



TOPIC: NCCMP BRIEFING TO JOINT SELECT COMMITTEE STAFF

EXECUTIVE SUMMARY: ON THURSDAY, JULY 19TH, NCCMP BRIEFED JOINT SELECT COMMITTEE STAFF ON THE CAUSES, IMPACT, FEDERAL WORKOUT OPTIONS, AND SOLUTIONS TO THE MULTIEMPLOYER PENSION CRISIS. IN KEEPING WITH THE HIPPOCRATIC OATH, NCCMP IMplored THAT THE JOINT SELECT COMMITTEE “FIRST, DO NO HARM.” NCCMP ADDRESSED COMMITTEE MEMBERS’ CONSIDERATION OF MANDATING ALTERNATIVE DISCOUNT RATES FOR FUNDING MULTIEMPLOYER PENSION PLANS, RELAYING THAT CURRENT DISCOUNT RATE ACTUARIAL METHODOLOGY & ASSUMPTIONS ARE APPROPRIATE, AND THAT PLANS HAVE HISTORICALLY ACHIEVED THE EXPECTED RATES OF RETURN. FURTHER, NCCMP REPORTED THAT MANDATING 30-YEAR TREASURY RATES OR CORPORATE BOND RATES, AS USED FOR SINGLE EMPLOYER PLANS, WOULD POSE AN EXISTENTIAL THREAT TO THE HEALTHY PLANS, THEIR EMPLOYERS, AND THE PARTICIPANTS IN THE MULTIEMPLOYER SYSTEM. NCCMP REINFORCED THE NEED TO INCORPORATE THE GROW ACT INTO ANY COMPREHENSIVE SOLUTION DEVELOPED BY THE JOINT SELECT COMMITTEE AND THE NEED FOR TECHNICAL CORRECTIONS TO MPRA THAT WILL ALLOW IT TO BE A TOOL THAT IS BOTH RELIABLE AND PREDICTABLE FOR TRUSTEES TO RESTORE PLAN SOLVENCY AND PROTECT RETIREES FROM THE EVEN LARGER BENEFIT REDUCTIONS THAT THEY WILL SEE WHEN THEIR PLANS GO TO THE PBGC. NCCMP DISCUSSED THE NECESSITY FOR A RESPONSIBLY STRUCTURED 1% FEDERAL LOAN PROGRAM THAT MAXIMIZES THE LIKELIHOOD OF EXPEDIENT IMPLEMENTATION BY THE EXECUTIVE BRANCH, ALLOWS PLANS TO RESTORE PLAN SOLVENCY, DEMONSTRATES FULL REPAYMENT USING CONSERVATIVE RETURN ASSUMPTIONS, AND PROTECTS RETIREES TO THE MAXIMUM EXTENT POSSIBLE. FINALLY, NCCMP DISCUSSED THAT ANY DECISION ON PBGC PREMIUMS SHOULD BE MADE ONLY AFTER THE SOLVENCY RESTORATION TOOLS OF MPRA AND THE LOAN PROGRAM ARE ALLOWED TO BE IMPLEMENTED, AS EACH SUCCESSFUL APPLICANT TO EITHER PROGRAM WILL REMOVE THAT PLAN FROM THE PLANS THAT COMPRISE THE PBGC’S DEFICIT. WE ENCOURAGE YOU TO REVIEW NCCMP’S FULL PRESENTATION TO THE JOINT SELECT COMMITTEE STAFF AT THE LINK BELOW.

PURPOSE: INFORMATIONAL
CATEGORY: JOINT SELECT COMMITTEE ON SOLVENCY OF MULTIEMPLOYER PENSION PLANS
ISSUER: NCCMP
TARGET AUDIENCE: TRUSTEES OF AND PLAN ADVISORS TO MULTIEMPLOYER PENSION PLANS
FOR MORE INFORMATION: [Full NCCMP Briefing Materials](#)
SEND COMMENTS TO: Multi-elert@nccmp.org
REFERENCE: VOL. XVIII, ISSUE 10

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If you have questions about the NCCMP, or about this or other issues of Multi-Elert, please contact the NCCMP, by phone at (202) 737-5315 or by e-mail at nccmp@nccmp.org.