



AFL-CIO

AMERICA'S UNIONS

**American Federation
of Labor and
Congress of Industrial
Organizations**

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April 15, 2020

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

The Honorable Kevin McCarthy
Republican Leader
House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles E. Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

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

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.

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and Minority Leader Schumer

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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 pension plans 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 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. 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 federal assistance to support the multiemployer retirement system, such as a 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.

In addition, given the enormous challenges now facing our economy, all working people need protection from the destruction of their pensions through employer bankruptcies.

Sincerely,

Gabrielle Carteris
President, SAG-AFTRA

Kenneth Cooper
International Secretary-Treasurer, IBEW

Bonnie Castillo
Executive Director, NNU

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