

Statement by The ERISA Industry Committee re: House Education and Labor Subcommittee on Health, Education, Labor, and Pensions March 7, 2019 Hearing on "The Cost of Inaction: Why Congress Must Address the Multiemployer Pension Crisis"

Chairman Wilson, Ranking Member Walberg and members of the Subcommittee, thank you for this opportunity to submit a statement for the record on behalf of The ERISA Industry Committee (ERIC) regarding the multiemployer pension crisis.

ERIC, the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels, calls on the Subcommittee and Congress to take immediate action to provide comprehensive reform to the multiemployer pension system to protect retirees, workers, and jobs. ERIC's members are leaders in every industry sector and provide comprehensive retirement benefits, including multiemployer pension plan benefits, to tens of millions of active and retired workers and their families across the country. As such, ERIC has a strong interest in policies that impact the ongoing viability of the private retirement system.

The multiemployer pension system is a looming crisis that Congress needs to address immediately and comprehensively. The multiemployer system is underfunded by 36 billion dollars with 1.3 million workers at risk of losing their retirement benefits. Moreover, the backstop for multiemployer plans, the Pension Benefit Guaranty Corporation ("PBGC"), is predicting its insolvency by 2025 resulting in the loss millions of dollars in retirement benefits.

This crisis does not impact just participants or retirees- there will also be an adverse impact on employers in these plans. Because of the current rules, employers cannot leave these plans without paying large sums or claiming bankruptcy. Both of these results negatively impact the ability to provide jobs, make capital investments, and increase salaries.

There will not be any easy solutions to this crisis but, if nothing is done, the consequences will be devastating. Retiree benefits, future jobs, and businesses are at stake if a solution is not found. Therefore, it is essential to find a solution that restores the solvency of the multiemployer pension system while protecting the U.S. economy as soon as possible.

We look forward to working with all interested parties and Congress to find a solution that minimizes the negative impact of this crisis. Thank you for your consideration of our comments.

If ERIC can be of further assistance, please do not hesitate to contact Aliya Robinson, Senior Vice President for Retirement and Compensation Policy, at arobinson@eric.org or (202) 789-1400.