

# INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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July 20, 2020

## Via US Mail and Electronic Transmission

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, D.C. 20510

The Honorable Charles Schumer  
Minority Leader  
U.S. Senate  
Washington, D.C. 20510

Dear Leader McConnell and Leader Schumer:

The shutdown of the U.S. economy has greatly amplified the financial struggle of multiemployer pension plans. Hundreds of employers are now facing bankruptcy and cannot contribute to multiemployer pension funds; employees have lost their jobs and the sharp drop in interest rates have hit plans hard. Since this pandemic crisis began, the Teamsters Union has urged Congress to address the multiemployer pension funding crisis as part of any federal legislation to stabilize and stimulate the economy.

Senior citizens and essential workers are disproportionately impacted by both the impacts of COVID-19 and the multiemployer pension crisis. Recognizing this intersection, the House's recently passed stimulus bill (H.R. 6800 – the HEROES Act) included a proposal to address the challenges faced by struggling

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multiemployer funds and the threat to the retirement security of millions of retirees and active workers. That proposal, the Emergency Pension Plan Relief Act requires the federal government to set up a special partition program at the PBGC to rescue financially troubled multiemployer pension plans without cuts to benefits.

Unfortunately, the House bill also included the controversial GROW Act, which permits the creation of so-called composite plans. The Teamsters union opposes the GROW Act and we are disappointed at its inclusion in the House bill.

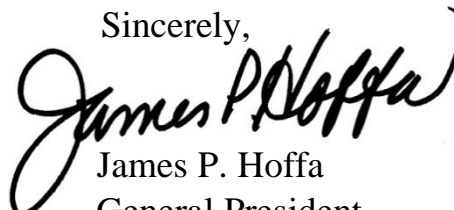
As hundreds of millions of people across the nation are still being urged to stay home or reduce contact with others, the country continues to require millions of essential workers to keep the country functioning. A significant number of these front line workers are Teamsters, including many whose retirement security depends upon the Central States Pension Fund. These brave men and women must be protected. Their health and safety must be protected on the job and their families' financial health and safety must be protected as well.

As America looks to reopen and rebuild, maintaining the solvency of the multiemployer pension system will be key to economic recovery. The National Institute for Retirement Security has concluded that the \$41.8 billion in private pension benefit payments paid to retirees of multiemployer plans in 2016 supported \$89 billion dollars in overall economic output in the national economy and an estimated \$14.7 billion in total tax revenue including \$6.3 billion in state

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and local taxes. The country can ill-afford a reduction in these revenue streams during the recovery period.

I urge you to protect retirees, essential workers and our nation's economic recovery by including the "*Emergency Pension Plan Relief Act*" in the Senate's negotiated stimulus package.

Sincerely,  
  
James P. Hoffa  
General President

JPH/sm