

TALKING POINTS – MULTIEMPLOYER FUNDING RELIEF PROPOSAL

1. The market losses suffered in the current financial crisis are much deeper and affect more plans than those experienced at the beginning of the decade which led to the PPA.
2. While the relief granted to date was helpful in granting time to more adequately assess the magnitude of the losses, it did not provide any direct relief from the challenges imposed by the current funding requirements.
3. **The impact of those losses on multiemployer plan funding** not only directly affect large numbers of contributing employers' ability to remain economically viable and continue to make contributions critical to the long-term survival of those plans; more fundamentally, it **presents an immediate threat to the jobs of tens of thousands of covered participants.**
4. The relief required is not due to fund design, risky investments, or mismanagement, but is a direct result of the economic crisis which has thrown the entire financial sector into worldwide disarray.
5. These plans and the PBGC (which steps in as the insurer of last resort for multiemployer plans only after the resources of all contributing employers are exhausted) are an integral part of the financial infrastructure that provides essential services to large numbers of working Americans.
6. Because of industry differences and the upheaval of the economy, the relief measures necessary to assist financially challenged funds are more varied than in the past.
7. These proposals clearly do not undermine the intent of the PPA to improve the funding of defined benefit plans, rather they enable plans and, in some cases entire industries, to regain a firm financial footing from which to meet their long-term commitments (much like refinancing a mortgage) after having been struck by these unexpected, devastating losses.
8. The proposals offered range from: providing additional time for plans that are financially challenged, but fundamentally sound; to new financing approaches to help employers meet the increased contribution requirements for plans in critical or seriously endangered condition; to strengthening the PBGC so that it has sufficient resources, direction and authority to achieve its stated mission of promoting defined benefit plans and the security of participants' retirement income.
9. The proposals include measures designed to help the multiemployer community continue to help support its own through pension plan mergers and other types of joint efforts to achieve administrative and investment economies. For plans unable to survive the crisis, the proposal would give the agency additional flexibility to deploy its resources to benefit plan participants and reduce likely long-term taxpayer costs.