

February 6, 2019

The Honorable Richard Neal  
Chairman  
House Ways and Means Committee  
Washington, D.C. 20515

The Honorable Kevin Brady  
Ranking Member  
House Ways and Means Committee  
Washington, D.C. 20515

Dear Chairman Neal and Ranking Member Brady:

We write to express our strong support for passage this year of the bipartisan Rehabilitation for Multiemployer Pensions Act (H.R. 397), which provides loans to severely underfunded multiemployer pension plans to enable them to flourish while protecting the pensions that American workers and retirees have earned. Unless Congress acts, as many as 130 multiemployer pension plans could become insolvent, jeopardizing the benefits of 1.5 million workers and retirees. The Rehabilitation for Multiemployer Pensions Act is an innovative, commonsense bill that will solve this problem by providing loans to severely underfunded multiemployer plans. This landmark legislation will protect benefits for millions of Americans who have worked their entire lives to secure their families' retirement.

At the same time, we strongly oppose so-called "composite" plan legislation, which undermines the retirement security of all multiemployer plan participants and their families. Composite plan legislation puts the retirement security of millions of Americans in jeopardy by allowing trustees to drain money from an existing plan to create a new composite plan that would provide inferior benefits. Funding two plans out of a single source of funds sets up both the existing plan and the new plan for failure. Benefits under the composite plan are not guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), and participants will be at risk for draconian benefits cuts. Under the composite bill, the PBGC would be saddled with significant new liabilities—among other reasons, because the bill will drastically reduce the cost of employers leaving existing plans without paying their fair share of the plans' liabilities—subjecting retirees to greater risk of losing insurance for their pensions. We urge you to oppose composite plan legislation and ensure that it does not become law because it jeopardizes the retirement security of workers and retirees, as well as their families.

Sincerely,

AARP

International Association of Machinists and Aerospace Workers (IAM)

International Brotherhood of Boilermakers

International Brotherhood of Electrical Workers

National Retirees Legislative Network (NRLN)

Pension Rights Center

United Food and Commercial Workers

United Steelworkers

Western Conference of Teamsters Pension Trust