

March 1, 2016

The Honorable Orrin Hatch
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Hatch and Ranking Member Wyden:

The undersigned organizations, representing employers in the multiemployer defined benefit system, are writing to encourage you to maintain the reforms that Congress passed in the Multiemployer Pension Reform Act of 2014 (MPRA) as part of the Consolidated and Further Continuing Appropriations Act of 2015.

MPRA was a vitally important step in reforming the multiemployer pension system. The legislation makes permanent the multiemployer provisions under the Pension Protection Act of 2006; gives the Pension Benefit Guarantee Corporation (PBGC) authority to promote and facilitate plan mergers; allows plan sponsors to apply to the PBGC to partition a plan; increases PBGC premiums for multiemployer plans; and allows for benefit suspensions in certain plans in critical and declining status. All of these provisions are essential tools in restoring the multiemployer pension system.

Since the passage of MPRA, there have been attempts to undo all or parts of these provisions. Any undoing of MPRA would have dire consequences that would fall on the most vulnerable population. Given the current situation of some multiemployer plans, there are no painless solutions. For plans in critical and declining status, the choices are between bearable pains today or devastating results in the future. MPRA provides tools necessary to avoid such devastation.

Instead of undoing MPRA, Congress should move ahead with additional reforms to avert future plan failures. There is a combined management and labor effort to move forward with composite plan designs. These designs would help maintain current benefits in multiemployer plans without incurring additional liabilities and ensuring participants are entitled to past earned benefits. Also, these designs could be helpful in retaining and attracting new employers and providing greater retirement coverage.

We urge this committee and Congress to continue to uphold the provisions contained in MPRA and authorize composite plan designs as the best way for the multiemployer pension system to move forward.

Sincerely,

AGC of Connecticut
American Bakers Association

Associated General Contractors of America
Associated Maintenance Contractors
Association of Food and Dairy Retailers, Wholesalers and Manufacturers
Connecticut Construction Industries Association
Constructors Association of Western Pennsylvania
Eastern Contractors Association, Inc.
FCA International
Food Marketing Institute
International Warehouse Logistics Association
Ironworker Employers Association of Western Pennsylvania, Inc.
Master Builders' Association of Western PA, Inc.
Mechanical Contractors Association of America
National Association of Waterfront Employers
National Beer Wholesalers Association
National Electrical Contractors Association
North American Contractors Association
Sheet Metal and Air Conditioning Contractors' National Association
Society for Human Resource Management
The Association of Union Constructors
U.S. Chamber of Commerce
Western Pennsylvania Chapter, NECA

cc: Members of the Committee on Finance