

## CLIENT BULLETIN

### ***Joint Select Committee on Multiemployer Pensions Meets***

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In *Client Bulletin 2018-12*, we discussed the recently passed *Bipartisan Budget Act of 2018*, H.R. 1892, which established a Joint Select Committee Of The Solvency Of Multiemployer Plans ("Joint Committee") and built in very strict guidelines to keep the process moving. A specially prepared copy of the law concerning the Joint Committee with a table of contents added is available by "[clicking here.](#)" The Joint Committee recently held its first meeting which is summarized below.

#### **Joint Committee Meetings, Approval of Report and Termination**

The Joint Committee met in executive session for organizational purposes on March 14, 2018. A video copy of the meeting is available by "[clicking here.](#)"

The opening statements of the Co-Chairs, Senator Orin Hatch (R-UT) and Senator Sherrod Brown (D-OH) were made and posted on the hearing website:

- [Senator Hatch](#)
- [Senator Brown](#)

After the Co-Chairs' statements, each member spoke about their particular passion or interest in the important work of the Joint Committee, that it was a time to rise above partisanship and consider that the work of the Joint Committee might be used as a template for other troubled pension systems, such as state or local pension funds.

The Joint Committee also adopted [Rules of Procedure](#) consisting of 13 rules governing committee meetings, committee votes, hearings and other details.

The Joint Committee is empowered to hold hearings, take testimony and receive evidence, and shall hold not less than a total of five public meetings or public hearings; and not less than three public hearings, which may include field hearings.

## Conclusion

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With the PBGC and its multiemployer insurance program safety net hurtling towards insolvency by 2025, it seems that the multiemployer pension crisis has pushed itself to the forefront of Congress' attention. According to a report by the Congressional Research services, [Pension Benefit Guaranty Corporation \(PBGC\): A Primer](#), although the *Multiemployer Pension Reform Act (MPRA)* was enacted to help alleviate the multiemployer pension crisis and its anticipated devastating effect on the PBGC, the passage of *MPRA* did not have the anticipated effect.

The PBGC estimated that the effect of *MPRA* would likely not change PBGC projections of future solvency because the application by one of the largest multiemployer DB pension plans seeking to reduce benefits was rejected by the U.S. Treasury in May 2016 and this plan is likely to become insolvent within 10 years. See Pension Benefit Guaranty Corporation, [FY2016 Projections Report](#), pp. 10. Given this bleak future, the work of the Joint Committee is critical.

We will report on any developments concerning the Joint Committee as the developments occur.

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The Joint Committee is comprised of Senators Orrin G. Hatch (R-UT), Sherrod Brown (D-OH) Lamar Alexander (R-TN), Joe Manchin III (D-WV), Rob Portman (R-OH), Heidi Heitkamp (D-ND), Mike Crapo (R-ID), Tina Smith (D-MN) and Representatives Virginia Foxx (R-NC), Richard E. Neal (D-MA), Phil Roe (R-TN), Bobby Scott (D-VA), Vern Buchanan (R-FL), Donald Norcross (D-NJ), David Schweikert (R-AZ) and Debbie Dingell (D-MI).

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