

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

Douglas J. McCarron

General President

December 8th, 2014

RE: Support for Multiemployer Pension Reforms

Dear:

On behalf of the International Brotherhood of Carpenters and Joiners of America, I urge you to support critical reforms to the multiemployer pension system before this session of Congress expires. The UBC is providing solutions to meet a changing world, with highly skilled-workers delivering unmatched value for contractors and business-owners alike. Thousands of workers and their families across the country count on multiemployer pensions for their retirement security. In turn, communities nationwide depend on the hundreds of millions of dollars in economic activity that comes from both retirees and active workers.

As you know, the multiemployer pension system is in real trouble. The longer we wait to fix it, the harder fixing it becomes. The longer we wait, the more severe the impact on retirees and workers will be, especially those who are part of plans in the worst financial shape. Delays will also increase the burden on employers struggling to fund and extend these pension plans. The mere prospect of waiting to take action weakens the system and threatens the economic and retirement security of workers and families nationwide.

That's why we back the joint labor and business proposal known as Solutions Not Bailouts. We urge you to support legislation that follows this model because it will strengthen the multiemployer pension system for the long-term and provide hard-earned security for our workers. This proposal will modify the expiring Pension Protection Act (PPA) and give plan trustees the tools they need to strengthen their plans. Following the economic downturn of 2008, many plans found themselves on shaky financial footing. This proposal helps troubled plans avoid insolvency, puts the plans recovering from the economic downturn on firmer ground and helps those plans – and retirees – in trouble avoid losing everything.

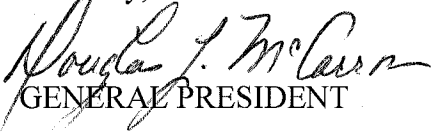
Importantly, this proposal also protects taxpayers by avoiding a massive taxpayer funded bailout that could cost billions. Those who stand in the way of this proposal believe – wrongly – that burying their heads in the sand and banking on a bailout is a solution. We all know that a bailout would be not only costly, but also extremely unlikely. That's why we joined employers and other unions to help craft Solutions Not Bailouts – to avoid a bailout and also fix the flaws currently in the system.

Further, the measures in the Solutions Not Bailouts proposal are voluntary, and since all plan decisions require buy-in from both labor and management, no decisions can be made without both sides agreeing that they are in the best interest of plan participants.

Workers and their employers have used and exhausted all the tools at their disposal to strengthen their plans on their own. Some have even increased worker and employer contributions and accepted reduced benefits to preserve these pensions. We aren't asking for taxpayer funds, nor are we asking Congress to weigh in on the challenges facing these plans. We are simply asking Congress to give multiemployer pension plans the tools they need to modernize, continue to provide benefits, and in some cases, avoid insolvency.

We believe that our workers are the best investment that contractors will ever make, and that workers who join the Carpenters Union will never find a more financially satisfying or personally rewarding career path. For this to remain the case, we need to strengthen the multiemployer pension system. Workers depend on these pensions. We urge you to support legislation and take action on this issue before it is too late – and before this Congressional session ends.

Sincerely,



GENERAL PRESIDENT

DJM/tf/jb