The report offers specific, private sector recommendations for reform that will improve the retirement security of plan participants, enhance the ability of plans to retain contributing employers by limiting financial volatility, and help prevent the need for future taxpayer bailouts.

The Partnership for Multiemployer Retirement Security: A Business and Labor Initiative, worked with the National Coordinating Committee for Multiemployer Plans' Retirement Security Review Commission to develop this report. The Commission spent 18 months studying the challenges facing the multiemployer pension system and designed a series of private sector recommendations that will

improve the financial outlook of the PBGC, safeguard retirement security and specifically address the challenges facing multiemployer plans.

For more information on the Partnership, or to read the full report, visit www.solutionsnotbailouts.com.

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II. Talking Points for Conversations With Press, or, for Drafting Your Own Statement

Below please find some talking points that can be useful for you in conversations with press and with stakeholders when speaking about the Commission's report. These can also help you craft your own press statement or to supplement the template release above.

Solutions Not Bailouts: Talking Points on the NCCMP's Retirement Security Review Commission Report Issued by The Partnership for Multiemployer Retirement Security

Topline:

- To protect multiemployer retirement security and prevent taxpayer bailouts, we need solutions that address the long term challenges facing both business and labor.
- The proposals presented in the NCCMP Retirement Security Review Commission Report do just that. Together, these recommendations from over 40 organizations representing both business and labor comprise a comprehensive plan that safeguards retirement security for multiemployer plan participants, protects taxpayers and spurs economic growth.
- These business and labor solutions will ensure that these plans continue their decades-long mission of providing cost-effective and reliable retirement benefits to millions of working class Americans and enable the employers who fund them to remain strong contributors to the national economy.

The NCCMP Retirement Security Commission Report:

- Two years ago, NCCMP formed a partnership of business and labor groups who have worked tirelessly to craft comprehensive private sector solutions that will improve the financial health of both multiemployer plans and the employers who fund them.
- The Commission included over 40 organizations representing the business and labor sides of the table and spanning every industry that relies on multiemployer plans as a primary vehicle for providing retirement income security to employees.
- The Commission was driven by two primary objectives:
 - Any recommendations for change to the existing system must still provide regular and reliable lifetime retirement income to multiemployer plan participants; and

- Any changes to the existing system must be structured to reduce or eliminate the financial risks to contributing employers.
- They studied the challenges facing the multiemployer pension system and designed a series of recommendations that not only safeguard retirement security, but specifically address the challenges facing multiemployer plans that the PBGC and other agencies have identified.
- The fiscal reality is that no “bailouts” will be forthcoming for the private pension system and the current structure of the Pension Benefit Guaranty Corporation multiemployer guaranty fund faces serious financial challenges.
- As a result, private sector solutions are necessary to shore up the PBGC for future generations of retirees. These recommendations will help to ensure that taxpayers are not on the hook for the PBGC.

Solutions Not Bailouts – The Commission’s Recommendations:

- The Commission has recommended specific measures that will strengthen and secure the current multiemployer system for the long-term.
- The Commission looked at two dramatically different categories of plans: The vast majority of plans that continue to recover from the great recession of 2008 and a small but significant minority of plans that, for a variety of reasons, are unsustainable in the long-run.
- The provisions the Commission put forward will strengthen many plans, address the minority of multiemployer plans that are deeply troubled, and facilitate the development of new and innovative plan designs that will better enable the bargaining parties to adopt future plans tailored to their unique circumstances.
- Taken together, these solutions will improve retirement security and enhance the ability of plans to retain contributing employers by limiting financial volatility, and prevent the need for future taxpayer assistance by dramatically improving the financial outlook of the PBGC multiemployer insurance program.
- The three primary areas of recommended action are:
 - 1. Preservation: Proposals to Strengthen the Current System**
 - 2. Remediation: Measures to Assist Deeply Troubled Plans**
 - 3. Innovation: New Structures to Foster Innovative Plan Designs**
- These proposals represent a consensus of the group, developed through months of review, evaluation and debate among the Commission members.
- This comprehensive plan from business and labor, if enacted, will ensure that multiemployer plans will continue to provide cost-effective and reliable retirement benefits to millions of working class Americans while protecting taxpayers from further risk.

