



Retirees Applaud Action to Save Multiemployer Pension Plans from Insolvency

Washington, DC - More than ten million Americans will have greatly increased pension security for the benefits they have earned thanks to a provision in the American Rescue Plan which President Biden will sign into law this week.

“Working people deserve to retire with dignity. A pension is a promise that should be guaranteed after a lifetime of dedication and hard work,” said Liz Shuler, Secretary-Treasurer of the AFL-CIO and Executive Vice President of the Alliance for Retired Americans. “The labor movement and the Alliance have worked for years to ensure that millions of workers are protected and receive their earned retirement income security. This legislation finally does that.”

Multiemployer pension plans are collectively bargained pension plans operated jointly by unions and employers, usually within the same or related industries – such as construction, retail, manufacturing, transportation, and mining. Many multiemployer plans are in financial trouble due to the 2008 recession and corporate bankruptcies. The COVID-19 recession has exacerbated the situation.

“Millions of Americans can feel confident today knowing that the retirement benefits they have earned and paid for will be there when they need them,” said Robert Roach, Jr., President of the Alliance. “Plans experiencing problems will have the resources they need from the Pension Benefit Guaranty Corporation to pay benefits for the next thirty years. We salute the U.S. House and Senate for passing this historic legislation and President Biden for his leadership in seeing it through and announcing he will sign it into law soon.”

“I am breathing a sigh of relief and so are millions of Americans whose pensions were at risk through no fault of our own,” said Greg Smith of Norton, Ohio, an Alliance member and retired Teamster who has fought for a solution to the multiemployer pension crisis for eight years. “I worked for 31 years and contributed to my pension with every paycheck. But when Congress passed the Multiemployer Pension Reform Act in 2014, my fund announced in 2015 that they were going to cut my pension benefit by 52 percent. It took years of fighting, but my retirement will now be more secure.”

“There is ample precedent for this legislation,” said Richard Fiesta, Alliance Executive Director. “The U.S. government has provided funding guarantees to many troubled industries facing dire circumstances. Billions of dollars in rescue payments have gone to banks and corporations. Now this new Congress is extending the same assistance to workers and retirees.”

###