April 13, 2020

The Honorable Mitch McConnell  The Honorable Nancy Pelosi
Majority Leader  Speaker of the House
U.S. Senate  U.S. House of Representatives
Washington, D.C. 20515  Washington, D.C. 20515

The Honorable Charles Schumer  The Honorable Kevin McCarthy
Minority Leader  Minority Leader
U.S. Senate  U.S. House of Representatives
Washington, D.C. 20515  Washington, D.C. 20515

Dear Majority Leader McConnell, Speaker Pelosi, Minority Leader Schumer, and Minority Leader McCarthy:

On behalf of millions of members of the undersigned organizations, we want to first thank you all for your rapid response to the unfolding public health, economic and financial crisis, caused by the pandemic of the novel coronavirus ("COVID-19"). The first three pieces of legislation you passed were designed to deal with the immediate problems at hand. They are an important first step toward economic stimulus and stabilization and provide important relief to workers and employers throughout the country.

The mandated shutdown of large parts of our economy by federal, state, and local governments has and will continue to put millions of hard-working Americans out of work, decimating the finances of workers, families, and their employers.

It is now time to turn to protecting our economy and our citizens going forward as we fight to get this scourge under control. As part of any new legislation, we ask you to address the critical health and pension issues of America’s hard-working men, women, and retirees.

Healthcare

There is an absolute necessity and urgency during this uncontrolled pandemic to ensure that workers do not lose access to their healthcare because they are laid off or due to reduced hours. Congress must pass full premium support for those workers relying on COBRA due to layoffs or reduction in hours. Additionally, Congress must ensure that plans are not burdened by massive new health and drug expense by providing plans with reinsurance for pandemic related medical and prescription drug claims.
Pensions
Congress must also act to protect the pensions of millions of participants in multiemployer pensions and shore up the Pension Benefit Guaranty Corporation (“PBGC”). The existing crisis in multiemployer pensions has been deeply exacerbated by the COVID-19 market collapse and the government mandated shutdown of the economy. Without U.S Government assistance, this crisis will threaten the existence of the 200,000 employers in these plans, their 3.8 million active workers, and the retirement income for 10.4 million participants.

During the discussion of the CARES Act, Senate Democrats put forward a thoughtful proposal (see attached) to deal with the crisis in multiemployer plans that was built off the special partition program included in the Multiemployer Pension Recapitalization and Reform Plan issued by Chairman Grassley and Chairman Alexander in November. The Democrats’ proposal was supported by President Trump and we continue to support it, as well.

As you move forward on new legislation, we urge Congress to ensure that any legislation addressing multiemployer pension plans include the special partition program at the PBGC to deal with the critically endangered plans. The special partition program would move liabilities from failing plans to the PBGC, ensuring that participants receive full benefits while providing plans with the path to long-term solvency. As part of that program, the PBGC must be provided with enough annual funding by the U.S. Government to carry out its mission. Finally, Congress should include provisions similar to the Worker, Retiree, and Employer Recovery Act of 2008, to allow plans to freeze their zone status for the current year, and the Pension Relief Act of 2010, to allow plans to smooth investment and contribution base unit (“CBU”) losses in the funding standard account, and investment losses in the development of the actuarial value of assets.

Sincerely,

Sean McGarvey
President

Kinsey M. Robinson
International President
United Union of Roofers, Waterproofers and Allied Workers

Terry O’Sullivan
General President
Laborers’ International Union of North America

Frank J. Christensen
General President, International Union of Elevator Constructors

Kenneth E. Rigmaiden
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International Union of Painters and Allied Trades

James T. Callahan
General President
International Union of Operating Engineers

Joseph Sellers, Jr.
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Sheet Metal, Air, Rail and Transportation
James P. McCourt
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Eric M. Dean
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International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers

Lonnie R. Stephenson
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Daniel E. Stepano
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Operative Plasterers' & Cement Masons’ International Association of the US & Canada

Mark McManus
General President
United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States & Canada

Timothy J. Driscoll
President
International Union of Bricklayers and Allied Craftworkers

James P. Hoffa
General President
International Brotherhood of Teamsters

Newton B. Jones
International President
International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers

cc: The Honorable Chuck Grassley
The Honorable Lamar Alexander
The Honorable Ron Wyden
The Honorable Patty Murray
The Honorable Richard Neal
The Honorable Robert C. “Bobby” Scott
The Honorable Kevin Brady
The Honorable Virginia Foxx

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