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TAUC Applauds Legislation on Composite Plans Critical to the Sustainability of Multiemployer Pension System

ARLINGTON, VA – The Association of Union Constructors (TAUC) applauds Chairman John Kline for bringing forward legislation authorizing critically important multiemployer pension plan design reforms. If approved, this legislation will provide local joint labor-management trustees of multiemployer pension plans a voluntary tool to ensure the long-term viability of their funds and the benefits they provide.

TAUC's members are committed to maintaining the pension benefits and retirement security for the men and women they employ to construct and maintain the nation's industrial infrastructure. Unfortunately, market volatility and concerns about unfunded pension liability have caused many contributing employers to question their continued participation in multiemployer pension plans. This instability in the current multiemployer pension system has employers worried about the viability of their businesses, adding further pressure for many of them to leave the system.

TAUC, along with our construction industry and building trade union partners, have worked tirelessly to urge Congress to authorize the voluntary use of innovative plan designs – such as composite or hybrid plan structures – that would allow multiemployer plan trustees to ensure their plan participants continue to have lifetime retirement security in the future.

Despite significant efforts of plan-contributing employers and labor trustees, a number of multiemployer pension plans still stand on the brink of financial collapse. These deeply troubled plans could face insolvency in the near future. If left unresolved, the crisis facing multiemployer pension plans will be devastating not only to our members, employees, and retirees, but potentially harmful to many others, including the nation's pension retirement system and taxpayers.

Composite plans would allow trustees and bargaining parties, if they so choose, to fundamentally rebalance the risks in pension funding. The new plan designs would ensure guaranteed lifetime benefits so no participant has to fear outliving their retirement savings. At the same time, these designs would provide contributing employers cost predictability.

TAUC members are committed to maintaining pension benefits for the men and women who build, maintain, and modernize this nation's infrastructure and industrial facilities. We applaud

Chairman Kline for introducing this legislation authorizing the voluntary use of composite plans, and we urge Congress to swiftly approve the bill, which will provide labor and management the option to choose a plan design that provides a safe and secure lifetime retirement benefit to employees without risking the survival of businesses that offer good middle-class jobs with important benefits for workers and society.

ABOUT TAUC: The Association of Union Constructors is the premier national trade association for the 21st century union construction and maintenance industry. Our 2,000 member firms include union contractor companies, local union contractor associations and vendors in the industrial maintenance and construction field. We demonstrate that union construction is the best option because it is safer and more productive, and provides a higher quality and cost-competitive product. For more information visit www.tauc.org.