



Press Release

Getting to Yes on Sustainable Multiemployer Pension Reform

ANDREW EVANS | DECEMBER 11, 2019

The multiemployer pension system is in crisis — several large plans are headed toward insolvency, as is the federal pension backstop — and both the Senate and House of Representatives have proposed solutions. While the proposals differ in significant ways, both see a role for federal assistance, which points to the potential for compromise, writes AAF’s Director of Fiscal Policy Gordon Gray. Nevertheless, only the Senate proposal includes much-needed structural reform to the multiemployer pension system, he notes.

An excerpt:

The Senate approach, while not as ambitious in its reforms as some policy observers may prefer, makes key reforms to how the multiemployer system is governed. Critically, the Senate reform plan acknowledges the need to tighten plans’ measurement of liabilities. Multiemployer plans are permitted to estimate their liabilities with far greater discretion than single-employer plans. This policy change is long-overdue and [highly consequential](#) for lasting reform....Beyond this critical change, the Senate approach includes other key reforms that address [some of the root causes](#) of the crisis in the multiemployer pension system. These include simplifying and improving the lump sum payment — known as [withdrawal liability](#) — that firms must pay when exiting sponsorship of a plan.

[Read the analysis.](#)