PENSION RIGHTS CENTER
PROTECTING AND PROMOTING RETIREMENT SECURITY
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November 15, 2017

The Honorable Sherrod Brown
United States Senate
713 Hart Senate Office Building
Washington, DC 20510

Dear Senator Brown:

The Pension Rights Center, a 41-year-old national consumer organization committed to the protection of retirement security for workers and retirees, is writing today to strongly endorse the "Butch Lewis Act of 2017." Your bill provides an innovative way to save financially-troubled multiemployer pension plans while fully protecting the earned benefits of millions of retirees. The legislation is a fitting tribute to Butch Lewis who fought tirelessly to stop pension cuts before his untimely death in 2015, partially caused by the stress related to pension cuts.

For the past three years, the Pension Rights Center has worked with tens of thousands of retirees across the country who, like Butch, have advocated for the repeal of provisions of the Multiemployer Pension Reform Act of 2014 (MPRA), which eviscerated the most fundamental provisions of the Employee Retirement Income Security Act of 1974. MPRA allowed trustees, for the first time, to slash retirees' earned benefits as a misguided way to shore up the funding of these plans. This is a cruel and unfair law that has led to cuts as much as 60 percent cuts for retired iron workers and potentially for tens of thousands of truck drivers and warehouse workers. In fact, unless the Butch Lewis Act of 2017 is passed immediately, we fear that hundreds of thousands of other retirees in as many as 100-150 plans could eventually face cuts. This would decimate families across the country and devastate businesses in local communities that rely on retirees with pension income to buy their goods and services.

The Butch Lewis Act provides an alternative, common sense way of shoring up funding in severely troubled multiemployer plans. It sets up a new office in the Treasury Department called the Pension Rehabilitation Administration (PRA), which would receive proceeds from the issuance of Treasury bonds. The PRA would then lend the money from the sale of the bonds to financially-troubled plans. Among the most protective features of the bill is that plans would be required to use the loans to pay the full benefits of retirees, either by buying annuities from an insurance company, or by matching pension obligations with bonds. The plans are given 30 years to pay back the loans, which will be ample time for most plans – especially since the retiree liabilities will have been taken off the books, which is one of the biggest reasons these plans are suffering financially. We especially commend the bill for ensuring that those plans that have already received approval from the Treasury to cut retirees' benefits must apply for financial support and restoration of previously suspended benefits.

Thank you so much for your leadership on this critical issue and we hope that both Democrats and Republicans work in bipartisan fashion to pass this bill before the end of the year. It is a win-win for employers, employees, retirees and the Pension Benefit Guaranty Corporation and will ensure that millions of people in multiemployer plans can depend on their pension promises.

Sincerely,

Karen Ferguson
Director

Karen Friedman
Executive Vice President