



**GENERAL BUILDING CONTRACTORS ASSOCIATION, INC.**  
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July 25, 2019

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

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, DC 20510

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

The Honorable Chuck Schumer  
Minority Leader  
U.S. Senate  
Washington, DC 20510

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

On behalf of the undersigned groups that have joined together as representatives of labor, employers, pension plans and other stakeholders, we urge Congress to address the growing multiemployer pension plan crisis and offer legislative solutions for all plans.

The multiemployer pension system is an integral part of the U.S. economy. In 2015, the multiemployer system paid \$158 billion in federal and \$82 billion in state and local taxes, supported 13.6 million American jobs, and contributed more than \$1 trillion to U.S. GDP. This includes \$41 billion in pension payments and \$203 billion in wages to active employees. These plans provide more than 10 million workers the ability to accrue retirement benefits in industries such as trucking, food services, and construction.

Historically these plans have offered stable retirements for millions of workers, but the entire system is under threat of collapse. Due to a confluence of economic, statutory, regulatory, and demographic events, approximately 130 multiemployer pension plans (including several that are systemically important) are projected to run out of money within the next several years. These plans represent 1.5 million participants. Additionally, the plans' insurer of last resort, the Pension Benefit Guaranty Corporation (PBGC), will become insolvent in 2025 concurrently with the insolvency of the Central States Pension Fund, which is the largest multiemployer pension plan with respect to benefit payment.

Without changes to the law, it will be impossible for these plans and the PBGC to avoid insolvency, resulting in billions in lost tax revenue and billions in new safety net entitlement spending. However, with targeted legislation to create incentives for plans to enhance funding and reduce plan liabilities, many additional problems can be avoided.



We support achievable solutions that will restore the solvency of distressed plans and maximize benefits for participants, while not harming plans that are financially healthy or undermining plans with viable rehabilitation efforts underway. These solutions can use existing partitioning authority at the PBGC to provide a one-time program to remove plan liabilities from distressed plans. Any new funding for this authority must not be on the backs of healthier plans and must be shared across those impacted.

When Congress provides relief, tools must be provided to plans to ensure that plan failures are not repeated. This can be done by giving plans the ability to proactively manage plan funding and risks without handcuffing employers with increased withdrawal liability and unsustainable contribution rate increases.

Finally, to ensure there is not a repeat of this crisis, plans must be given the option to adopt new plan designs, such as modifications to the existing authority for variable defined benefit plans and 414(k) plans, such as composite plans, and other new plan designs. This will allow plans to attract new employers, eliminate the potential for underfunding and help prevent a reoccurrence of the current funding crisis. This should be done in conjunction with other reforms.

2019 is a critical year for legislative action. Every year that Congress fails to address these problems, they become more difficult and more expensive to solve while raising the risks of market-based consequences for the more than 200,000 employers that participate in multiemployer pension plans. We look forward to working with you in a bipartisan manner to secure the retirement of millions of active and retired workers and the fiscal stability of their contributing employers and the U.S. taxpayer.

Sincerely,

AGC Houston  
AGC of California  
AGC of Colorado  
AGC of Massachusetts  
AGC of Metropolitan Washington DC  
AGC of Michigan  
AGC of Missouri  
AGC of Northwest Ohio, Inc.  
AGC of Ohio  
AGC of Western Kentucky  
AGC Oregon-Columbia Chapter  
AGC, West Central Ohio Division  
American Bakers Association  
American Licorice Company  
Annabelle Candy Company, Inc.  
Arizona Chapter, Associated General  
Contractors of America

Associated General Contractors of  
America  
Associated General Contractors of the  
Quad Cities  
Associated General Contractors of  
Wisconsin  
Associated Steel Erectors of Chicago  
Associated Wholesale Grocers, Inc.  
Bechtel  
Bimbo Bakeries USA  
Building Contractors Association, Inc.  
Building Laborers Union Local 310  
Pension Plan  
Central Illinois Builders of AGC  
Chicagoland AGC  
Construction Advancement  
Foundation of Northwest Indiana



Construction Association of Michigan  
Construction Employers Association  
Constructors Association of Western  
Pennsylvania  
Crowley Maritime Corp.  
D.W. Dickey & Son, Inc.  
Dairy Farmers of America, Inc.  
Dean Foods  
Delaware Contractors Association  
DHL  
Eastern Contractors Association, Inc.  
FAIR Committee of WNY  
FCA International  
Fontana Lithograph, Inc./MOSAIC  
Frankford Candy  
General Building Contractors  
Association  
Great Lakes Fabricators and Erectors  
Association  
Inland Northwest AGC  
International Association of Sheet  
Metal, Air, Rail and Transportation  
Workers (SMART)  
International Council of Employers of  
Bricklayers and Allied Craftworkers  
International Union of Elevator  
Constructors  
International Union of Painters and  
Allied Trades  
International Warehouse Logistics  
Association  
Ironworker Employers Association of  
Western Pennsylvania, Inc.  
Ironworker Management Progressive  
Action Cooperative Trust (IMPACT)  
IUPAT Industry Pension Plan  
Kellogg Company  
Keystone Contractors Association  
Laborers' International Union of North  
America (LiUNA!)  
Maryland AGC  
Master Builders' Association of  
Western PA, Inc.  
Mechanical Contractors Association of  
America  
Mechanical Contractors Association of  
Chicago

Mechanical Contractors Association of  
Detroit  
National Association of Manufacturers  
National Beer Wholesalers Association  
National Coordinating Committee for  
Multiemployer Plans  
National Electrical Contractors  
Association  
National Roofing Industry Pension  
Fund  
Nestlé  
Nickles Bakery  
Northern Illinois Building Contractors  
Association  
Northwest Indiana Contractors  
Association  
Ohio Contractors Association  
Operative Plasterers' and Cement  
Masons' International Association  
Penske Truck Leasing Co., L.P.  
Plumbers and Pipefitters National  
Pension Fund  
Prairie Farms Dairy  
Schnuck Markets, Inc.  
Schwebel Baking Company  
Sheet Metal and Air Conditioning  
Contractors' National Association  
SITE Improvement Association  
Sodexo  
Southern Illinois Builders Association  
Spangler Candy Company  
The Associated General Contractors of  
New York State  
The Association of Food and Dairy  
Retailers, Wholesalers, and  
Manufacturers  
The Association of Union Constructors  
The Connecticut Construction  
Industries Association, Inc  
The ERISA Industry Committee  
The Freeman Company  
The International Association of  
Bridge, Structural, Ornamental and  
Reinforcing Iron Workers  
The International Association of Heat  
and Frost Insulators and Allied  
Workers  
The Kroger Co.



The Ohio Valley Construction  
Employers Council  
The Signatory Wall and Ceiling  
Contractors Alliance  
The Standard Group, LLC  
The Topps Company  
Tramonte Distributors  
U.S. Chamber of Commerce  
UNFI

United Association of Plumbers and  
Fitters  
United Brotherhood of Carpenters and  
Joiners of America  
United Dairy, Inc.  
United Union of Roofers,  
Waterproofers and Allied Workers  
Universal Oil, Inc.  
UPS

cc: U.S. House of Representatives  
U.S. Senate

