

**Testimony of Larry Ward, Retiree
United Mine Workers of America
Before the
Joint Select Committee on the
Solvency of Multi-Employer Pension Plans
July 13, 2018
Columbus, Ohio**

Chairman Brown, Senator and distinguished members of the Joint Select Committee, my name is Larry Ward and I live in Hopedale, Ohio with my wife Laura. We have been married 54 years and have a son and a daughter. I am 74 years old and my wife is 72 years old and both of us have lived in Ohio all our lives.

My grandfather, father, and two brothers worked in the coal mines. I started working at the Y. & O. Coal Co. Nelm's #2 mine in Hopedale, Ohio in November of 1966. I loved working in the mine, but it was not just physically demanding work, it was dangerous work. I began working in the mines before the passage of the Mine Safety and Health Act of 1969. Back then, there was very little emphasis on safety in the mines. There were few controls on how much dust was in the mine atmosphere, what kind of ventilation was required, how the mine operator was going to control the roof from falling in.

Miners were dying by the hundreds and even thousands every year before 1969. But after the Farmington #9 disaster in West Virginia that killed 78 miners, including Senator Manchin's uncle, Congress recognized that it had to act to save lives. I suggest to the Committee that there is another disaster looming in the coalfields today, slower-moving than a mine explosion or a fire or a roof fall but eventually just as deadly. That disaster is the pension crisis confronting the UMWA 1974 Pension Fund that you are tasked with solving. The fate of more than 105,000 current and future UMWA retirees and widows is in your hands.

Now a little about me. After working in the mines for 20 years I was elected to the UMWA District 6 Executive Board in 1987 and I was elected District 6 President starting January 1, 1989. I served as District 6 President until January, 2005, when I retired.

Like most coal miners I have several medical problems. I've suffered a heart attack, am a cancer survivor and have high blood pressure. My wife has similar problems. But we have been blessed in so many ways. You have heard that the average mine worker pension is \$582.00 per month. My mine pension is short of that average. Most of the men I worked with, or their widows, are short of it as well.

While we have health care, the cost associated with deductibles, prescription drug co-pays and other health care costs makes the pension very important. We have the same monthly

bills as everyone else, such as power and heat, real estate taxes and insurance. We have to eat, which means we have to buy groceries. We have to put gas in our cars. The pension, while not large, allows UMWA retirees across Ohio and the United States to pay these bills. I understand that there are those who are advocating for retirees to take cuts in their pensions to help solve this problem. I sit here before you today and tell you that for most of the retirees I know, any reduction to their pensions will make paying their bills very difficult, if not impossible.

Here are a couple of examples from my Local Union: One of them is 82 years old, has had cancer several times and now has diabetes and lives with a pacemaker. His wife is 76 years old and has serious health problems as well. His pension is \$252.97 per month. Now imagine him trying to stay above water if this Committee fails to act.

Another member of my Local Union is 75 years old and his wife is 70 years old. They have similar medical problems as the other member and his wife. His pension is \$296.00 per month. Again any reduction in his monthly pension would create serious financial problems for him and his wife. I could go on and on listing different members of my Local Union here in Ohio and it would be the same. Any reduction puts them in the position where they simply cannot make it.

In 2017, there were 5,616 people who received a pension from the UMWA 1974 Plan in the state of Ohio. The total pension payments in Ohio were \$41,159,277 last year. This money is not coming here into Columbus, or Cleveland, or Cincinnati. It is not going to Akron, or Toledo, or Dayton. It is going into rural counties in eastern and southern Ohio that are already economically depressed. Along with the money that goes to pay for retiree health care, our pensions are key parts of the economies where we live. The impact of cuts would be devastating to those areas, which are already hard-hit by the decline of coal mining and other industries, like steel and aluminum manufacturing.

Mr. Chairman and members of the Committee, you have been tasked with preserving America's multi-employer pensions, and I know that is a huge thing to fix. I'm sure you already know about the legislation that has been proposed that will fix the UMWA 1974 Pension Plan, called the American Miners Pension Act (AMP Act). I know it doesn't solve every pension fund's problem, and we support preserving everyone's pension. But the AMP Act is the only pension legislation that has bi-partisan support in both houses of Congress. In this day and age, that's got to count for something.

