

**STATEMENT OF
RITA LEWIS
ON
“THE MULTIEMPLOYER PENSION PLAN SYSTEM: RECENT REFORMS AND
CURRENT CHALLENGES”
BEFORE THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
MARCH 1, 2016**

Mr. Chairman, Members of the Committee, thank you so much for inviting me to speak. My name is Rita Lewis and I live in Westchester Ohio. I am here representing my dearly beloved late husband Butch Lewis, who worked 40 years for USF Holland, a Midwest trucking company. Butch, a leader of the Retired Teamsters of Southwest Ohio Pension Committee, fought hard, until his last dying breath, to stop the shameful and unfair cuts authorized under the Multiemployer Pension Reform Act of 2014. I am here today to take up Butch’s fight, and to make sure that his death was not in vain.

I’m here today to urge you, to plead with you really, to stop the cuts in MPRA and find a bi-partisan solution to shore up underfunded multiemployer plans and protect retirees. I’m here not just to help myself, but to speak on behalf of the 270,000 retired truck drivers, widows and spouses whose lives will be devastated if the Central States Pension Plan is allowed to go through with these cruel and unfair cuts, taking away as much as 40-70 percent of our hard-earned promised pensions. These cuts are unprecedented and are plain wrong.

I want to start with an important point: This is not a partisan issue. This is an issue of fundamental American values, of keeping earned promises to this nation’s retirees. We are Republicans and Democrats and Independents. We live in your states – we are your constituents. We worked hard our whole lives and did everything right so we could have a comfortable retirement. Not an extravagant retirement; we just wanted to have enough income to live our sunset years with dignity and independence, to pitch in to help our kids and grandkids, especially in today’s uncertain economy, and to continue being productive members of our communities.

I understand if Central States is allowed to go forward and slash our pensions, there are somewhere around 100-200 underfunded multiemployer plans that are waiting in the wings to cut their retirees’ benefits, too, potentially affecting at least a million American retirees. Many of you on this Committee have already heard from affected retirees, and I expect many of you will hear from additional constituents once the dam breaks and the flood of benefit cut letters begins. I plead with you today to find a solution to shore up underfunded pension plans, and to protect our pension benefits, before this becomes a huge national crisis and your constituents from lots of other plans are sitting where I am today.

Also, I want to say that I, and other Teamster retirees, support the United Mineworkers in also protecting their retired members and we hope and pray there can be a separate solution for them.

Now let me tell you my story. My husband and I were married for 40 years, after being childhood sweethearts. Butch was a professional baseball player after high school and was drafted by the Pittsburgh Pirates. But he gave up that opportunity and volunteered instead to fight in Vietnam when he was only 18 years old. He served in the Special Forces Army Rangers 173 Airborne Division for two years, but had been in the jungle of Vietnam for five months when his unit came under attack. While carrying his fellow soldiers to safety, Butch got hit in the knee by a mortar shell and he came home with life-threatening injuries. Butch received the Bronze Star and a Purple Heart for his service.

When Butch returned home he never complained. He would say “Rita, I’m happy to be alive and we have to look forward, not backwards, and believe that God has a plan for us.” So when he came home, he got a good-paying job in the trucking industry, joined the Teamsters union where he stayed a loyal member throughout his life, and we got married and started a family. His dreams of being a ball player were over, but now he had a new dream of being a working man taking care of our family.

Every day for 40 years, he went to work, driving a semi tractor trailer which is hard work. It’s like being an industrial athlete, driving long miles, throwing huge packages on to the truck, jumping in and out of the cab. This was back when truck shock absorbers were practically non-existent, and the vibrations of the truck left him with bad hearing. And he did all this without complaining, even while he was having 37 surgeries to fix the knee that was blown out in Vietnam. He never complained about his pain, but I saw it. And he worked every day to earn enough not just to take care of us, but also to earn a good pension so when we were old we could finally enjoy the fruits of our labor. And this pension wasn’t a gift. He worked hard for every penny of that pension. He gave up wages, and vacation pay and other benefits in exchange for a modest, reliable retirement income, because that’s what responsible workers do.

