



Pennsylvania Conference of Teamsters

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LEGISLATIVE ACTION ALERT



TEAMSTERS

E-DISPATCH

Pension committee must deliver on retirement promise

BY JAMES P. HOFFA, OPINION CONTRIBUTOR — 03/17/2018

THE VIEWS EXPRESSED BY CONTRIBUTORS ARE THEIR OWN AND NOT THE VIEW OF THE HILL

Years of hard work by Teamsters, retirees and other unions to reform the faltering multiemployer pension system finally are paying off. Late last month, congressional leaders announced the members of a bipartisan congressional pension committee, tasked with finding a solution to the nation's looming pension crisis by this November, and the panel met for the first time on Wednesday.

It's not a moment too soon. There are about 1.5 million retirees in desperate need of quick action to save the retirement nest eggs they spent decades contributing to, on the premise they would be financial secure in their golden years. There also are hundreds of thousands of workers who are enrolled in these pension plans who deserve assistance, too.

As it stands, there are about 200 multiemployer plans across the country — including the Teamsters' Central States Pension Fund — that are in danger of failing. The House-Senate Joint Select Committee, chaired by pension reform advocate Sen. Sherrod Brown (D-Ohio), needs to find a vehicle that will deliver for these hard-working Americans who are paying, or have paid, into the pension pool and have played by the rules all their lives.

Luckily, the panel's 16 members don't have to look far to find a vehicle that would fit the bill. This union supports the passage of the Butch Lewis Act of 2017 (H.R. 4444/S. 2147), which has gained bipartisan support since its introduction in Congress late last year by Sen. Brown and Rep. Richard Neal (D-Mass.).

Republicans such as Reps. Peter King and Dan Donovan of New York, Chris Smith, Frank LoBiondo, and Tom MacArthur of New Jersey, Brian Fitzpatrick and Ryan Costello of Pennsylvania, and Kevin Cramer of North Dakota and Don Young of

Alaska understand the value of the bill and should be lauded for supporting this legislation. The measure would boost financially-troubled multiemployer pensions so they don't fail. It would create an agency under the Treasury Department that would sell bonds in the open market to large investors such as financial firms.

The agency, the Pension Rehabilitation Administration (PRA), would then lend money from the sale of the bonds to the financially-troubled pension plans. Plans that are deemed "critical and declining," as well as recently insolvent but non-terminated plans and those that have suspended benefits, would be eligible to apply for the program.

Pension plans borrowing from PRA would be required to set aside the loan proceeds in separate, safe investments such as annuities or bonds that match the pension payments for retirees. For those plans needing additional help to meet retiree obligations, the Pension Benefit Guaranty Corporation would be available to make up the difference. Those applying for loans to the PRA — which would be charged with approving all loans before they could be issued — would have to submit detailed financial projections. And, pension plans that have borrowed money would have to submit reports every three years to the PRA to show that the loans are working.

Last December, Teamsters were among the hundreds of union members who came to Capitol Hill to rally in support of the Butch Lewis Act. There, they joined Senate Democratic Leader Chuck Schumer (N.Y.), House Democratic Leader Nancy Pelosi (Calif.), Sen. Brown, Rep. Neal and others to push for the legislation. Retirees were on hand to share their stories.

Mike Walden, a former truck driver and Teamster retiree from Akron, Ohio, recognized years ago that pensions such as the one he receives from the Central States were in dire straits. Now he is president of the National United Committee to Protect Pensions and chairman of the Northeast Ohio Committee to Protect Pensions.

He told those on hand that day that any cut in pensions would devastate the well-being of retirees and force many out of their homes and into a life that, at their advanced age, they cannot handle. "Many of us are old; we can't go back to work because we've had joint replacements, or some of us have lost our eyesight. We have medications that wouldn't allow us to drive the trucks or work in warehouses like we used to," Walden said. "Many can't afford their medications if you reduce their pensions. They'll die."

That is what is at stake in this battle for justice. These workers aren't asking for a handout; they just want what is rightfully theirs. It's time for the joint committee to get to work and endorse this legislation that will make retirees whole. They've waited long enough.

James P. Hoffa is general president of the International Brotherhood of Teamsters and one of the foremost authorities on union issues.