



Protecting Retirees' Pension Benefits

About 10 million Americans participate in multiemployer pension plans and about 1.3 million of them are in plans that are quickly running out of money. Many of these troubled multiemployer plans cover workers who are on the front lines of the COVID-19 public health crisis. Even before the pandemic, workers, businesses, and retirees faced a crisis and were in dire need of our help. The economic catastrophe resulting from COVID-19 has exacerbated the multiemployer pension crisis and threatened the hard-earned pensions of even more workers and retirees. This threatens to bankrupt the Pension Benefit Guaranty Corporation (“PBGC”), impose damaging liabilities on thousands of businesses, and devastate communities across the country.

The COVID-19 economic downturn has worsened the multiemployer pension crisis and increased the urgency with which we must act to help retirees whose financial security is at risk.

- The COVID-19 pandemic has further elevated the need for Congress to address the multiemployer pension crisis as many of the failing plans cover delivery workers, food and grocery store workers, and others on the front lines of the public health crisis.
- According to one nonpartisan actuarial estimate from last year, the COVID-19 crisis could cause an additional 180 plans to become insolvent.
- This means that over 300 plans—covering 2.5 million Americans—could be at risk of failure.
- The COVID-19 public health crisis is even threatening healthy multiemployer and single employer pension plans.

Protecting the pension benefits of retirees is simply the right thing to do.

- The American workers in these multiemployer pension plans did everything right. For years, they set aside their hard-earned money for retirement and chose year after year to contribute to their pensions instead of taking a wage increase.
- Now, after working for 30-plus years, their planned retirements may be taken away from them. And taken away at a time when they no longer have an opportunity to prepare for retirement, because they’re now in retirement.
- Retirees, workers, and their families who rely on these plans are at risk of losing benefits earned over a lifetime of work, through no fault of their own.
- What we have here is a national emergency that we need to address immediately. If Congress doesn’t act, the multiemployer pension system could collapse entirely, leaving retirees in poverty, businesses in bankruptcy, and communities in crisis.
- We cannot allow more than a million men and women to lose their hard-earned savings when we have the ability to stabilize these plans. Passing this legislation is simply the right thing to do.

The Butch Lewis Emergency Pension Plan Relief Act of 2021 would stabilize troubled multiemployer plans and protect retirees' pensions.

- To address this crisis, the legislation generally would create a special financial assistance program under which cash payments would be made by the PBGC to financially troubled multiemployer pension plans to ensure that such plans can continue paying retirees' benefits.
- The PBGC would be provided with the amounts necessary to provide such payments through a general Treasury transfer.
- Applications for special financial assistance under this program must be submitted no later than December 31, 2025.
- The amount of financial assistance would be such amount required for the plan to pay all benefits due during the period beginning on the date of enactment and ending on the last day of the plan year ending in 2051 with generally no reduction in a participant's or beneficiary's accrued benefit.