

Dear Representative/Senator:

Millions of workers are covered by defined benefit, multiemployer pension plans. The financial future of those workers and families depends on the survival of those plans. As a retiree of Teamsters Local 707 I am one of the many who have had their employer contribute a comparatively large portion of my wage package so that I could enjoy a well-earned retirement. Unfortunately, our plan suffered from declining active member populations and have an unsustainable ratio of retirees to actives. This has caused our plan to sell investment assets to pay promised benefits, essentially digging a hole from which the plans cannot emerge. Our plan became insolvency on February 1, 2017 due to these cash flow shortfall. Our benefits were reduced to the PBGC guarantee, which resulted in a in a benefit reduction of 70%.

If other plans go insolvent, millions of families face a financial catastrophe which would likely have ripple effects throughout the economy. I write to ask for your support of the solution that UPS has proposed to solve the pending crisis in the multiemployer pension plan system.

Let it be known if Congress turns its back on reasonable solutions to help the Nation's troubled pension plans, individuals like me, our families, and communities will be financially devastated. More disturbing is that everything I read about the PBGC gives me less and less confidence that this government guaranty program could survive after just one or two large plans goes insolvent. If PBGC goes insolvent, my pension would be zero. Let's not forget about the significant economic impact to the country as these plans pay billions in benefits each year.

The UPS proposal which you should support is not a handout or a bailout. It makes direct low-interest federal loans to plans who face imminent insolvency, provided the plans implement benefit reductions of up to 20 percent for all participants with larger cuts for insolvent plans like ours. Loans would only be available to those plans which are able to demonstrate, through joint labor-management support, an ability to fully repay the loans. This combination allows these plans to stop selling assets to pay benefits and to grow their core assets. Over time, this allows the plans to make benefit payments and repay the loan in full. Plans would need to qualify for the loans by demonstrating that full repayment is assured so that taxpayers would not be burdened. Keeping these plans solvent also reduces the risk that PBGC becomes insolvent.

I write to ask for your support to help get this proposal through the legislative process as quickly as possible. We need help now.

Sincerely,

Signature

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