

NATIONAL COORDINATING COMMITTEE FOR MULTIEMPLOYER PLANS



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Solutions Not Bailouts: Talking Points About the NCCMP Retirement Security Review Commission Report

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 enhance the current multiemployer system.
- 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.

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