



April 28, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Chair, House Ways & Means Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Bobby Scott
Chair, House Education & Labor Committee
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi, Chairman Neal and Chairman Scott,

I write to you today as the President of the Signatory Wall and Ceiling Contractors Alliance (SWACCA) to respectfully request your assistance in ensuring that issues critical to America's workforce and retirement and healthcare benefits millions of workers rely upon and that their employers go to great lengths to provide are included in future legislation to respond to the COVID-19 pandemic. SWACCA represents construction company owners who employ tens of thousands of carpenters, drywall finishers, plasterers, and laborers throughout the United States. SWACCA's members pay their workers family-sustaining wages and provide retirement and health benefits. We want to ensure that these benefits can be retained as our nation works to recover from an unprecedented public health emergency that is taking a devastating toll on workers and employers in our industry.

In just over a month, millions of Americans have lost their jobs, been furloughed, or seen a significant reduction in hours. Throughout this period of economic uncertainty, Congress has helped to bridge the gap by Paycheck Protection loans so employers can continue to pay workers, expanding access to paid emergency family and sick leave and related tax credits to employers, providing Economic Impact Payments directly to citizens, and expanding access to unemployment compensation programs. Despite these important economic relief measures, there is still a need for Congress to act to address critical health and pension issues facing workers and retirees. That is why we were pleased to see that just last week, Speaker Pelosi highlighted the need for urgent congressional action to provide additional federal subsidies for COBRA health insurance coverage and to address the looming multiemployer pension crisis that has been greatly exacerbated by the current economic downturn. We urge you to make certain that these issues are addressed in the next coronavirus response bill that is being prepared.

We appreciate your recognition that during this rapidly evolving pandemic policymakers must ensure that workers do not lose access to their healthcare because they are laid off, furloughed, or see their hours reduced. This critical priority is reflected in the *Workers Health Coverage Protection Act* (H.R. 6514) introduced by

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Chairman Scott which would cover the full cost of COBRA premiums for workers who receive health coverage through their job, but have been laid off or subject to reduced hours. Congress must further expand on this measure to ensure that plans are not burdened by massive new health and drug expenses by providing plans with reinsurance for pandemic--related medical and prescription drug claims.

In addition, it is imperative that Congress take immediate steps to address the funding crisis faced by the multiemployer pension plan system that were in trouble before the present crisis and which now are in even more dire circumstances. Specifically, Congress should provide direct funding to the Pension Benefit Guaranty Corporation to avert plan failures; allow actuarial smoothing so plans can better weather the unprecedented global economic downturn; and authorize a new hybrid plan design, known as composite plans, which are better structured to withstand future market downturns and simultaneously protect both employers and participants. Composite plans, whose use can only be authorized by Congress, are a new type of retirement plan that will modernize traditional pension plans by combining the best features of defined benefit and defined contribution plans. While they would be new in the United States, they have been used with success throughout Canada. Authorizing these plans is critical to ensuring the long-term viability of high-road employers that provide family-sustaining wages and benefits.

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We are currently experiencing the third market meltdown plans have faced since 2000 and the current defined benefit system has been proven to be inadequate. The long-term survival of multiemployer retirement plans requires a structural change to protect such plans by deterring the devastating effects of future market downturns and/or loss of hourly contributions. Composite plans would provide better protections for participants than a typical 401(k) but also would allow employers to better prepare for future financial obligations, which will be critical in the coming months and years as employers must be on a sound financial footing to put workers back to work and return to some sense of normalcy.

On behalf of our members, we would like to thank you for your work to quickly respond to the COVID-19 pandemic and its impact on workers and employers across the country. But there is still more to be done, and the urgency necessary to address these looming crises cannot be overstated. That is why we stand ready to work with you to enact these critical measures into law and enhance the protections available to our workers.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Casabona", is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Scott Casabona
President