**The Partnership For Multiemployer Retirement Security: Message Points**

The below package of talking points can be used in meetings with lawmakers and potential allies as well as with other interested parties who may need information on the Solutions Not Bailouts approach to multiemployer retirement security. We have included topline messages that deal with the current “state of play” of multiemployer pension reform as well as general messaging around the Solutions Not Bailouts report and recommendations. We have also included message points in response various events and critiques. If you have questions about any of these messages or would like more talking points, please do not hesitate to reach out to info@solutionsnotbailouts.com.

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# Topline Messages

* The recommendations outlined in the Solutions Not Bailouts report will strengthen and secure the current multiemployer system for the long-term.
* To create true multiemployer retirement security, any plan must have the support of both business and labor. The Solutions Not Bailouts recommendations were formed with stakeholders from both sides at the table.
* We need solutions that address the long term challenges and prevent taxpayer bailouts.
* Additionally, the Solutions Not Bailouts approach will spur economic growth, not just by ensuring that retiring workers have income they can spend, and by making participating employers more competitive, but also by strengthening the fiscal security of businesses – including many small businesses. Preserving multiemployer plans for the long-term will help keep small businesses in business.
* 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.

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# Solutions Not Bailouts: The Need for Multiemployer Pension Reform

* Coming out of the financial crisis, with an eye toward coming changes to the pension system in 2014, the NCCMP formed a partnership of business and labor groups to craft comprehensive private sector solutions that will improve the financial health of both multiemployer plans and the employers who fund them.
* The NCCMP Retirement Security Review 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 “self-help” recommendations will help to ensure that taxpayers are not on the hook for the PBGC.

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# Background: The Solutions Not Bailouts Report

* The Retirement Security Review 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 included in Solutions Not Bailouts 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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# The PBGC Projections Report

* The PBGC’s latest assessment of the multiemployer pension system found that nearly 1.5 million Americans are facing “serious risk” because their already “distressed plans remain critically underfunded and will not be able to further raise contributions or reduce benefits sufficiently to avoid insolvency.”
* This “Projection Report” confirms what we already know: troubled multiemployer pensions affecting millions of Americans are in urgent need of reforms, like those we’ve identified, to survive and continue to provide retirement benefits to these workers.
* Our plan, ‘Solutions not Bailouts,’ would give these troubled plans some of the tools they need to overcome funding challenges without a taxpayer bailout, and would give plans in slightly better shape the opportunity to correct their course before getting into deeper trouble.
* Unless action is taken, current law mandates drastic, automatic cuts to pensions. Solutions Not Bailouts can prevent those cuts and preserve benefits to the greatest extent possible.
* Congress is burying its head in the sand if they think these plans are going to improve without legislative action. Current law bars plans from taking actions that will preserve benefits for their retirees. Congress has to give multiemployer plans the power to take action on their own – through collaboration between management AND labor – to implement innovative solutions that will benefit retirees and keep employers in business.
* Now is the time to act. Opponents of reform only want a taxpayer bailout. We can’t count on that; but we can take steps to restore solvency for many multiemployer plans, before it’s too late.

**Background:** [**The PBGC Press Release**](http://www.pbgc.gov/news/press/releases/pr14-08.html?cid=CPAD01PRJUN3020141&source=govdelivery&utm_medium=email&utm_source=govdelivery) **“PBGC Report Shows Improvement in Single-Employer Plans, but Underscores Increased Risks to Some Multiemployer Plans”**

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# Congressional Hearings on Multiemployer Pensions

* Our report – Solutions not Bailouts - outlines a series of reforms to ensure that multiemployer pension plans are able to continue to provide cost-effective and reliable retirement benefits to millions of working class Americans while protecting taxpayers.
* Solutions Not Bailouts was developed over the course of 18 months featuring stakeholders from both labor and business at the table making their recommendations and eventually signing on in support.
* In the run-up to eventual legislation, Congress has held several briefings, hearings and meetings about how to proceed with pension reform and we are glad that they are giving some of the reforms outlined in Solutions Not Bailouts some serious consideration.

* There is no easy way to address the challenges facing multiemployer retirement plans.
* But in order to protect multiemployer retirement security without taxpayer bailouts, we’ve proposed solutions that have the support of both business and labor and will shore up multiemployer plans for employers and for future generations of retirees without putting taxpayers at risk.
* Our ‘solutions not bailouts’ approach is a financially responsible, feasible and private-sector driven solution to the challenges facing multiemployer pensions. Our hope is that Congress will provide the reforms we’ve proposed so we can tackle these challenges on our own.
* We appreciate the efforts of the relevant Committees to address multiemployer retirement security and for convening multiple hearings on this important issue.
* We look forward to working with the Committee and lawmakers from both parties to meet these challenges in the coming weeks and months.

