Mr. Chairman, members of the special committee,

Thank you for giving me the opportunity to speak today. My name is Brian Slone, and I'm from Dayton Ohio. I am a proud 13 year member of Millwright Local 1090 and a participant in the Southwest Ohio Carpenters Pension Fund. Our plan is in critical and declining status and is currently in the MPRA process with the Treasury Department. Over the last 20 years the area covered by the pension has seen drastically reduced work opportunities due to a prolonged decline in our industrial base. In other words, our jobs went south. This has led to a significant problem with our pension fund.

In 1998 our pension fund was over 100% funded. Existing law at that time would not allow us to be overfunded and create a "rainy day" fund. We worked with our national leadership and contractor associations to change this law and were denied by both Congress and the Clinton Administration. So, we were forced to increase benefits to get below 100% funding. Soon after, we entered a two-year recession. By the time it was over the plan was 66% funded. In 2008, the Stock and Housing Market Crashes, followed by the Great Recession and the resulting 7-year construction depression in Southwest Ohio wiped out any recovery from the previous recession and left the plan funding level at 45%, resulted in losses from which the Fund cannot recover without using MPRA.

Some have said, "don't use MPRA, have the active members and employers pay more to fix the pension fund" While that seems like an easy solution it really isn't. Active members and employers have carried the entire cost of fixing the plan since the 2000.

A participant who retired in 2016 will receive 20% less in monthly benefits than a Participant who worked the same amount and retired in 2000

Similarly, a participant who retires in 2030 retiree will receive 40% less in monthly benefits than someone who retired in 2000

A participant who retired in 2016 made more than twice the contributions than a Participant who worked the same amount and retired in 2000.

Similarly, the 2030 retiree will contribute 3.5 times more than the 2000 retiree but receive a benefit that is about 2/3 of the person who retired in 2000.

To put it in dollar terms, since the 2000 recession, the Fund has repeatedly cut back the benefits received by the members who were active at that time. Because of these cuts, a Fund participant who has accrued benefits can now expect a pension that is around 30% less than a similar person who retired in 2000. For example, a participant with 30 years of service working 1,500 hours a year would have contributed approximately $85,000 over their working years and received a monthly benefit of about $3,130. A participant retiring in 2016 would have contributed approximately $153,000 and received a monthly benefit of about $2,210 per month. A participant retiring in 2030 will have contributed approximately $290,000 and receive a monthly benefit of approximately $1,640. This participant will **contribute 3.5 times more** than the 2000 retiree and **receive 40% less** in monthly benefit, 30 years later, not adjusted for inflation.

Another aspect that I want to highlight is the negative, economic impact that will happen if these plans fail. Our pension plans are multiemployer pension plans. These plans were created with collective barging agreements, with many employers across our area and many national employers. If these plans go insolvent, the unfunded liability on these employers could cause them to go bankrupt. This would lead to a large loss of jobs in our area and also place burdens on our area manufacturing plants who would be unable to find skilled works to keep their plants running.

I want to stress that the active members wish and hope Congress passes a new law that will mitigate the harshest MPRA benefit suspensions. No one wants to see retirees subjected to the stress and financial insecurity of this process. But we also need to recognize the enormous sacrifices made by active members since 2000 to keep this pension fund afloat.

For years the Federal Government, both the Executive Branch and Congress ignored their responsibility to oversee whether the ERISA rules it put in place were working to keep the system healthy.   We are now facing a crisis that is significantly worse because of that lack of oversight.   Because of tis inaction, plans that could have used MRA now cannot and face becoming insolvent and have benefits reduced to unlivable levels. These plans have to be addressed now before they fail and possibly take down the other plans in their wake.

We need a retirement system that will be there for the workers who are depending on it in their old age. One with rules that are flexible enough to keep the plans well-funded and provide lifetime benefits but with real active oversight designed to keep the plans healthy and strong not just bureaucratic butt covering.