



July 28, 2020

## **Statement from Central States Pension Fund Board of Trustees**

More than 20 Teamster pension plans, including Central States, Upstate New York, New England Western Pennsylvania, and many other pension funds together representing nearly 1.4 million participants, face a desperate situation. These Teamster pension plans are either heading toward insolvency or have made deep benefit cuts to remain solvent yet remain seriously underfunded. More than 360,000 of these participants are in the Central States Pension Fund alone, which will run out of money to pay benefits in 2025. If that happens, our participants' benefits will be reduced to virtually nothing

This catastrophe must be averted, and we have a unique opportunity right now for Congress to summon the political will to take decisive action. It is ironic and baffling that the Western Conference of Teamsters Pension Plan (WCT Pension Plan) is working to block a long-delayed solution by actively opposing the proposed GROW Act.

The GROW Act is a bipartisan bill in Congress that would create a new type of "composite" multiemployer retirement plan combining some aspects of a "defined benefit" plan (e.g., a standard pension plan) and a "defined contribution" plan (e.g., a 401(k)). Under the GROW Act, a multiemployer pension plan cannot establish a composite plan unless the Trustees voluntarily vote to do so and the plan is extremely well-funded. To the extent the WCT Pension Plan trustees oppose the GROW Act, all they need to do is say no. They do not need to lobby against a bill that will provide a desperately needed lifeline to so many fellow Teamsters.

The GROW Act is not applicable to Central States or any of the other Teamster pension plans in crisis. Central States has taken no position on the GROW Act and has never asked participants or Members of Congress to support it.

However, numerous major labor unions and employer associations strongly support the GROW Act and have made it clear they will oppose a legislative solution that does not include it. Democratic and Republican leaders in Congress have made it similarly clear that the GROW Act is an essential component of any legislation that would end this crisis. That is why both parties have included the GROW Act in their current proposals to save Central States and the more than 115 other troubled pension plans that are running out of money to pay benefits for their 1.4 million participants.

The WCT Pension Plan opposes the GROW Act not because it would compel changes to existing plans. Rather, they oppose the GROW Act so they can avoid talking about it in future contract negotiations with employers. It is inconceivable to us that the retirement security of so many Teamsters should be sacrificed on such a narrow principle.

It is time to stop paying lip service about the WCT Pension Plan's past support for the failed Butch Lewis Act and to start facing facts. Actively opposing the GROW Act means opposing relief for Central States, supporting draconian benefit cuts for our 360,000 participants, and endorsing the same for 1.4 million participants across the nation whose plans are also in dire straits. We hope common sense prevails.