



July 22, 2019

Dear Representative,

On behalf of the International Association of Machinists and Aerospace Workers (IAM), I strongly urge you to vote “Yes” on H.R. 397, The Rehabilitation for Multiemployer Pensions Act of 2019. Commonly referred to as the “Butch Lewis Act”, this highly important and innovative legislation would help save those multiemployer pension plans which are financially-troubled while protecting the earned and vested benefits of current and future retirees.

The multiemployer pension system is on the brink of a real and disastrous crisis. While the majority of multiemployer pension plans are financially sound, the PBGC estimates that over 100 multiemployer pension plans, covering more than a million participants, are in “critical and declining status” and will become insolvent within the next twenty years. Currently, the only Federal assistance offered to these troubled plans comes from the PBGC and only after the plan has already failed. Given the number of plans on the brink of failure, the PBGC’s multiemployer insurance program is projected to become insolvent by 2025.

The Rehabilitation for Multiemployer Pensions Act of 2019 offers a real, proactive solution which rehabilitates failing plans, bolsters the PBGC, and protects the earned benefits of millions of retirees, workers, and their families. This innovative legislation would allow the Treasury to provide low-cost loans to qualified underfunded multiemployer pension plans. Under the legislation, the troubled plans would have up to thirty years to prudently invest the loaned funds and would use the investment earnings to pay retiree benefits, improve the plan’s financial position, and pay interest on the loan to the Treasury. At the end of the thirty year period, the plan would pay back the loan in full. In order to be eligible for the loan, the plan would have to demonstrate that the loan would enable the plan to remain solvent, pay all retiree benefits and loan interest, and repay the loan principle when due. During the loan period, contributing employers would have to maintain their contribution levels and the plan would not be allowed to make any increases to retiree benefits.

In the wake of the Multiemployer Pension Reform Act of 2014, a brutal scheme to steal the pension promises made to retirees, the Rehabilitation for Multiemployer Pensions Act provides a much needed correction and remedy. This legislation will work to lift troubled multiemployer plans out of their financial hole, while maintaining the financial integrity of the PBGC. Most importantly, the Rehabilitation for Multiemployer Pensions Act provides a pathway to accomplishing these venerable goals without stealing from retirees, workers, and their families.

The Rehabilitation for Multiemployer Pensions Act is the only solution put forth to date which appropriately and adequately addresses the multiemployer pension crisis by providing a lifeline to plans in critical financial status while maintaining the integrity of healthy multiemployer plans

and the PBGC without cutting the earned benefit promises made to our nation's retirees and working families.

For these reasons, **I urge you to support this vitally important legislation and vote "Yes" on H.R. 397, The Rehabilitation for Multiemployer Pensions Act of 2019.**

For more information, please contact IAM Legislative Director Hasan Solomon at (301)967-4575 or hsolomon@iamaw.org.

Thank you,

A handwritten signature in black ink that reads "Robert Martinez, Jr." with a stylized flourish at the end.

Robert Martinez, Jr.
International President