



## Joint Select Committee *on the* Solvency of Multiemployer Pension Plans

**FOR IMMEDIATE RELEASE**

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### **Hatch Opening Statement at Joint Committee Hearing Examining the Multiemployer Pension System**

**WASHINGTON** –Joint Select Committee on Solvency of Multiemployer Pension Plans Co-Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a committee hearing examining the history and structure of America’s multiemployer pension system:

*Today, we will begin our work in developing a deep base of knowledge on the issues surrounding multiemployer pension plans and the Pension Benefit Guarantee Corporation, or PBGC.*

*We have an ambitious work plan, but like all great endeavors, we need to start with the basics. That means reviewing what these plans are and how they operate; examining why the plans were established; and investigating what economic, demographic, and other forces have shaped and impacted the plans.*

*Going forward, the committee will bring in experts from government and academia to help us better understand the issues surrounding multiemployer pension plans and the PBGC. This insight will be critical: We need to understand the numbers that shape the plans and the PBGC, because the challenges we will look at fundamentally involve arithmetic—however unpleasant that arithmetic may be.*

*After getting a sense of those basic numbers, this committee will also examine the major legal and financial issues with the multiemployer plans, how the governing statutes have changed over time, and how finances have evolved for the various plans and for the PBGC.*

*Certainly, the issues involved here are far broader and go much deeper, but to understand the scope of the problems that we face, we need basic measures of what’s going on.*

*Looking ahead, we will likely have hearings in which we will listen to various stakeholders concerned with the operation of these plans. Those stakeholders include retirees,*

*active employees, businesses that sponsor the plans, actuaries, plan managers, American taxpayers, and the PBGC.*

*We will also look at how multiemployer plans are designed and how their finances are managed, along with the unique regulatory and workforce environments they operate in.*

*Following stakeholder input, the committee will examine policy options, and the costs and benefits that come with them.*

*I do not doubt that the committee has a very heavy workload ahead.*

*I also do not doubt the sensitivity of the issues we will discuss. The committee is charged with a very difficult task. No matter what direction we take, we are bound to anger some folks.*

*But it is critical that we understand the core financial features of multiemployer pension plans, as well as the PBGC, to guide the path toward possible solutions.*

*For today's hearing, we have brought in two experts to provide us with information on the history, structure, operations, and evolution of the multiemployer plans since their inception in the 1940s.*

*Their perspectives and insight will be critical as we begin this first phase of our process, and I look forward to hearing from them and learning more.*

*Now, let me close my opening remarks by noting that the staff of the Joint Committee on Taxation has prepared, and posted on its website, a publication titled "Present Law Relating to Multiemployer Defined Benefit Plans," which will serve as one of many valuable resources to this committee. I appreciate the work of the JCT, and thank Dr. Barthold and his team for what I am sure will be useful background information.*

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