



January 9, 2018

FOR IMMEDIATE RELEASE

Contact:

David Brown

202-746-4969

dbrown@brunswickgroup.com

Roe, Norcross Unveil Bipartisan Plan to Give Retirement Options to Workers

Plan Strengthens the Multiemployer Pension Plan System for the Future

Roundtable Discussion Highlights the Growing Retirement Uncertainty for Millions of Americans in the Multiemployer System

Washington, DC – January 9, 2018 – U.S. Representatives Phil Roe (R-TN) and Donald Norcross (D-NJ) hosted a bipartisan roundtable discussion at the U.S. Capitol today focused on the risks facing the multiemployer pension plan system. In response to the growing retirement uncertainty faced by millions of Americans participating in the system, Roe and Norcross unveiled the Give Retirement Options to Workers (GROW) plan, a bipartisan effort that is designed to modernize and strengthen the multiemployer pension system for the future. Roundtable participants included Michael Scott, executive director, National Coordinating Committee for Multiemployer Plans (NCCMP); Carol Duncan, chief executive officer, General Sheet Metal (GSM); Brent Booker, secretary-treasurer, North America's Building Trades Unions (NABTU); and Brian Turmail, vice president of public affairs and strategic initiatives, Associated General Contractors of America (AGC).

“For decades, families have relied on multiemployer pension plans for retirement, but the multiemployer pension system as currently structured is irreparably broken,” **said Representative Roe**. “The current structure makes it more difficult for employees and employers to modernize their system to provide the retirement security necessary for hardworking Americans. That’s why I’m proud to partner with Representative Norcross to propose the GROW plan. This important, bipartisan proposal is widely supported by retirement security advocates and will provide a new voluntary vehicle for retirement savings that combines the best components of defined benefit and defined contribution plans. This plan will create a ‘best of both worlds’ scenario for employers and employees, and I look forward to working to ensure composite plans are a key reform adopted to ensure the multiemployer pension system is around for future retirees.”

“Millions of workers deserve a safe, secure retirement and, at the same time, employers deserve predictability and flexibility without excess liability. By focusing on the partnership between employees and employers, our bipartisan solution combines key features of defined benefit and defined contribution plans and is a win-win-win – for employees, employers and our economy as a whole,” **said Representative Norcross**. “I’m an electrician by trade who participated in

the multiemployer pension system for 37 years, as both a rank-and-file worker and a negotiator. The GROW plan offers another tool in the toolbox for workers to grow their retirement savings and employers to grow their businesses.”

“For 70 years, middle class workers have relied on the multiemployer pension system to secure their retirement, but outdated rules and regulations have kept these plans from modernizing to keep pace with changes in the economy,” **said Michael Scott**, executive director of the NCCMP. “The new structure authorized under the GROW plan will give workers peace of mind about their retirement security while offering employers greater certainty in how much they will be required to pay into the system.”

The bipartisan GROW plan will safeguard the multiemployer pension plan system by authorizing the creation of a new type of retirement option that combines the key features of defined benefit and defined contribution plans. Even plans that are healthy today need the ability to make structural changes to ensure certainty for workers in the coming years, otherwise current and future participants may face having to adopt 401(k) defined contribution plans as defined benefit plans are phased out by market forces.

Under the GROW plan, workers will still receive lifetime income, and importantly, the benefits that workers earned under a traditional multiemployer plan are protected even after they are shifted onto a GROW plan structure. For employers, the GROW plan offers greater stability by eliminating the uncertainty and volatility currently faced in the multiemployer system. Under the plan, employers will negotiate a fixed contribution rate and limit their risk, and employees will gain financial security. Ultimately, the GROW plan offers a fiscally responsible way forward, enabling pensions to maintain fiscal solvency.

Retirement vehicles like those authorized under the GROW plan are already being utilized successfully in the Canadian multiemployer system, and extensive stress testing of these vehicles confirm that they would work as intended in the United States. Stress testing has also demonstrated that they are robust enough to weather financial crises like the Great Recession without causing serious financial harm to workers or employers participating in the system.

Carol Duncan, a small business owner attending the event, shared her hope that the GROW plan would allow her to invest for the future, allowing her company to create more jobs, and one day hand down her business to her daughter.

“My daughter works for our family’s small business and would like to become the third-generation owner. But without structural changes to the multiemployer pension system, I do not know if she should,” **said Duncan**, chief executive officer of GSM, based in Clackamas, Oregon. “We have grown a successful business in GSM, and have created good jobs in our community, but the defined benefit plans we contribute to now have unfunded liabilities caused by circumstances over which GSM has no control. I worry about the potential of a plan collapse or a massive withdrawal liability that could be larger than the value of my company. I don’t want my company’s workers suffering and I am unwilling to pass on this uncertainty—and liability—to my daughter. Thanks to the across-the-aisle work done on this problem, the GROW plan is a viable and thoughtful set of solutions to the current unstable multiemployer pension system.”

Other participants at yesterday’s meeting also spoke about the importance of strengthening the multiemployer system, focusing their comments on the need to preserve and protect retirement benefits to support and retain qualified workers.

“Preserving benefits for our members and ensuring their secure and dignified retirement are among NABTU’s highest priorities,” **said Brent Booker**, secretary-treasurer of NABTU. “This new structure authorized by the GROW Plan does exactly that, giving peace of mind to our workers by providing much needed stability to the system.”

“This measure will give employers and employees a new and more effective way to protect retirement benefits,” **said Brian Turmail**, vice president of public affairs and strategic initiatives for the AGC of America. “With most firms struggling to find ways to attract qualified workers into the industry, creating a new way to provide for employees after retirement will serve as a powerful recruiting tool.”

Participants at yesterday’s meeting applauded Representatives Roe and Norcross for working together on the GROW plan, and for their bipartisan leadership in reforming the multiemployer system.

###

ABOUT NCCMP

NCCMP is an organization of national, regional and local multiemployer pension and health and welfare plans, International and Local Unions, national and local employer associations, individual employers, and multiemployer fund professionals. The 1,400 multiemployer pensions have more than \$500 billion in plan assets.

www.NCCMP.org