

TESTIMONY : MIKE WALDEN

SUBJECT : JOINT SELECT COMMITTEE FOR PENSIONS HEARING

DATE : 13 JULY 2018 2:00PM

LOCATION : COLUMBUS, OHIO CAPITOL STATEHOUSE

STATEMENT :

A THANK YOU IS IN ORDER, TO THE COMMITTEE, ESPECIALLY TO THOSE ATTENDING TODAY, FOR ALLOWING US, THE RETIREES, THE MOST VULNERABLE OF ALL THE STAKEHOLDERS IN THIS PENSION CRISES, TO HAVE A VOICE AT THE TABLE TO EXPLAIN OUR POSITION AND EFFECTS OF ANY POSSIBLE REDUCTIONS TO OUR FIXED PENSION INCOME.

WE ALSO HAVE A GENUINE CONCERN FOR OUR FELLOW ACTIVE PARTICIPANTS AND THE MAJORITY OF EMPLOYERS INVOLVED. THAT IS, THOSE EMPLOYERS THAT MAKE THEIR OBLIGATED CONTRIBUTIONS AND HAVE A CONCERN FOR THEIR EMPLOYEES. UNFORTUNATELY, THERE ARE EMPLOYERS THAT DO NOT MAKE THEIR 100% CONTRIBUTION, AS REQUIRED, WHICH AFFECTS THE OTHER EMPLOYERS AND PARTICIPANTS IN THE FUND. ONE IN PARTICULAR HAS BEEN CLAIMING THEY ARE INSOLVENT FOR NINE YEARS, WHICH THEIR EMPLOYEES HAVE APPROVED CONCESSIONS TO THEIR WAGES, TO KEEP THEM AFLOAT, WHILE THEIR EXECUTIVES RECEIVE STOCK BONUSES, RAISES AND LUCRATIVE RETIREMENT INCOME AS SOME OF THEIR EMPLOYEES THAT RETIRED, HAVE ALREADY BEEN REDUCED IN UPWARDS OF 40-60%. IF THIS CRISES IS NOT ADDRESSED AND SOLVED SOON, THEY WILL BE REDUCED MORE AS WE ALL WILL FACE.

BEING THE PRESIDENT OF THE NATIONAL UNITED COMMITTEE TO PROTECT PENSIONS, A 501 C-5 NON PROFIT ORGANIZATION, BASED OUT OF MINNESOTA, I ALONG WITH OUR OTHER 65 COMMITTEES ACROSS THE NATION HAVE SPENT TIME AWAY FROM OUR FAMILIES, SACRIFICED OUR TIME ENJOYING THE THINGS WE RETIRED TO DO AND ENDURED A LEVEL OF STRESS THAT HAS AFFECTED THE LIVES OF MANY, IN SO MANY WAYS, SINCE 2013, WHILE WE WAIT IN LIMBO, FOR A SOLUTION TO THE PENSION CRISES, WHICH CONTINUALLY GETS KICKED DOWN THE ROAD. THE END OF THAT ROAD IS NOW IN SITE.

THIS COMMITTEE MUST WORK TOGETHER TO SOLVE THIS CRISES BEFORE IT HAS DEVASTATING EFFECTS ON THE NATIONAL ECONOMY AND THE LIVES OF OVER 1 MILLION PEOPLE CURRENTLY AND GROWING AT A RAPID PACE. IN THE WORDS OF TREASURY SECRETARY MNUCHIN, IT WILL BECOME A TSUNAMI. AND IF YOU DON'T BELIEVE IN THE CONTAGION EFFECT YOU PROBABLY SHOULD NOT BE ON THIS COMMITTEE.

