



BENEFIT NEWS BRIEFS

Senate Finance Committee Holds Hearing On Problems Facing Multiemployer Pensions and Possible Solutions

On March 1, 2016, the U.S. Senate Committee on Finance held a hearing on *The Multiemployer Pension Plan System: Recent Reforms and Current Challenges*. The hearing was chaired by Senators Orin Hatch (R-UT) and Ron Wyden (D-OR). Testimony from four witnesses was also provided. In addition to these written statements, the Staff of the Joint Committee On Taxation prepared a report on the [Present Law, Data, and Selected Proposals Relating to Multiemployer Defined Benefit Plans](#).

The opening statements and witness testimony help to frame the very difficult issue of how to prevent the multiemployer pension plan system and the Pension Benefit Guarantee Corporation (PBGC) safety net from collapsing. The testimony examines pros and cons of the *Multiemployer Pension Reform Act of 2014 (MPRA)*, the effects of *MPRA* cuts on retirees of the Teamsters Central States Pension Fund and other multiemployer pension funds that may apply for *MPRA* cuts.

Senator Hatch bluntly summed up Congress' choices in passing *MPRA*:

*Ultimately, the critics of the MPRA have to recognize that, when dealing with this problem, **there were really only three choices: bad, worse and worst of all**. In 2014, a bipartisan majority in Congress and the President went with bad. No one is happy with that choice, I suspect, but it was the best option available to us at the time.*

The question we have to consider now is: How can we avoid these problems in the future?

(Senator Hatch statement)(emphasis added)

General information on *MPRA* can be found online at: <https://www.treasury.gov/services/Pages/Benefit-Suspensions.aspx>. In addition to the Central States Pension *MPRA* filing, the Iron Workers Local 17 and Teamsters Local 469 Pension Plans have also applied for relief under *MPRA*. These three pension plan's *MPRA* suspension of benefits applications are located at: <https://www.treasury.gov/services/Pages/Plan-Applications.aspx>. The Treasury

MPRA webpage also has links to the MPRA regulations and hosts a set of 15 FAQs on MPRA at: <https://www.treasury.gov/services/Pages/pension-faqs.aspx>.

Links to the Senators' statements and the witnesses' testimony are set out below.

Senator Statements

Orrin G. Hatch (R - UT) - [Download Statement](#)

Ron Wyden (D - OR) - [Download Statement](#)

Witness Testimony

The Honorable Joshua Gotbaum - [Download Testimony](#)

Guest Scholar, Economic Studies Program, The Brookings Institution, Washington, DC

Mrs. Rita Lewis - [Download Testimony](#)

Beneficiary, Central States Pension Plan, West Chester, OH

Mr. Cecil E. Roberts, Jr. - [Download Testimony](#)

International President, United Mine Workers of America, Triangle, VA

Dr. Andrew G. Biggs - [Download Testimony](#)

Resident Scholar, American Enterprise Institute, Washington, DC

The above statements and testimony are also available online at: <http://www.finance.senate.gov/hearings/the-multiemployer-pension-plan-system-recent-reforms-and-current-challenges>.

For general information on MPRA, see [Client Bulletin 2014-60](#).

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