



March 2, 2018

The Honorable Phil Roe, MD
U.S. House of Representatives
Washington, DC 20515

The Honorable Donald Norcross
U.S. House of Representatives
Washington, DC 20515

Dear Representatives Roe and Norcross:

I am writing on behalf of the Signatory Wall and Ceiling Contractors Alliance (SWACCA) to advise you of our strong support for H.R. 4997, the “Giving Retirement Options to Workers (GROW) Act of 2018.” This legislation will modernize the multiemployer pension system, enhance retirement security for millions of Americans, and provide greater stability for employees and employers alike. We greatly appreciate your leadership on this important issue.

SWACCA is a national alliance of wall and ceiling contractors committed to working in partnership with our workforce to provide the highest-quality, most efficient construction services possible to our customers. To achieve this goal, SWACCA members rely on a corps of highly skilled and well-trained employees, for whom we provide middle class jobs with health and retirement benefits. Our organization prides itself on representing companies that fully embrace their commitment to their workforces, particularly when it comes to helping these men and women achieve retirement security through participation in collectively bargained multiemployer retirement pension plans.

Unfortunately, however, the ability of SWACCA members and other employers to provide lifetime retirement security to our workers has grown increasingly difficult as more and more defined benefit, multiemployer plans have faced financial collapse. As you know, over the past decade the long-term solvency of the multiemployer pension system as a whole has been put at risk. This has been due, in part, to significant financial downturns like the one our nation experienced in 2008 and the slow pace of economic recovery. But it has also been the result of outdated legal and regulatory requirements that have not kept pace with the changing nature of our economy or the industries that utilize multiemployer plans. Despite efforts in 2014 to provide greater options for struggling plans to return to solvency through passage of the Multiemployer Pension Reform Act, these factors continue to cause numerous employers to exit the multiemployer pension system and create barriers that prevent the entry of new participating employers into even well-funded plans. This has left employers who have maintained their commitment to these multiemployer plans to shoulder a greater and greater share of plan liabilities with little hope of relief. It has also placed tremendous pressure on the Pension Benefit Guaranty Corporation (PBGC)—the federal government’s retirement backstop for millions of U.S. workers. At the end of

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Fiscal Year 2017, PBGC reported a deficit of \$65.1 billion in its multiemployer insurance program and that it could become completely insolvent by as early as 2025.

While Congress cannot alter the economic forces that have threatened the solvency of hundreds of plans, it can and should take immediate steps to amend current law to modernize the multiemployer pension system and protect its ability to provide for current and future generations of workers and employers. The bipartisan GROW Act does just that, and will enable multiemployer plans to voluntarily establish a new composite retirement option that combines the best features of both defined benefit and defined contribution retirement plans. These composite plans will provide lifetime benefits to employees while at the same time fully protecting the benefits they have earned in legacy multiemployer plans. It will also help to provide greater certainty to participating employers by fixing contribution rates and eliminating much of the volatility faced in the existing multiemployer system. Finally, the GROW Act provides Congress with a fiscally responsible solution to the multiemployer pension crisis that will help to reduce future pressure on the PBGC from plan failures.

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On behalf of the membership of SWACCA, thank you again for your leadership on this important legislation. Please do not hesitate to contact me if we can be of further assistance.

Sincerely,



Matt Townsend
President