Butch was getting his pension for just about a year when he got the letter from Central States saying that his pension was being cut from \$3,348.82 a month to \$1,998.65. Butch couldn’t believe it. He was so upset, he couldn’t sleep. He started talking to other retirees and he learned that others were even in worse shape, facing cuts that would slash their pensions by 50, 60, or even 70 percent.

Butch had already had a few minor strokes and the doctor had warned him to avoid stress. But Butch wasn’t that kind of man. He was a warrior. And just like he did in Vietnam, he fought to right this injustice by working with what are now 50 retirees’ committees across the country – all organized to stop the cuts. As he said, this was a war just like he had fought in Vietnam, and the cuts being forced on retirees were a “war against the middle class and American values.”

But after fighting hard, Butch died of a massive stroke last New Year’s Eve. The doctors said all the stress he was living with because of the impending destruction of our financial future contributed to the stroke.

Now I’m left without my husband who was the love of my life and facing cuts in my own joint and survivor benefit from \$2,511.61 to \$1,498.98 a month. Butch paid for that survivor pension

while he was working by giving up wages so I would be taken care of if something happened to him.

So instead of having the life I had envisioned with my husband, enjoying our secure retirement together, I now have to worry about how I will make ends meet. And my husband is gone and can't help me.

I am going to have to sell the house that Butch and I had made our dream home. Right now I am helping take care of my dad who has stage IV cancer, and I worry I won't be able to keep doing that if my survivors' benefits get cut. I won't be able to help out my son and daughter or help pay for my grandchildren's college like we expected.

And believe me, I'm in better shape than many: I have a job, paying me \$17 an hour, with the police department, and I hope, God willing, I can continue working. And the cut to my pension is only 40 percent. As I said, some people are going to lose 50 to 70 percent or more of their pensions.

Let me tell you about some of the others who are affected, some of whom are here with me today:

- Whitlow Wyatt, 72, for 33 years worked for a trucking company that went out of business. His pension is slated to be cut 60 percent, the maximum allowed by MPRA, and his pension will go from \$3,300 a month to \$1,018.16. His wife now has stage IV breast cancer, and they will drastically have to downsize, including selling their house. The Wyatts are among the thousands of retirees and their families in Ohio who will suffer greatly.
- Tom Krekeler, 68, worked for a food company and is facing a pension cut of 52 percent. He and his wife run a small farm in Cincinnati and have enough left over that they often donate to non-profits. They don't know how they'll be able to afford their expenses, and fear they'll have to sell their farm, which they worked a lifetime to buy. He wonders whether he and his wife will have to choose between food and medicine.
- There's Ava Miller of Flint, Michigan, who is now in her sixties. She was a car hauler dispatcher for 42 years. Her pension is being cut 58 percent% because Central States considers her an "orphan" because some of the companies she worked for don't exist anymore and she is being cut the maximum amount. Why should Ava be penalized? She did everything right and yet now, wracked with health problems and soaring bills, she may have to sell her house.
- Larry Maxfield of Winfield, Missouri is 73 and has a heart condition, diabetes, high blood pressure, spinal stenosis, bad knees, COPD, and bronchitis and takes 20 pills each day. Central States told him his pension will be reduced from \$3,100 to \$1,276.03 monthly, a 58 percent% cut – and he has no idea how he'll make it.
- There's Bob Amsden, from Milwaukee, Wisconsin, who worked for 32 years as a road driver, city driver and on the dock for five different companies. Bob has been told his

pension will be cut 55.4 percent%. He said if these cuts are allowed to go through, “The life I spent working for my pension will be for nothing.”

- Ron Daubenmeier of Cedar Rapids, Iowa, is facing a cut of 60 percent because he worked for Consolidated Freight which went bankrupt – again through no fault of his own or of the other retirees left in the lurch. Ron is 74 and is facing a steep cut of his benefit from \$3,200 to \$1,286.00 a month – which will leave him struggling to make ends meet.
- And, finally, I heard about Clarence Moody, whose pension is being cut to zero – penalizing him because of the way a divorce decree was written.

