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March 14, 2018

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U.S. Chamber, National Coordinating Committee for Multiemployer Plans Release Principles for Multiemployer Pension Reform

WASHINGTON, D.C. — The U.S. Chamber of Commerce and the National Coordinating Committee for Multiemployer Plans (NCCMP) today released a series of principles aimed at guiding policymakers toward a solution to a growing multiemployer pension crisis.

Multiemployer pension plans provide benefits to more than 10 million Americans in a variety of industries, and a significant number of these plans are in seriously distressed financial condition. More than one million retirees in multiemployer pension plans are currently in danger of losing benefits because the plans that pay for them will go insolvent.

As a new effort begins on Capitol Hill to address the multiemployer pension crisis, the U.S. Chamber and NCCMP outlined the following principles for reform:

- Rescue legislation is urgently needed
- Financial assistance through loans is a necessary part of multiemployer reform
- All parties should contribute to the resolution
- PBGC premium increases should only be evaluated after the solvency restoration tools are implemented
- Composite plan legislation is necessary to ensure continued viability of certain plans

The principles are available in full online [here](#).

“The multiemployer crisis is a threat to the overall economy. Insolvent multiemployer plans will leave current retirees without benefits and could bankrupt employers in the plans, which could leave workers without jobs,” said Aliya Wong, executive director of retirement policy for the U.S. Chamber. “As we lay out these principles to guide lawmakers’ reform efforts, we are eager to see them stepping up and

demonstrating a commitment to tackling this issue, and we look forward to the solutions they will develop over the course of the coming months.”

Late last year, the U.S. Chamber published a [report](#) that chronicled how the multiemployer pension system came to a point of crisis and identified several initiatives to resolve it. The principles released today reinforce the report’s prevailing finding that Congress and the administration need to act soon to avert further harm to American retirement savers.

“The committee is tasked with navigating the complicated issues affecting the looming insolvencies of multiemployer plans, including at least two that are systemically important, and the PBGC. These issues are deeply interconnected with the U.S. economy and the revenues of the federal government,” said Michael D. Scott, executive director of NCCMP. “The committee will have to make very difficult decisions on legislative solutions to this crisis, recognizing that inaction is a decision that would itself have serious consequences. This is extremely urgent work, because some of the largest plans in distress are hemorrhaging cash, which makes any delay in a solution more difficult and expensive.”

In 2015, the multiemployer system generated \$2.2 trillion in economic activity to the U.S. economy, paid \$158 billion in federal taxes, \$82 billion in state and local taxes, supported 13.6 million American jobs, and contributed more than \$1 trillion to U.S. GDP. This includes \$41 billion in pension payments and \$203 billion in wages to active employees.

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.

The U.S. Chamber of Commerce is the world’s largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

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