Press Release

Progress on Multiemployer Pensions?

ALLISON EDWARDS | MAY 15, 2020

The multiemployer-pension system is in crisis, as major plans and their federal backstop are critically underfunded. House Democrats' new coronavirus response package, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, includes a different kind of reform to multiemployer pensions than Democrats have publicly supported in the recent past, notes AAF's Director of Fiscal Policy Gordon Gray. This shift brings Senate Republicans and House Democrats closer to a compromise, he writes.

His central points:

- The HEROES Act includes a substantial new taxpayer commitment to ailing, private-sector, multiemployer pensions but does NOT contain the Butch-Lewis Act, which had largely been the public policy position of congressional Democrats for about 18 months;
- Instead, House Democrats have included an alternative approach, the Emergency Pension Plan Relief Act (EPPRA), which takes a step closer to a policy approach released by Senate Republicans last year; and
- While EPPRA has considerable flaws, Democrats' inclusion of an alternative to Butch-Lewis in HEROES is conspicuous and should be acknowledged as a productive step forward on a difficult issue that Congress will need to address.

Read the analysis.