The AMP Act's predecessor, the Miners Protection Act, had widespread support in both houses of Congress and across party lines. It was passed by the Senate Finance Committee in 2016 by an overwhelming 18-8 vote, with the bipartisan support of both co-Chairs of this Joint Select Committee as well as Senators Portman and Crapo. It would have protected both health

care benefits and pensions for retired miners, their dependents and widows. There were sufficient votes in both the Senate and the House to pass it, had it been allowed to come to the floor for a vote. But it never did. In the end, we were able to pass only that part that preserved health care for 22,600 retirees, which we count as a tremendous victory. But a great opportunity to preserve our pensions was wasted.

My great concern, and a concern of so many retirees who I talk to, is that this Committee will get trapped by partisanship and ideology and in the end do nothing. You are here because the rest of your colleagues gave you extraordinary power to address and prevent this disaster in the making that will affect so many elderly and retired people here in Ohio and across the nation. Yet we have heard nothing about how the committee will actually do that.

Those collecting a pension from the UMWA 1974 Plan do not have a lot of time to wait. Our pension fund is on a path to insolvency by 2022 if this committee does not act. Because of a string of coal company bankruptcies beginning in 2012, we have lost more than \$100 million in annual contributions to our fund and those companies have been relieved of more than \$3.1 billion in withdrawal liabilities. We have one major employer left that is contributing more than 85 percent of all contributions to our fund. Things have stabilized in the coal industry lately, but most companies are not out of the woods and are just one more market shock away from serious trouble. If our last major employer declares bankruptcy, is relieved of its contribution obligation and its withdrawal liability, then the UMWA 1974 Plan faces insolvency much sooner than 2022.

Failure by this committee to act will destroy my pension and the pensions of all UMWA retirees. When our pension plan falls to the Pension Benefit Guaranty Corporation, it will hasten that agency's insolvency. When the PBGC goes insolvent, it will then only have the resources to pay about one-eighth of the amount it is supposed to guarantee. If that happens, the average 1974 Plan pensioner would see a cut of about 90%, which would devastate us but will also mean the loss of over \$500 million per year to already struggling coalfield families and communities.

I cannot believe that there are those who would advocate allowing that scenario to occur, but perhaps there are. And that makes me wonder what happened to the American values of rewarding hard work and loyal service to our nation that I grew up with.

America's coal miners put our lives and our limbs on the line every single day so that this country could have the power it needed to make our economy the strongest in the world. I've seen more severe injuries and death in the mines than I care to remember or discuss. Those men didn't make it long enough to have a retirement. Some of their widows are collecting a small pension right now

Those of us who did make it this long are suffering the results of decades of coal mining. Our bodies are beat up. But we did it so we could provide some measure of comfort for ourselves and our families while we were working and when we retired. For all the years I was a miner and later as a union representative, when we negotiated a contract, we took money we could have had in our hourly wages and put it toward our retiree health care and our pensions. Because we knew we would be in bad shape today and would need it.

So when I hear about people who say we should pay for solving a problem we did not cause, or we should be OK with taking cuts to our pensions, I say this: we have already paid for our pensions. Neither our union nor our employers caused the 2008 recession. The 1974 Pension Fund did not cause this problem; it was and is noted as a well-managed pension plan. The big banks and financiers on Wall Street caused this problem when their greed put this country into the recession of 2008, and Congress sent them \$627 billion dollars as a thank you.

I don't understand how it is that Congress would even consider asking us to take a cut to my pension, or see it go away entirely, when it had no problem sending billions to the Wall Street crooks who caused this problem in the first place. They used that to pay themselves bonuses. We use our pensions to pay for medicine and food and heat. There is something wrong with this picture.

Along with all my fellow retirees, I pray every day that this Committee will find a solution to this problem and allow us to live out what remains of our lives with whatever peace and comfort we can find along the way.

Thank you for this opportunity to testify before the Committee, and I will answer any questions you have as best as I am able.