



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

For Immediate Release
Wednesday, April 18, 2018
Contact: [Jenny Donohue](#)
202-224-3978

BROWN OPENING STATEMENT AT JOINT PENSION COMMITTEE HEARING

WASHINGTON, D.C. — U.S. Sen. Sherrod Brown (D-OH) – co-chair of the Joint Select Committee on the Solvency of Multiemployer Pension Plans – released the following opening statement at today’s hearing.

Opening Statement as Prepared for Delivery
Joint Select Committee on the Solvency of Multiemployer Pension Plans – Multiemployer Pension System Overview Hearing
April 18, 2018

Senator Thank you Senator Hatch, and thank you to all my colleagues on the committee.

I’d like to welcome our witnesses, Thomas Barthold of the Joint Committee on Taxation, and Ted Goldman, a Senior Pension Fellow at the American Academy of Actuaries.

We had a productive meeting the last time we met, and it’s clear that people of both parties on this committee are ready to work in good faith to find a solution to this crisis.

There are more than 100 multiemployer pension plans on the brink of failure, with members in every single state in the country.

More than 1.5 million workers and retirees across this country are at risk of losing the retirement security they earned over a lifetime of hard work.

Small businesses are at risk of collapsing if they end up on the hook for pension liability they can’t afford to pay.

Groups as diverse as the Chamber of Commerce and labor unions and the AARP are all pushing for a solution, because they know what is at stake.

And that's what we will explore here today: how we got here and what's at stake, as we work to solve this crisis for retirees, workers, small businesses, and taxpayers.

These are workers and businesses who did everything right.

By joining with other businesses, companies thought they were guaranteeing their workers a secure retirement, because experienced trustees were supposed to manage the investment.

This year, I talked with a small business owner from the Mahoning Valley in Ohio, whose business participates in the Central States plan. After we met, he wrote me a letter saying:

"I have owned my business for 18 years and the company has been in my family for over 60 years. It has made contributions to this fund to ensure the hard work and dedication of our employees pays off in the form of a pension."

But he goes on to say that, "many employers that once contributed to these plans have simply gone out of business, leaving the remaining employers to support the remaining employees and retirees of the companies that have closed.

"Please, we are asking you to get together with your colleagues, reach across the aisle and find a solution that will help my employees keep a job."

These are the kind of business-owners we're talking about – honest men and women trying to do right by their workers.

We also need to remember what workers gave up to earn these pensions.

Workers in these plans sat at negotiating tables and sacrificed pay and other benefits in the short-term, in order to guarantee a pension when they retire.

Too many people in Washington don't really understand what happens during these union negotiations. But we have to be clear – these workers earned their pensions, and they gave up pay to do it. They paid into this system for years.

Now these plans are about to fail, through no fault of these workers or these businesses.

Each plan is different and there are many factors that played a role in getting them to this place. Many of these plans are in the same industries that have been affected by decades of bad trade deals, outsourcing of jobs, and general shifts in the American economy.

There's also no question that the economic collapse of 2008 devastated these plans and the people and businesses who depend on them.

Even the coalminers pension – an industry that has been badly hurt over the past few decades – was nearly 90 percent funded before the financial crisis.

If these plans fail, taking thousands of businesses and jobs with them, the Pension Benefit Guaranty Corporation, is supposed to step in.

But the PBGC is also on the brink of failure. It's \$67 billion in the red, with just \$2 billion in assets. If the PBGC fails, it will be up to Congress to step in, or allow the entire multiemployer pension system to fail.

Failure is not an option. Failure would wipe out the retirement of 10.1 million American workers and retirees, and force American businesses to file bankruptcy, lay off workers, and close their doors.

The problem only gets more and more expensive to fix the longer we wait.

That's why our work on this bipartisan committee is so important – we must fix this now, when we can still save these businesses, these jobs, and these pensions.

I'm eager to hear from our witnesses today, from Chairman Hatch, and from my fellow committee members.

Thank you.