

# INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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February 8, 2021

Via Electronic Transmission

The Honorable Richard Neal  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Bobby Scott  
Chairman  
Committee on Education and Labor  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Patty Murray  
Chairwoman  
Committee on Health, Education,  
Labor, and Pensions  
United States Senate  
Washington, D.C. 20510

The Honorable Ron Wyden  
Chairman  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

Dear Chairman Neal, Chairman Scott, Chairwoman Murray, and Chairman Wyden:

On behalf of the 1.4 million members of the International Brotherhood of Teamsters, their families, and retirees, I want to thank you for your tireless efforts to address the multiemployer pension crisis.

The Teamsters Union endorses and urges swift passage of the Butch Lewis Emergency Pension Plan Relief Act of 2021. You have once again stepped up to ensure that millions of retirees and active workers who have played by the rules will receive the pension benefits they have earned through years of hard work by advancing this critical legislation. As you know, this is the highest priority for the Teamsters Union.

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Through no fault of their own, the earned pension benefits of millions of retirees, and active workers, are being threatened due to the deteriorating financial status or the impending insolvency of more than 300 multiemployer pension plans representing more than 1.4 million participants.

The financial distress many of these plans are facing were and are beyond the control of retirees and workers. While multiemployer pension plans have been buffeted by economic turbulence over the decades – from deregulation to financial meltdowns to recessions – the situation has been seriously exacerbated by the current pandemic and the resulting shutdown of the U.S. economy. Hundreds of employers are now facing bankruptcy and cannot contribute to multiemployer pension funds; employees have lost their jobs and the sharp drop in interest rates have hit plans hard. Senior citizens and essential workers are disproportionately impacted by both the impacts of COVID-19 and the multiemployer pension crisis. Since the pandemic began, the Teamsters Union has intensified its call for Congress to address the multiemployer pension crisis as part of any federal legislation to address the pandemic and stabilize the economy. The Butch Lewis Emergency Pension Plan Relief Act of 2021 that you have proposed will help save hundreds of severely underfunded pension plans and preserve hard earned retiree benefits – not only for struggling Teamster pension plans, such as the Central States Pension Fund, but for many other multiemployer plans across the country.

No doubt you have heard, with increasing alarm, from retirees and families who live with this uncertainty and whose lives have been turned upside down. The Butch Lewis Emergency Pension Plan Relief Act will ensure that we meet our obligations to our current retirees and workers for years to come and to do so without cuts to hard earned benefits. The legislation will provide a path forward for financial stability and solvency for these plans. It will provide improved financial security for both workers and retirees. And, it will lessen the financial pressure on the Pension Benefit Guaranty Corporation (PBGC) which faces insolvency as early as 2026.

Multiemployer pension plans are both unique in their structure, and the challenges they have faced. If these plans fail, it will not only impact the retirees currently receiving benefits, as well as workers who will be receiving benefits, there will be a broader and significant impact on their communities and the economy –

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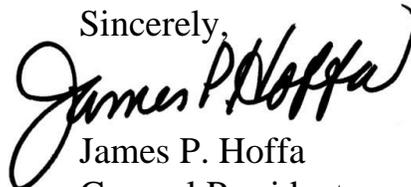
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adverse effects on economic growth and loss of tax revenue to all levels of government.

As America looks to reopen and rebuild, maintaining the solvency of the multiemployer pension system will be a key to economic recovery. The National Institute for Retirement Security has concluded that the \$41.8 billion in private pension benefit payments paid to retirees of multiemployer plans in 2016 supported \$89 billion dollars in overall economic output in the national economy and an estimated \$14.7 billion in total tax revenue. The country can ill-afford a reduction in these revenue streams during the recovery period.

I hope that your colleagues will join you in standing with the International Brotherhood of Teamsters family, and the families of millions of other workers and retirees, to enact this critically important legislation with all deliberate speed. I urge you to include the Butch Lewis Emergency Pension Plan Relief Act of 2021 in the COVID relief package you are preparing.

Sincerely,

A handwritten signature in black ink that reads "James P. Hoffa". The signature is written in a cursive, flowing style with a large initial "J".

James P. Hoffa  
General President

JPH/jo