

**Joint Statement of AARP, the International Association of Machinists and Aerospace Workers, the International Brotherhood of Boilermakers, Musicians for Pension Security, the National United Committee to Protect Pensions, the National Retirees Legislative Network, the Pension Rights Center, the United Steelworkers, and the Western Conference of Teamsters Pension Trust Opposing Composite Pension Legislation
December 20, 2017**

Our organizations, representing tens of millions of workers and retirees, strongly support the passage this year of critical legislation to make available loans to severely-underfunded multiemployer pension plans to pay earned pensions to retirees and their families, earn investment market returns to repay the loans, and fund the federal pension insurance program, the Pension Benefit Guaranty Corporation (PBGC). Approximately 10 million workers and their families are covered by multiemployer pension plans. These workers worked a lifetime to earn their retirement benefits and should not have their retirement years shattered because Congress failed to act to protect their pensions.

At the same time, we strongly oppose efforts to attach “composite plan” proposals that put earned benefits at risk to this legislation. The composite legislative proposal does not ensure that earned pensions will be fully paid in either existing multiemployer pension plans or in newly created plans. The composite proposals put benefits at risk, even in those multiemployer plans that are well-funded today. Advocates for composite plans argue that their proposals would preserve existing plans for workers and retirees while creating innovative plans for the future. But what they are not saying is that money that would be needed for the new composite plans will be taken from money needed to fund existing plans – likely leading to underfunding of both plans – without adequate benefit protections. Proposals to limit composite plans to certain industries do not solve the problem as these plans will face the same incentives to cut earned benefits.

The composite plan legislative proposal, while creating new risks for existing plans, would continue to permit underfunded existing plans to cut retiree pensions. Benefits under the new composite plans would not be guaranteed, as plan trustees have broad authority to reduce earned pensions, including for retirees already receiving pensions. While the Treasury Department and plan participants must approve any proposed pension cuts in existing plans, the participant vote does not follow democratic voting principles and unfairly counts those who do not vote as having voted to cut pensions.

We support the need to have pension plans that work for all parties – workers, retirees, employers and unions. We are open to discussing pension designs that encourage employers to join and contribute to multiemployer plans without unfairly eliminating the fundamental principle of secure earned pensions. **We urge you to pass legislation to improve the funding of and protect the earned pensions of retirees covered by severely-underfunded plans – and say “no” to composite plans that put earned benefits at risk.**