

CLIENT BULLETIN

IAM Pension Participants Vote to Approve MPRA Benefit Suspensions

In [Benefit News Briefs 2017-67](#), we reported on the Treasury Department's approval of the suspension application of the Board of Trustees of the International Association of Machinists Motor City Pension Plan ("IAM Fund") to reduce pension benefits under the *Multiemployer Pension Reform Act of 2014 (MPRA)*. The IAM Fund is the first *MPRA* applicant to be approved on the first submission. The Participants and beneficiaries of the Fund were then given an opportunity to vote on whether to approve or reject the proposed benefit reduction.

MPRA provides that unless a majority of participants and beneficiaries vote to reject the benefit reduction, the reduction must go into effect. A ballot not cast is counted as a "yes." The voting period for the IAM Fund participants began on November 16, 2017, and ended on December 7, 2017. Under the *MPRA* voting rules, the vote was determined to be in favor of *MPRA* suspensions.

Results of Vote

According to the Treasury Department [approval letter](#) the Fund identified 1,247 participants and beneficiaries who were eligible to vote. The breakdown of votes is summarized as follows:

Vote Summary

Ballots against the reduction:	371 (30.64%)
Ballots in favor of the reduction:	126 (10.10%)
Ballots delivered but not cast*:	714 (57.26%)

*Under *MPRA*, votes that are not cast count as a "for" vote.

Because a majority of eligible voters who received a ballot did not vote to reject the benefit reduction, the benefit reduction took effect on January 1, 2018.

The lack of votes from nearly 60% of the affected parties may be due to the fact that about 60% of participants will see benefit suspensions of less than 10%.

Pending MPRA Suspensions

We are watching the other three pending *MPRA* suspension applications and will report on them as decisions are released:

- Alaska Ironworkers Pension Plan, [Second Application](#)
- Ironworkers Local 16 Pension Fund, [Second Application](#)
- Western States Office & Professional Employees Pension Fund, [Resubmission](#)

Overall MPRA Submission Recap

We have compiled the following data from the Treasury *MPRA* application webpage:

- > [MPRA Suspensions Listed By Date Of Submission And Status](#)
- > [MPRA Suspensions Listed Alphabetically With Date of Submission/Status](#)

MPRA Submission Scorecard

Denials.....	5
Approvals	4
Withdrawn	9
In Review (second applications)	3

More Information

More information on the *MPRA* suspension application process is available at: <https://www.treasury.gov/services/Pages/Benefit-Suspensions.aspx>. See *Special Bulletin 2017-43* for information on the revised *MPRA* application procedures.

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