III. Sample Quotes With Recommended Language Drafting Your Own Statement

As we mentioned above, we hope that several organizations and individuals will be issuing statements of supports and talking to press in support of the proposals being released on Tuesday. Feel free to mix and match, using lines from a couple of the different quotes below to formulate your statement of support in order to create a unique quote from your leader or spokesperson and to avoid multiple organizations issuing identical statements.

Solutions Not Bailouts: Sample Quotes on the NCCMP's Retirement Security Review Commission Report Issued by The Partnership for Multiemployer Retirement Security

“In order to safeguard multiemployer retirement security for the long-term, we are going to need private sector solutions that look out for the interests of both business and labor. These recommendations accomplish those goals while helping to prevent taxpayer bailouts in the future.”

“After enduring more than a decade of turmoil and an economic downturn, multiemployer plan participants deserve reliable retirement security. These recommendations will provide just that for millions of middle class workers and their employers.”

“These critical solutions come from more than 40 stakeholders from both business and labor. They prioritize long-term retirement security as well as taxpayer protection at a time when the PBGC's financial outlook is increasingly worrisome for far too many employers and multiemployer plan participants.”

“These are self-help solutions from business and labor in order to prevent taxpayer bailouts. I strongly support this set of thoughtful private sector recommendations to shore up multiemployer plans for future generations of retirees.”

“I was glad to see a set of reasonable private sector solutions to improve multiemployer retirement security and dramatically improve the financial outlook of the PBGC multiemployer insurance program without using taxpayer dollars. The PBGC has always been privately funded, and we should keep it that way – these recommendations will accomplish that goal for the long-term.”

“These private sector solutions to strengthen multiemployer plans will enhance employers' ability to attract and retain contributing employers, provide reliable lifetime retirement income to multiemployer plan participants all while reducing the financial risks to contributing employers and protecting taxpayers. Congress should take note and act upon these recommendations immediately.”

“Workers who have been dutifully paying into a pension plan for years deserve peace of mind and a secure retirement. These private sector solutions will make sure that happens and shore up the PBGC without taxpayers footing the bill.”

“The reality is that no bailouts will be coming for the private pension system – nor should there be. As a result, private sector solutions like these are critical in order to shore up the PBGC for future generations of retirees.”

“This plan from business and labor is a serious one and deserving of a hard look from Congress. These recommendations will ensure that multiemployer plans continue their mission of providing cost-effective and reliable retirement security to millions of hard-working Americans while protecting taxpayers.”

IV. Brief Summary of the Commission’s Report

We thought it would be helpful to include this brief, two page summary of the Commission’s report being released on Tuesday. This is designed to help familiarize you, or potential allies, with what is included in the report, as well as a sense of the breadth of the effort the Commission made to solve the problems facing multiemployer plans, as well as shore up the system for the long-term.

Solutions Not Bailouts: A Brief Summary of the NCCMP’s Retirement Security Review Commission Report Issued by The Partnership for Multiemployer Retirement Security

Background

Over the past 18 months, the Retirement Security Review Commission (Commission) – comprised of stakeholders from both business and labor groups – has worked tirelessly to craft a comprehensive private sector solution to safeguard retirement security for multiemployer plan participants that protects taxpayers and spurs economic growth. These private sector recommendations do not include any taxpayer bailouts and will improve the financial health of both multiemployer plans and the employers who fund them. The Commission’s recommendations are included in report, “*Solutions not Bailouts: A Comprehensive Plan from Business and Labor to Safeguard Multiemployer Retirement Security, Protect Taxpayers and Spur Economic Growth,*” issued by The Partnership for Multiemployer Retirement Security.

The Commission, which included over 40 organizations representing both business and labor and spanning every industry that relies on multiemployer plans as a primary vehicle for providing retirement income security to employees, studied the challenges facing the multiemployer pension system and designed a series of recommendations for reform that not only safeguard retirement security, but specifically address the challenges facing multiemployer plans that the PBGC and other agencies have identified.