WHEN SOLUTIONS TO THE PENSION CRISES ARE DISCUSSED THERE SEEMS TO BE A DIVIDE AS TO THE WORD TAXPAYER. MANY TIMES IT IS TOLD THE TAXPAYER SHOULD NOT BAILOUT THE PENSION WOES FACING THIS NATION. LET IT BE CLEAR THE NATIONAL UNITED COMMITTEE HAS NEVER ASKED FOR A BAILOUT, THOUGH WE HAVE WATCHED MANY BAILOUTS WITH OUR PAID INTO TAX DOLLARS. WE HAVE ASKED FOR A SOLUTION. WE HAVE ASKED ALL OF THE INTELLIGENT MINDS, THOSE WITH EXPERTISE AND THE BUREAUCRATIC DEPARTMENTS IN GOVERNMENT TO FIND OR CREATE A SOLUTION. LET IT BE CLEAR THAT UNION WORKERS AND RETIREES ARE EVERY BIT AS MUCH OF TAXPAYERS AS ANYONE. WE WATCH OUR TAX DOLLARS BEING SPENT IN MANY WAYS WE DON'T APPROVE. YOU SHOULD REALIZE THAT WHILE OUR COUNTRY IS IN EXTREME DEBT, ALL TAXPAYERS BAILOUT OUR GOVERNMENT EVERYDAY SO THOSE IN CONGRESS AND OTHER DEPARTMENTS IN OUR GOVERNMENT CAN STILL RECEIVE THEIR INCOME AND PENSIONS.

AS THE MAJORITY OF DISCUSSION, INVOLVING A SOLUTION TO THE PENSION CRISES REVOLVES AROUND THE REDUCTION OF PENSION INCOME TO THE RETIREES, THERE ARE MANY FACTS THAT SOME IN CONGRESS, EMPLOYERS, FUNDS AND SOME UNIONS DO NOT SEEM TO REALIZE. I WILL TRY TO POINT THEM OUT AS THEY ALL HAVE AN AFFECT ON THE RETIREE, HIS FAMILY AND THE ECONOMY. THIS APPLIES TO THE CURRENT ACTIVE WORKERS WHO WILL RETIRE IN THE FUTURE AS WELL.

BEING PRESIDENT OF THE NUCPP ALONG WITH OUR VICE PRESIDENT AND OTHER COMMITTEE LEADERS, TRAVELING THROUGHOUT THE COUNTRY, ATTENDING ALL HEARINGS, INVITED TO CONGRESSIONAL BRIEFINGS AND PRESS CONFERENCES WITH MANY OF YOU ON THIS COMMITTEE AND OTHER CONGRESS MEMBERS, WE ALSO HAVE SEEN AND HEARD FIRST HAND THE STORIES, THE TEARS, THE DECLINING HEALTH, THE DEVASTATION AND UNCERTAINTY FUTURE OF RETIREES AND ACTIVE MEMBERS WHILE ATTENDING THEIR RETIREE MEETINGS AND COMMITTEES. IT IS SOMETHING ALL ON THIS COMMITTEE SHOULD EXPERIENCE, AS SOME OF YOU HAVE BUT THE REST NEED TO SEE. THESE ARE YOUR CONSTITUENTS THAT ARE BEING PUT IN DIRE STRAITS, HAVING DONE NOTHING WRONG AND EVERYTHING RIGHT ONLY TO POTENTIALLY HAVE THEIR DIGNITY AND COMFORTABLE LIFESTYLE, NOT RICH, DIMINISHED ALONG WITH THEIR HEALTH.

THE PARTICIPANTS IN THESE PENSION FUNDS RECEIVE A FIXED INCOME PENSION CHECK. WHATEVER THE AMOUNT THEY ARE AWARDED WHEN THEY RETIRE WILL BE THAT AMOUNT DURING THEIR RETIREMENT YEARS WITH NO COST OF LIVING, NO RAISES EVER. AS REDUCTIONS TO RETIREES PENSIONS ARE ALWAYS MENTIONED IN THE SAME SENTENCE AS SOLUTIONS YOU SHOULD BE AWARE THAT INFLATION HAS ALREADY REDUCED THE VALUE OF A RETIREES PENSION. THEY CANNOT ABSORB MORE REDUCTIONS.

