

April 9, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20515

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Majority Leader McConnell, Speaker Pelosi, Minority Leader Schumer, and Minority Leader McCarthy:

On behalf of millions of members of the undersigned organizations, we want to first thank you all for your rapid response to the unfolding public health, economic and financial crisis, caused by the pandemic of the novel coronavirus (“COVID-19”). The first three pieces of legislation you passed were designed to deal with the immediate problems at hand. They are an important first step toward economic stimulus and stabilization and provide important relief to workers and employers throughout the country.

The mandated shutdown of large parts of our economy by federal, state, and local governments has and will continue to put millions of hard-working Americans out of work, decimating the finances of workers, families, and their employers.

It is now time to turn to protecting our economy and our citizens going forward as we fight to get this scourge under control. As part of any new legislation, we ask you to address the critical health and pension issues of America’s hard-working men, women, and retirees.

Healthcare

There is an absolute necessity and urgency during this uncontrolled pandemic to ensure that workers do not lose access to their healthcare because they are laid off or due to reduced hours. Congress must pass full premium support for those workers relying on COBRA due to layoffs or reduction in hours. Additionally, Congress must ensure that plans are not burdened by massive new health and drug expense by providing plans with reinsurance for pandemic related medical and prescription drug claims.

Pensions

Congress must also act to protect the pensions of millions of participants in multiemployer pensions and shore up the Pension Benefit Guaranty Corporation (“PBGC”). The existing crisis in multiemployer pensions has been deeply exacerbated by the COVID-19 market collapse and the government mandated shutdown of the economy. Without U.S Government assistance, this crisis

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will threaten the existence of the 200,000 employers in these plans, their 3.8 million active workers, and the retirement income for 10.4 million participants.

During the discussion of the CARES Act, Senate Democrats put forward a thoughtful proposal (see attached) to deal with the crisis in multiemployer plans that was built off the special partition program included in the Multiemployer Pension Recapitalization and Reform Plan issued by Chairman Grassley and Chairman Alexander in November. The Democrats' proposal was supported by President Trump and we continue to support it, as well.

As you move forward on new legislation, we urge Congress to ensure that any legislation addressing multiemployer pension plans include the special partition program at the PBGC to deal with the critically endangered plans. The special partition program would move liabilities from failing plans to the PBGC, ensuring that participants receive full benefits while providing plans with the path to long-term solvency. As part of that program, the PBGC must be provided with enough annual funding by the U.S. Government to carry out its mission. Finally, Congress should include provisions similar to the Worker, Retiree, and Employer Recovery Act of 2008, to allow plans to freeze their zone status for the current year, and the Pension Relief Act of 2010, to allow plans to smooth investment and contribution base unit ("CBU") losses in the funding standard account, and investment losses in the development of the actuarial value of assets.

While there are other issues and proposals regarding the reform of multiemployer pension and health plans that the individual organizations below, and Members of Congress, believe should be included in any legislation, we urge Congress to make the specific health and pension provisions outlined above the centerpiece of your work.

Sincerely,

Actors' Equity Association
AFTRA Retirement Fund
American Federation of Musicians
American Federation of Musicians and Employers' Pension Fund
The Association of Theatrical Press Agents and Managers IATSE Local 18032
The Association of Union Constructors (TAUC)
Bechtel Corporation
The Broadway League
Central States Pension Fund
Equity-League Pension, Health & 401(K) Trust Funds
Exhibition Employees Local 829 Pension Fund
FCA International
HEALTHWorks
I.A.T.S.E. National Pension, Health & Welfare, Annuity and Vacation Funds

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I.A.T.S.E. Local 764 Pension and Annuity Funds
International Alliance of Theatrical Stage Employees (IATSE)
International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers
International Association of Heat and Frost Insulators and Allied Workers (Insulators)
International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART)
International Union of Bricklayers and Allied Craftworkers (BAC)
International Union of Elevator Constructors (IUEC)
International Union of Operating Engineers (IUOE)
The International Union of Painters and Allied Trades (IUPAT)
Laborers' International Union of North America (LIUNA)
League-ATPAM Pension Fund
Local 32BJ-Broadway League Pension Plan
Local 751 Benefit Funds
Mechanical Contractors Association of America (MCAA)
National Coordinating Committee for Multiemployer Plans (NCCMP)
National Electrical Contractors Association (NECA)
National Elevator Industry, Inc. (NEII)
The National United Committee to Protect Pensions (NUCPP)
North America's Building Trades Unions (NABTU)
Operative Plasterers' and Cement Masons' International Association (OPCMIA)
Pension Fund of Make-Up Artists and Hair Stylists Local 798, I.A.T.S.E.
Plumbers and Pipefitters National Pension Fund
Road Carriers Local 707 Pension Fund
SDC-League Pension and Health Funds
Service Employees International Union (SEIU)
Teamsters Local No. 707
ULLICO
United Association of Plumbers & Fitters
United Mine Workers of America (UMWA)
UNITEHERE!
United Scenic Artists, Local USA 829 Pension Fund
United Union of Roofers, Waterproofers and Allied Workers
Welfare, Pension and Annuity Funds of Local No. One, I.A.T.S.E.
Writers Guild of America West

cc: The Honorable Chuck Grassley
The Honorable Lamar Alexander
The Honorable Ron Wyden
The Honorable Patty Murray
The Honorable Richard Neal
The Honorable Robert C. "Bobby" Scott
The Honorable Kevin Brady
The Honorable Virginia Foxx