Specifically, these proposals include measures that will strengthen and secure for the long-term the current multiemployer system, address the minority of multiemployer plans that are deeply troubled, and facilitate new and innovative plan designs that will better enable bargaining parties to adopt future plans tailored to their unique circumstances. Taken together, these provisions will improve the retirement security of plan participants, enhance the ability of plans to retain contributing employers by limiting financial volatility, and help to prevent the need for future taxpayer assistance.

Two primary objectives governed the Commission’s work:

- Changes to the existing system must still provide regular and reliable lifetime retirement income to multiemployer plan participants; and
- Changes to the existing system must be structured to reduce or eliminate the financial risks to contributing employers.

Commission Process, Report Summary and Recommendations

A series of contributing factors have created the current challenges threatening the security of multiemployer plans. The recent economic downturn has exacerbated the cumulative effects of three decades of statutory and regulatory changes. This is further compounded by the addition of broader financial reporting requirements, tightening credit markets, and unprecedented competitive pressures on contributing employers, leading to an environment of decreased long-term viability of many plans as new employers are discouraged from participating and existing employers are encouraged to withdraw. It is within this context, paired with the impending sunset of the multiemployer funding provisions of the Pension Protection Act of 2006 (PPA) scheduled for the end of 2014 and the need for fundamental restructuring of some basic precepts of ERISA, that the Commission presents its recommendations.

The three primary areas of the Commission's recommended action can be summarized as follows:

1. **Preservation: Proposals to Strengthen the Current System.** Some of these proposals represent technical refinements to PPA, while others address shortcomings of the system outside of PPA. These recommendations are designed to provide additional security for (a) the majority of plans that have successfully weathered the recent economic crises; (b) those that are on the path to recovery as measured against the objectives set forth in their Funding Improvement and/or Rehabilitation plans; and (c) those that, with expanded access to tools provided in the PPA and subsequent relief legislation, will be able to achieve their statutorily mandated funding goals.
2. **Remediation: Measures to Assist Deeply Troubled Plans.** Under current law, a small minority of deeply troubled plans are projected to become insolvent. For the limited number of plans that, despite the adoption of all reasonable measures available to the plans' settlors and fiduciaries, are projected to become insolvent, the Commission recommends that limited authority be granted to plan trustees to take early corrective actions, including the partial suspension of accrued benefits for active and inactive vested participants, and the partial suspension of benefits in pay status for retirees. Such suspensions would be limited to the extent necessary to prevent insolvency, but in no event could benefits go below 110% of the PBGC guaranteed amounts. To protect participants against potential abuse of these additional tools, the Commission further recommends the adoption of special protections for vulnerable populations including PBGC oversight and approval of any proposed actions, taking into consideration certain specified criteria.
3. **Innovation: New Structures to Foster Innovative Plan Designs.** To encourage innovative approaches that meet the evolving needs of certain plans and industries, the Commission recommends the enactment of statutory language and/or promulgation of regulations that will facilitate the creation of new plan designs that will provide secure lifetime retirement income for participants, while significantly reducing or eliminating the financial exposure to contributing employers. While the development of new flexible plan designs including, but not limited to, variable annuity and "Target Benefit" plans would permit adjustment of accrued benefits, in order to protect plan participants from this risk, these models would impose greater funding discipline than is required under current defined benefit rules. The adoption of such new models would be entirely voluntary and subject to the collective bargaining process.

Conclusion

The Commission recognizes that the challenges facing plans require an array of additional tools not currently available to address problems and accomplish the objectives set forth above. This comprehensive plan from business and labor, if enacted, will ensure that multiemployer plans will continue their decades-long mission of providing cost-effective and reliable retirement benefits to millions of working class Americans while protecting taxpayers from further risk.

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V. Conclusion

Thanks again for your assistance and your willingness to support the Partnership's efforts in promoting these vital, private sector solutions to safeguard multiemployer retirement security. If you have any questions about the communications products or process, please do not hesitate to get in touch with us here at **Blue Engine**. To do so, simply send an email to NCCMP@blueenginemediacom and we can assist.

As a reminder, you or your network can view the full report on the Partnership's new website when it launches on Tuesday: www.solutionsnotbailouts.com. At that site, anyone can download the report or get in touch with the Partnership for Multiemployer Retirement Security.

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