



**2020 Ends Without a Solution to the Multiemployer Pension Crisis**  
*Senators Grassley and Alexander Introduce New Legislation in Congress*

On Monday, December 21, Congress passed year-end legislation that included funding for the federal government and COVID-19 economic relief. Unfortunately, despite some last-minute negotiating between Republicans and Democrats, support for struggling multiemployer pension plans was not included in this legislation.

Instead, [Senators Chuck Grassley \(R-IA\) and Lamar Alexander \(R-TN\) have introduced the Chris Allen Multiemployer Pension Recapitalization and Reform Act](#) in an effort to set the stage for the next Congress. This bill represents the current Republican position and is based on a similar proposal that the two Senators released at the end of 2019.

The Grassley-Alexander legislation would allow struggling multiemployer pension plans – including the AFM-EPF – to "partition" in order to remain solvent in the future, which means that they would transfer a portion of participants' benefit liabilities to a second plan that is still administered by the original plan's trustees, but funded by the Pension Benefit Guaranty Corporation (PBGC). The legislation would also provide government funding to the PBGC to pay participants' benefits.

The AFM-EPF Trustees appreciate the efforts of Senators Grassley and Alexander to find a badly needed solution to the nationwide multiemployer pension crisis. However, just as the Trustees did not support the Senators' 2019 proposal, they also cannot support the new legislation as drafted because it contains serious flaws that would negatively affect our participants, the AFM-EPF and the multiemployer system as a whole. Among other concerns, the legislation includes a dramatic increase in the premiums that multiemployer plans pay to the PBGC. This increase would place an enormous burden on the AFM-EPF and other financially troubled plans, putting them at continued risk of insolvency.

The Trustees continue to support the Emergency Pension Plan Relief Act, which was included in the Democratic stimulus proposals introduced earlier this year. While this bill would also allow the AFM-EPF and others to "partition" in order to remain solvent, it would avoid benefit reductions and other measures harmful to multiemployer plans and participants.

We will continue to strongly advocate to the new President and Congress for legislation that protects the AFM-EPF and treats participants fairly. If Congress passes legislation that allows us to withdraw our MPRA application or roll back benefit reductions while still avoiding insolvency, then the Trustees plan to pursue that course.

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