THANKS TO THE STAFF OF SENATOR PORTMANS OFFICE I RECEIVED SOME FIGURES ON INFLATION. SO, JUST IN THE PAST 9.5 YEARS ACCORDING TO THE OFFICIAL NUMBERS (BASED ON THE CONSUMER PRICE INDEX FOR URBAN AREAS OR "CPI-U") THE COST OF GOODS HAS OFFICIALLY INCREASED 19% AND THE VALUE OF MONEY HAS DECREASED BY 16%. AS WE ALL KNOW MANY IMPORTANT NECESSITIES HAS INCREASED BY A MUCH GREATER MARGIN. SUCH AS IN THE LAST 9.5 YEARS GAS HAS INCREASED 56%, TUITION FOR A 4 YEAR PUBLIC COLLEGE 51% AND HEALTH INSURANCE 70%.

A RETIREES PENSION SPENDS LIKE UNEMPLOYMENT COMPENSATION. IT FLOWS RIGHT BACK INTO THE ECONOMY AS USUALLY THERE IS NOT ENOUGH TO SAVE ONLY TO SURVIVE. THEIR FIXED INCOME COMPENSATION IS USUALLY SPENT IN THEIR LOCAL AND STATE ECONOMY WHICH INCLUDES ATTRACTIONS AND ENTERTAINMENT, LOCAL, COUNTY AND STATE TAXES. AS TIMES HAVE CHANGED IN AMERICA, MANY SUPPORT THEIR ADULT CHILDREN, HAVE ADOPTED THEIR GRANDCHILDREN, HAVE DISABLED FAMILY MEMBERS THEY CARE FOR IN THEIR HOUSEHOLD. THE COST OF THEIR MEDICATION, ORDINARY HOME MAINTENANCE SO THEIR NEIGHBORHOODS ARE PRESERVED. THE CHARITIES AND VOLUNTEER SERVICES THEY PROVIDE TO THEIR CHURCHES, SCHOOLS, PARKS, FOOD BANKS AND THE HOMELESS.

MANY HAVE BEEN PUTTING OFF REMODELING AND PURCHASE OF VEHICLES BECAUSE OF THE UNCERTAINTY OF THEIR PENSIONS. THAT IS THE MONEY THAT FUELS THIS ECONOMY. THE MAJORITY CANNOT RETURN TO WORK BECAUSE OF HEALTH ISSUES, WORKPLACE RESTRICTIONS OR REEMPLOYMENT RESTRICTIONS WITHIN THEIR PENSION FUND.

MANY ARE WIDOWS OR WIDOWERS AND DO NOT HAVE A SUPPLEMENTAL INCOME. THEIR LOSS OF THE VALUE OF THEIR PENSION BECAUSE OF INFLATION WILL NEVER BE RECOVERED BECAUSE NO RAISE OR COST OF LIVING. THE REDUCTION IN THEIR PENSIONS RESULTS IN LOWER CREDIT SCORE, AND LESS BORROWING POWER WHEN UNEXPECTED EXPENSES ARISE SUCH AS AUTO REPAIR, FURNACE, ROOF OR OTHER EXPENSES. BANKRUPTCY AND FORECLOSURE WILL LOOM. IT IS ALREADY HAPPENING TO PARTICIPANTS IN TEAMSTER LOCAL 707 AND IRONWORKERS LOCAL 17.

WE WILL NOT GET RICH ON OUR PENSIONS. OUR PENSION INCOME GOES RIGHT BACK INTO THE ECONOMY.

AND KEEP IN MIND, MANY, MANY RETIREES AND ACTIVE WORKERS ARE VETERANS. THEY FOUGHT FOR THIS COUNTRY TO HAVE FREEDOM, SAFETY AND RIGHTS FOR ALL. THEY FOUGHT FOR THE AMERICAN DREAM, TO LIVE THE AMERICAN DREAM. ESPECIALLY THE LAST YEARS OF THEIR LIVES.