These are just some of the stories I have heard. There are thousands of stories just like these. I know that Central States says the average cuts are around 22.5 percent, but just about everyone we’ve talked to has been told their cuts are 40 to 70 percent. These cuts are hitting us like a ton of bricks and none of us has time to prepare for the cuts, or make additional accommodations like we might have done if we were still young. It’s cruel to cut our pensions now when few of us can go back to work, leaving us without options to make up the difference in our incomes.

The unfairness of the cuts is magnified when you look at how much the plan pays in administrative and investment expenses. While they’re cutting our pensions, many of the people on the staff of the fund make hundreds of thousands of dollars a year, and the Central States Fund’s director, Tom Nyhan, recently accepted a raise of \$32,000 – almost twice what I’ll be getting as a pension. He is now making \$694,786. Need I say more?

When a pension is cut, it’s not just about the individual. It also affects multiple generations and communities. If these cuts are allowed to go into effect, folks like me will lose our homes, won’t be able to assist our kids and grandkids, won’t be able to pay for medicine and supplies, and won’t go shopping in the malls or to local restaurants. Those of us who paid for our pensions, and never asked for a handout, may now be forced to go on public assistance. And even if we are able to avoid this fate, many of the kids and grandkids we are supporting will not.

We’re asking you today to please help us. The cutback provisions of MPRA are not the right way to solve this problem. As you know, the MPRA was negotiated behind closed doors, without any public hearings on the actual bill, without input from the retirees and employees and their widows and spouses, who will be most affected. If that bill hadn’t passed, I know I and others like me would be able to count on our promised benefits for another decade and more. And I’m confident Congress could certainly come up with a better solution to the funding problem during that time.

The bill reverses 40 years of protections from the private pension law ERISA which says that you can’t cut back the already-earned benefits of retirees in a multiemployer plan unless the plan completely runs out of money, and even then, retirees are to be protected the most because we are the most vulnerable. Most of us can’t go back to work or plan ahead to find other savings. The cuts are happening right now – today – and there’s no time for us to adjust.

And our benefits are being decimated now – even though Central States is expected to have enough money to pay our benefits for the next 10 to 15 years.

I've heard the argument used that it's better to get a haircut today than a beheading tomorrow. But I'd like to say that this is a beheading for most of us. Those of us facing pension cuts are all in our 60s and 70s, and we don't have the time to make up for the lost income. And not to be so blunt, but let's face it, a lot of these retirees, like my husband, will be gone long before Central States will run out of money. And why would Congress allow pension plans, like Central States, to try to balance their books on our backs?

It's plain wrong.

I know that something has to be done. And I know that the federal pension insurance program is not funded well enough. I'd like to know why aren't we making that a priority. I understand it was set up to ensure that when plans run out of money, retirees would be the last to suffer, not the first – and yet MPRA blames us for all the financial problems of multiemployer pension plans even though we didn't cause any of them.

So I'm asking you today to please help us. When Detroit faced bankruptcy, everyone came together and struck a Grand Bargain to minimize the cuts. I want to thank my own Senators from Ohio on the Committee who are working with us to solve the problem. Senator Brown thank you for supporting the Keep our Pension Promises Act which would solve the whole problem of underfunded multiemployer plans by getting money into pension plans and the pension insurance program to assist them. And I want to thank you, Senator Portman, for sponsoring the Pension Accountability Act which will fix the broken voting process in MPRA.

But time is running out. I'd like to say to members of both parties, please do not let politics get in your way, we need a comprehensive bill that both parties can support that truly fixes the problem for current and future retirees. The America I know is one that keeps its promises to its citizens, particularly those who are older and vulnerable. My husband Butch was a hero who fought for his country and for the American values we all hold dear. Now I'm asking you to be heroes too and help us solve this problem by finding a solution to support plans, the PBGC and save our pensions.

Thank you for taking time to listen to me today and I will be happy to answer any questions you may have.