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# United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

CHRIS CAMPBELL, STAFF DIRECTOR  
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

March 1, 2016

Dear Chairman Hatch:

Thank you for calling today's hearing on the multiemployer pension system. Although multiemployer pension plans have been successful historically, today a significant number of these plans have funding problems, and many of them are almost certain to run out of money. To make matters worse, the Pension Benefit Guaranty Corporation's (PBGC) multiemployer program, which insures these plans, is in dire straits. Clearly the multiemployer pension system is in crisis and we appreciate your leadership on focusing on this issue today. To that end, we are reaching out to you on the following.

## **Coal Miners' Pension and Retiree Health Benefits**

As you know, lawmakers need to enact legislation as soon as possible to ensure that many coal miners receive the retiree health and pension benefits they earned over decades of backbreaking work fueling our economy. The situation for the miners gets worse with every passing day and constitutes a genuine public policy emergency. In fact, if Congress does nothing, thousands of coal miners will lose their retiree health benefits by December 2016 and their pension benefits by December 2017.

This is an immediate crisis that we need to address right away. Coal miners put their lives at risk every day to provide this country with our energy needs. And in return, the federal government has made a long-term commitment to ensure that these workers and their families receive the pension and health care benefits they have been promised. Moreover, this is an issue that affects all Senators – not just those from the coal country. If the UMWA plan fails, it will place enormous pressure on the PBGC and could render it insolvent.

Therefore, we, the Senate Finance Committee Democrats, ask you to work with us to enact legislation as soon as possible that protects miners' retiree health and pension benefits. And we should not act on any other related legislation until such legislation passes the Senate.

## **Broader Multiemployer Pension Crisis**

While the miners' pension situation presents a more imminent challenge, we also must address the broader multiemployer pension crisis. In 2011, about 200 multiemployer pension plans covering almost 1.5 million participants were under 40 percent funded using estimated market rates. The largest of the underfunded plans, Central States Pension Fund, filed an application under the Multiemployer Pension Reform Act (MPRA) to cut the pensions of approximately 300,000 retirees and terminated workers and future pensions of about 70,000 current employees.

Furthermore, as of September 30, 2015, the PBGC multiemployer program reported a deficit of \$52.3 billion. In its 2015 Annual Report, the agency noted that it had just \$2 billion in accumulated assets from premium payments made by multiemployer plans, which it projected would be depleted by 2025.

The multiemployer pension system is in crisis, and we must act swiftly. We, the Democratic members of this Committee, are committed to working hard to find alternative solutions to address this crisis, and we call on the Chairman and our Republican colleagues of this Committee to join us in a bipartisan effort to resolve these challenges.

We understand that there are no easy answers. But we owe it to the hard working Americans who worked a lifetime for a secure pension to do our best.

The only way to truly address this crisis is to do so on a bipartisan basis. Therefore, we once again call on our Republican colleagues to commit to working with us to find alternative and balanced solutions. For example, we need to make sure that we preserve pension benefits that people earned and are counting on to maintain their standard of living in retirement, while ensuring the solvency of the PBGC. Legislation that simply reforms the voting rules under MPRA does not solve this crisis; we need to find a comprehensive solution. Time is of the essence, and we need to act quickly on a bipartisan basis.

Thank you for your attention this matter. We stand committed to work with you on these important issues.

Sincerely,



Ron Wyden  
Ranking Member



Charles E. Schumer  
United States Senator



Debbie Stabenow  
United States Senator

Maria Cantwell  
United States Senator

Bill Nelson

Bill Nelson  
United States Senator

Robert Menendez

Robert Menendez  
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Robert P. Casey, Jr.  
United States Senator

Mark R. Warner

Mark R. Warner  
United States Senator