

## **PENSIONS**

**WHEREAS**, the International Brotherhood of Teamsters has been in the forefront of promoting and protecting the retirement security of American workers, retirees, and their families; and

**WHEREAS**, the Teamsters Union and Teamster-affiliated pension funds have provided good benefits that have enabled Teamsters to live in retirement with dignity and financial security; and

**WHEREAS**, the Employment Retirement Income Security Act (ERISA) was enacted to provide assurances that plan sponsors could not simply renege on pension promises made to plan participants and beneficiaries; and

**WHEREAS**, for more than forty (40) years the law prevented ongoing pension plans from unilaterally cutting retiree's promised benefits; and

**WHEREAS**, the International Brotherhood of Teamsters believes the Federal government, including the Pension Benefit Guarantee Corporation, has an obligation to protect the retirement security of workers covered by defined benefit plans under ERISA; and

**WHEREAS**, it was failures in government regulation and oversight that paved the way for two (2) severe financial market collapses (2000 and 2008) that devastated the assets of many pension plans including the Central States Pension Fund; and

**WHEREAS**, Congress passed the Multiemployer Pension Reform Act (MPRA) as part of a massive omnibus spending bill, which eliminated ERISA's core protections against forfeiture and reductions of accrued benefits; and

**WHEREAS**, amending ERISA to eviscerate the promise of a defined benefit pensions is a dramatic assault by the Federal government on America's middle class; and

**WHEREAS**, hundreds of thousands of Teamster members are participants in plans that could be affected or have already been affected by significant reductions permitted by MPRA; and

**WHEREAS**, the Teamsters Union believes that promises made to millions of workers and dependents should not be broken because of a funding crisis that in large part is the result of failed Federal policy; and

**WHEREAS**, the Teamsters Union opposed, and continues to oppose, the Multiemployer Pension Reform Act; and

**WHEREAS**, in 2015, the International Brotherhood of Teamsters called for the rejection of the Central States Pension Fund application to U.S. Department of the Treasury to cut retiree benefits, and to the fullest extent, participated in Treasury's comment and review process, filed comments and testified at hearings, and conducted extensive education activities for Congress about the real life ramifications of the proposed benefit cuts on retirees and the serious flaws and deficiencies in the Central States Pension Fund application and urged Members of Congress to call on Treasury to reject the application, which Treasury, under the direction of the Special Master, did reject in May of 2016; and

**WHEREAS**, the International Brotherhood of Teamsters opposes the reduction of retiree pension benefits and cutting normal retirement benefits of active members; and

**WHEREAS**, the Teamsters Union continues to lead the way for federal legislative effort to aid troubled multiemployer pension plans by enlisting the support of members and retirees and local unions that encouraged their members and retirees to be informed and educated about the funding crisis that confronted multiemployer pension plans and the reasons for such crisis; and

**WHEREAS**, the Teamsters Union has worked and built support for alternative solutions to cutting promised benefits to Teamster members and retirees; and

**WHEREAS**, many of the Teamsters Union's creative concepts from the Butch Lewis Act helped initiate the concept of a Federal Assistance grant program to troubled multiemployer pension funds as a source of relief for those funds under the Butch Lewis Emergency plan relief act provisions that are within the American Rescue Plan Act of 2021 (ARPA); and

**WHEREAS**, the Teamsters Union built political support from all of organized labor, financial institutions and members of Congress for new approaches in addressing the funding crises affecting multiemployer pension funds, many of which were used in the drafting of the American Rescue Plan Act of 2021 that eventually became law which will save approximately 50 or more Teamster multiemployer pension funds from insolvency and act to reverse MPRA or other pension reductions for many Teamster funds and for as many as another 135 multiemployer pensions sponsored by other unions.

**NOW THEREFORE BE IT RESOLVED** at this 30<sup>th</sup> Convention of the International Brotherhood of Teamsters that the Union will continue its work to ensure the promises of ARPA are realized through the ARPA regulatory process such that the rules to be released this summer will:

- Define the Special Financial Assistance such that **all** benefit obligations are met through 2051 and **beyond**;
- Prioritize applications for ARPA Special Assistance through guidance that provides a fair process for pension funds most in need because they are either near insolvency or who exceed a certain dollar threshold in special assistance or have implemented MPRA suspension of benefits that would allow those pension funds to move to the head of the line for assistance;
- Contain strong language addressing Withdrawal Liability provisions so that employers cannot use ARPA as a strategic opportunity to withdraw from pension funds, which will now be fortified by ARPA, in order to reduce their long-term pension obligations by eliminating future contribution streams;
- Allocate of a portion of future employer pension fund contributions to fund future benefit improvements and designs consistent with a more moderate and less risky funding

approaches to prevent potential future unfunded liabilities, which should, therefore, encourage more participation from Teamster locals and new employers into Teamster Pension funds;

- Provide more options for the investment of the Special Financial Assistance including those consistent with insurance annuity contract guidelines, private placement, and other prudent investment opportunities;

**NOW THEREFORE BE IT FINALLY RESOLVED** at this 30<sup>th</sup> Convention of the International Brotherhood of Teamsters that the Union will continue its work to ensure that retirement promises are kept in multiemployer, single employer and public sector pension plans through on the ground political action, lobbying efforts, providing technical expertise for Congress, regulators and legislators and, through aggressive collective bargaining and, most importantly, through our collective moral obligation to protect the pensions of retired, elderly and active teamster members.