

CLIENT BULLETIN

Joint Select Committee Fails to Reach Agreement On Plan to Avert Multiemployer Pension Crisis

In [Client Bulletin 2018-74](#), we discussed the draft proposal leaked to the press ahead of the upcoming November 30 deadline for the Joint Select Committee On The Solvency Of Multiemployer Plans ([Joint Select Committee](#) or Committee) to vote on: (1) a report that contains a detailed statement of the findings, conclusions and recommendations of the Joint Select Committee; and (2) proposed legislative language to carry out the recommendations.

However, after a favorable start, it is being reported that the Joint Select Committee has not reached a consensus and no report or recommendation will be released by the November 30 deadline.

In spite of this impasse, a [Press Release](#) by the Joint Select Committee Co-Chairs Orrin Hatch (R-Utah) and Sherrod Brown (D-Ohio) announced the Committee "*had made meaningful progress toward a bipartisan proposal and work will continue.*" The rest of the statement read:

The problems facing our multiemployer pension system are multifaceted and over the years have proven to be incredibly difficult to address. Despite these challenges and a highly-charged political environment, we have made meaningful progress toward a bipartisan proposal to address the shortcomings in the system to improve retirement security for workers and retirees while also providing certainty for small businesses that participate in multiemployer plans.

While it will not be possible to finalize a bipartisan agreement before Nov. 30, we believe a bipartisan solution is attainable, and we will continue working to reach that solution.

We understand that the longer that these problems persist, the more burdensome and expensive for taxpayers they become to address, and we are committed to working toward a final agreement as quickly as possible.

We would like to thank all the members of the Joint Select Committee for their hard work and continued dedication to addressing the issues that plague the multiemployer system. It has not been an easy job and all of their contributions have been, and will continue to be, vital to our work.

We have been told the proposal reported on in [Client Bulletin 2018-74](#) is no longer under consideration. If no agreement is reached, the multiemployer loan program under the [Butch Lewis Act](#) may be passed by House Democrats next year, but it seems destined to go nowhere with a Republican-controlled Senate and White House. For more on the [Butch Lewis Act](#), see [Client Bulletin 2017-75](#).

Per statute, the Joint Select Committee will terminate on December 31, 2018 or 30 days after submission of its report and legislative recommendations, whichever occurs first.

Without intervention, the PBGC and the multiemployer pension plan system appear to be headed towards sure disaster, much like the Titanic heading for an iceberg. While Congress continues to rearrange the deck chairs instead of finding a solution, the multiemployer pension plan problem only grows deeper. Unless the course is changed, problems may begin as early as 2023 when the UMWA plan is expected to become insolvent. Millions of lives will be affected adversely if nothing is done. Something about “fiddling while Rome burns” comes to mind.

Conclusion

We wish the Committee well in its efforts. We will follow the progress of any proposals for rescuing the multiemployer pension system. Until then, *MPRA's* critical and declining status seems like the most viable option for troubled multiemployer plans.

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