



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

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Hatch Opening Statement at Joint Select Committee on Pensions Organizing Meeting

WASHINGTON – Joint Select Committee on the Solvency of Multiemployer Pensions Plans Co-Chair Orrin Hatch (R-Utah) today delivered the following opening statement at the committee’s organizing meeting:

This is the first formal meeting of the Joint Select Committee on the Solvency of Multiemployer Pension Plans.

Before we get into the meat of this area, we first need to establish the rules and operating procedures of the committee.

As co-chair, I also think we should take the time to hear from the individual members of the committee. In my more than 41 years of experience here in the Senate, I have learned that the best way to tackle complicated issues like this is to start by truly listening to the concerns of each of the members. And, in turn, for us to be honest and upfront about our hopes and expectations.

This committee confronts an enormous and difficult task. Multiemployer pension plans, like other retirement savings programs, have faced a number of challenges in recent years. Some of those challenges include a financial crisis, which has disturbed the investment returns of the multiemployer plans, as well as demographic and economic changes which have made the operations of a substantial number of these plans difficult, if not impossible, to sustain.

Many have argued that these complexities have sent some of these plans into a “death spiral.” As it stands, numerous plan participants, and the broader viability of these plans face challenges. What’s more, the Pension Benefit Guarantee Corporation stands near the precipice of insolvency.

Congress has not been sitting idly by on these issues. In fact, the Pension Protection Act of 2006 and the Multiemployer Pension Reform Act of 2014 were designed to provide multiemployer plan sponsors, trustees, and the PBGC with new authority and additional flexibility to alter plans in order to restore some level of financial sustainability.

Simply because we are in dire straits again with some of these plans does not mean we failed when we passed those two major bipartisan bills, but it does underscore how complex these issues are.

Not only are the issues complex, but they often invite strong sentiments.

This committee is tasked with studying the challenges multiemployer plans face, what has worked and what has not, reviewing potential solutions, and, if possible, developing legislative recommendations that could be considered by the House and the Senate.

Finding a solution requires a clear understanding of the issues these plans confront. Which means, at least for the next few weeks, we should be listening far more than talking.

It also means that we need to learn. We need to understand the magnitude of the financial shortfall among plans considered critical and declining, determine the likelihood of other plans falling into this status, and meaningfully evaluate the various proposals that have been offered to address this situation.

Frankly, my friends, this is a heavy workload.

We are going to have to hear from all sides on this issue.

During my lengthy experience in Congress, and in developing bipartisan solutions to problems, I have learned that the best path to take involves mutual respect and an open consideration of all views; even views you do not agree with.

The difficulty in taking that highroad is probably the biggest impediment to arriving at bipartisan solutions. Now, more than ever, it seems too easy to turn our deliberations into partisan arguments and political posturing. My intention, and I hope that of my colleagues here as well, is to pursue the highroad.

In that vein, I'd like to underscore my belief that none of this process of is going to be easy. There are no magic bullets, and any solutions we come up with are bound to make at least some people unhappy.

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