AS THE ACTIVE WORKER IS OUR FUTURE, WE ARE THEIR FUTURE IN THIS FIGHT TO SECURE WHAT WE EARNED AND WAS PROMISED. THE EMPLOYERS ARE OUR FUTURE AS WELL.

THE ISSUE OF EMPLOYER WITHDRAWAL LIABILITY NEEDS TO BE ADDRESSED AND REVAMPED. THERE SHOULD BE A CAP ON WITHDRAWAL LIABILITY NOT TO EXCEED THE WORTH OF COMPANY. POSSIBLY IN THE FUTURE DO AWAY WITH WITHDRAWAL LIABILITY IN EXCHANGE FOR CONTRACTS TO STAY IN OR ENTER A PENSION FUND FOR A CERTAIN LENGTH OF TIME. WITHDRAWAL LIABILITY IS ONE OF THE BIGGEST CONCERNS OF EMPLOYERS THAT I HAVE MET WITH.

AS THE ISSUE OF LOANS IS PRESENTED IN ALMOST EVERY LEGISLATION, THE REPAYMENT OF THE LOANS AND POSSIBLE RISK POOLS WE WOULD SUGGEST LOOKING INTO THE FINES LEVIED ON THE WALL STREET FIRMS FROM THE MARKET CRASH OF 2008. THOSE FINES SEEMED TO HAVE TOTALED IN THE HUNDREDS OF BILLIONS OF DOLLARS. OTHER THAN THE MORTGAGE INDUSTRY RECEIVING \$40 BILLION TO RECOVER THEIR LOSSES, NO ONE SEEMS TO KNOW WHERE THE REST OF THE MONEY IS OTHER THAN THE GENERAL FUND.

AS FAR AS REPAYMENT OR RISK POOLS BEING QUESTIONED WHY IS THERE NOT ENOUGH CONFIDENCE IN THE NEW TAX REFORM LEGISLATION THAT IS BEING PRESENTED SUGGESTING MORE BUSINESSES COMING BACK TO AMERICA, MORE BUSINESSES GROWING, THE ECONOMY GROWING AND INVESTMENTS INCREASING. IF ALL THAT HAPPENS, THE FUNDS SHOULD INCREASE, THE REPAYMENT OF LOANS WOULD NOT BE IN QUESTION AND THE PENSION FUNDS INVESTMENT RETURNS WOULD BE MORE THAN ENOUGH TO HANDLE PAYBACK.

IF THERE IS UNCERTAINTY IN A SOLUTION PRESENTED, SUCH AS THE BUTCH LEWIS ACT, WHICH HAS BEEN SAID TO WORK BY TOP ACTUARY FIRMS, CENTRAL STATES PENSION FUND AND THE UNITED MINE WORKERS, INSTEAD OF LOOKING 30 YEARS FROM NOW, TRY 10 YEARS, THE LENGTH OF TIME FOR THE CONGRESSIONAL BUDGET AND REVISIT IT.

ALL IN ALL, THE BOTTOM LINE IS SOMETHING NEEDS TO BE DONE NOW, NOT LATER TO SAVE THE FUNDS, THE PEOPLE AND THE ECONOMY. BILLIONS ARE BEING LOST EVERYDAY THE LONGER WE WAIT. ONE WAY OR ANOTHER THE COMMITTEE HAS TO WORK TOGETHER. WE HAVE REPUBLICANS, DEMOCRATS AND INDEPENDENTS ON OUR COMMITTEES AND WORK VERY WELL

TOGETHER. THE JOINT SELECT COMMITTEE NEEDS TO DO THE SAME AS WE ARE PUTTING OUR TRUST IN YOU, TO CREATE A SOLUTION.

THANK YOU ALL FOR YOUR WORK, AND THE CONSIDERATION YOU GAVE US.

MIKE WALDEN

PRESIDENT, NUCPP