

NCCMP

NATIONAL COORDINATING COMMITTEE FOR MULTIEMPLOYER PLANS

Press Release

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NCCMP Commends Congress on Passage of Historic, Bi-Partisan Pension Reform Legislation

WASHINGTON, DC, AUGUST 3, 2006: After years of debate, the pensions of the approximately 10 million working men and women who participate in multiemployer defined benefit pension plans are more secure thanks to the bi-partisan efforts of Congress in advancing the Pension Protection Act (PPA) of 2006 which was passed by the House late Friday and by the Senate tonight. Multiemployer plans cover employees in a variety of industries whose employers contribute to benefit trust funds pursuant to collective bargaining agreements. Often referred to as "Taft-Hartley Funds" after the 1947 law that first regulated them, these plans are jointly managed by trustees who are appointed by the contributing employers and the labor unions that represent their workers. Enacting the PPA will ensure that participants of multiemployer defined benefit plans will be able to retire in dignity with the security of regular monthly retirement income for their lifetime.

The National Coordinating Committee for Multiemployer Plans (NCCMP) praised Congress for its actions, commending lawmakers on having the courage to recognize and respond to the need for bold action to change rules established over three decades ago with the enactment of the Employee Retirement Income Security Act of 1974. These rules had proven unresponsive in light of the first three-consecutive year period of negative investment returns since World War II and historically low fixed income rates plans experienced from 2000 to 2002 and threatened the continuation of some of the most troubled plans. The bill now goes to the President for his signature.

Like the plans this measure will protect, the passage of this legislation is in itself an example of what can be accomplished when labor and management work collaboratively with government on matters of mutual concern. The multiemployer provisions of the bill were the result of the efforts of a diverse labor-management coalition representing approximately fifty of the largest unions, employer associations, large employers and advocacy groups in the nation that promoted a carefully negotiated, comprehensive funding reform proposal to protect the long-term benefit security of plan participants without sacrificing the economic viability of the contributing employers, or increasing the financial exposure of the Pension Benefit Guaranty Corporation.

The National Coordinating Committee for Multiemployer Plans (NCCMP) was established in 1974 and is recognized as the voice of the multiemployer plan community. Its mission is to advocate on behalf of multiemployer benefit plans, their participants and sponsors before Congress, the federal courts and federal agencies with jurisdiction over employee benefit programs.