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# Benefit Preservation

* Today, multiemployer pension plans provide reliable retirement security for millions of American workers. They have existed for decades and now a small number of those plans are at risk unless we take immediate action.
* If we do not unite to take action today to defend the pensions of all active and retired workers, thirty years of statutory and regulatory changes, tightening credit markets and a slow-to-recover national economy will put that retirement security in serious jeopardy.
* To achieve this, we have proposed solutions that are supported by both business and labor that preserve benefits for multiemployer pensions and ensure long term retirement security.
* Our ‘Solutions Not Bailouts’ approach is a financially responsible, feasible and private-sector driven solution to the challenges facing multiemployer pensions. Our hope is that Congress will provide the reforms we’ve proposed so we can tackle these challenges and preserve benefits for retirees.
* These recommendations, taken together, will make retirement more secure for workers, create an environment that encourages more employers to remain in plans and spur economic growth.
* Too often, troubled industries turn to the government for assistance – but taxpayers are not coming to the rescue here, nor should they have to. That isn’t what we’re asking for.
* A series of contributing factors have created the current challenges threatening the long-term security of multiemployer plans. In the rare case that a small percentage of plans become insolvent and no is action taken, workers are at risk of seeing their benefits drastically reduced.
* We want to avoid that fate and preserve those benefits. We aren’t looking for a handout or a bailout, but we do need Congress to take action on these reforms in order to safeguard the retirement security for tens of thousands of workers.
* We are proposing measures that will strengthen and secure the current multiemployer system for the long term, including the majority of plans that have successfully weathered the recent economic crises, those that are on the path to recovery and those that, with expanded access to tools provided in the PPA, will be able to achieve their funding goals to ensure retirement security for workers.
* We are also recommending solutions that address the minority of multiemployer plans that are deeply troubled.
* In those dire cases, and only as an absolute last resort, we recommend action that would preserve benefits far above what would be guaranteed by the PBGC if plans were to reach insolvency.
* We propose, in those emergencies only, that limited authority be granted for a select number of plans to take early corrective actions to ensure workers do not face benefit reductions that could occur if their plan were to reach insolvency and fall under the PBGC’s control. Under our emergency provisions, the approximate $1,250 a month guaranteed by the PBGC could become $1,700 a month for a person retiring at age 65 after 35 years of service.
* If things are allowed to worsen, the PBGC itself will face potential insolvency. That means that the federal safety net for millions of workers’ retirements could soon become insolvent and benefits for those in insolvent plans could fall to $125 per month. We want to stop this unnecessary action and preserve benefits for workers.
* Millions of working class Americans rely on the retirement security provided by multiemployer plans. Without action supported by leaders representing both labor and business, workers are at risk of losing that security and employers are at risk of becoming less competitive. By taking action today, we can ensure long term solvency of plans, preservation of retirement security and a stronger American economy.

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# Banking on a Bailout – A Rebuttal

* Banking on a bailout from Congress, or burying our heads in the sand and hoping for the best are not long-term solutions to a very complicated and expensive problem.
* And as a matter of fact, for those few plans facing insolvency, the PBGC’s ‘guarantee’ is neither sufficient, nor guaranteed.
* In order to truly protect the retirement security for all multiemployer plan participants now and in the future, labor and management have to come together with a self-help solution that protects plans that are not in danger and preserves benefits above the PBGC maximum for the very few that are. That’s what Solutions Not Bailouts does.
* Doing nothing will guarantee cuts for everyone.
* Solutions Not Bailouts outlines reforms to the multiemployer system that would spur economic growth, not just by ensuring that retiring workers have income they can spend, but also by making participating employers more competitive.
* Some people are trying to trivialize the situation that these pension plans find themselves in, or paint rosy scenarios about the likelihood of a Congressional bailout.
* A lot of attention has been paid to the limited authority the Solutions not Bailouts proposal would grant deeply troubled plans to reduce benefits if agreed to by plan trustees under existing bargaining agreements. While these potential reductions, enacted to ensure long term benefit preservation, could be reversed over time, the alternatives of insolvency or PBGC are permanent.
* There’s no getting around the fact that solving the problems faced by these plans will not be easy.
* What we’re proposing is a self-help solution, proposed by labor and management, for labor and management and designed to strengthen the system for the long-term.

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