

## **Resolution**

# **Pension and Retirement Savings Protections**

**Whereas** defined benefit pension plans are insured with guaranteed benefits while defined contribution retirement savings plans have no such protection; and

**Whereas** a major factor in the threats to retirement security has been the trend to replace defined benefit pension plans with unprotected retirement savings plans such as 401(k) plans; and

**Whereas** 401k plans were never designed to be a retirement instrument because of their risk; and

**Whereas** this growth in retirement savings plans at the expense of defined benefit pension plans has led to retirees and workers facing much more risk in their retirement incomes; and

**Whereas** a growing number of employers with defined benefit pension plans are freezing benefits, particularly for younger workers or are not offering its pension plan to new hires; and

**Whereas** conversions from traditional defined benefit plans to cash balance pension plans can have a negative impact on

older and long-tenured employees, a group that is least able to make up for any losses because of their proximity to retirement; and

**Whereas** Social Security has not kept pace with the increased cost of living for the elderly; and

**Whereas** nearly half of full-time workers in the private sector have no retirement plan whatsoever, creating a potential for economic hardship by millions of Americans during their retirement years; and

**Whereas** automatic enrollment in workplace retirement plans can increase participation as much as six-fold; and

**Whereas** many multiemployer pension plans across the country recently faced imminent collapse; and

**Whereas** approximately 10 million Americans participate in multiemployer pension plans, and roughly 1.3 million pension participants were in plans that were on the brink of becoming insolvent; and

**Whereas** approximately 11.2 million public sector retirees and 14.7 million active public sector workers rely on pension plans amid efforts by many state and local governments to cut benefits or underfunded pension plans;

**Whereas** the loss of pension income would have been not just harmful to the individuals and their families but would have imposed substantial economic losses on the standard of living for all in our communities; and

**Whereas** the economic catastrophe resulting from the COVID-19 pandemic exacerbated the multiemployer pension crisis further, putting the pensions of even more workers and retirees at risk; and

**Whereas** the Pension Benefit Guaranty Corporation (PBGC) multiemployer insurance fund had projected shortfalls within a few years; and

**Whereas** without action the pension plans had threatened to bankrupt the PBGC multiemployer insurance fund, and put the pension benefits of millions at risk; and

**Whereas** the Butch Lewis Emergency Pension Relief Act, H.R. 409 and S. 547, which provides funding for multi-employer pension plans for 30 years to restore pensions to their full amount and increase the national pension insurance cap, was introduced by Sen. Sherrod Brown (OH) and Rep. Richard Neal; and

**Whereas** the legislation was incorporated into the American Rescue Plan (Pub. L. 117-2) and signed into law by President Biden in March 2021; and

**Whereas** the program is expected to spend \$97 billion in lump sum payments, sufficient for qualifying plans to continue benefits through the year 2051; and

**Whereas** the Alliance for Retired Americans devoted extensive resources to ensure passage of the Butch Lewis Act; and

**Whereas** the Alliance for Retired Americans has held and will continue to hold regular symposiums on pensions to educate retirees, labor organizations, government officials and the public.

**Therefore**, be it resolved that the Alliance for Retired Americans applauds the passage of the Butch Lewis Act and its protection of retiree pension benefits; and

**Therefore, be it further resolved** that the Alliance for Retired Americans recognizes that there is still much work ahead to ensure public and private sector retirees receive the benefits they earned and will continue to fight for legislation that protects these rights; and

**Therefore, be it finally resolved** that the Alliance for Retired Americans looks to and demands that Congress revise the corporate bankruptcy laws so that that single and multi-employer pension plans, as well as 401(k) plans, are placed higher in the order of creditors and that workers be granted a separate class action claim in bankruptcy proceedings to secure the earned benefits of individual workers.