



Pension Fund Notes

Newsletter of the American Federation of Musicians and
Employers' Pension Fund

ACTION ALERT: Tell Congress to Support the Butch Lewis Act

Earlier this month, we informed participants that the American Federation of Musicians and Employers' Pension Fund ("the Fund") actuaries were conducting an analysis of the Butch Lewis Act. This legislation was introduced by U.S. Senator Sherrod Brown to address the severe challenges being faced by multiemployer pension funds across the nation.

Our actuaries have confirmed that the Butch Lewis Act would address the financial issues facing the AFM-EPF. Should the Fund enter "critical and declining" status in the future, this legislation would, according to our actuaries, provide the Fund with the financial support required to avoid insolvency.

Therefore, the Fund's Trustees actively support this legislation and strongly encourage all participants to contact their Members of Congress and tell them to support the Butch Lewis Act (S. 2147 in the Senate and H.R. 4444 in the House).

To find contact information for your Members of Congress, follow the links below. You can also call the U.S. Capitol at 202-224-3121 and follow the prompts to reach their offices by phone.

- For U.S. Representatives, visit <http://www.house.gov/representatives/find/>
- For U.S. Senators, visit https://www.senate.gov/general/contact_information/senators_cfm.cfm

Further, we are reaching out to **all** members of both the Senate Finance Committee and House Ways and Means Committee to urge their bipartisan support of the Butch Lewis Act.

Here's how the Butch Lewis Act would work, if enacted as drafted:

- Multiemployer pension funds in "critical and declining" status may apply to the Treasury Department for low-interest government loans.

- These loans will provide enough money for a multiemployer fund to pay current retirees and beneficiaries their benefits for life, which will allow the fund to grow back to stronger financial footing.
- The Act requires that money from the loans be set aside in separate, low-risk investments that match pension payments for retirees and beneficiaries in pay status.
- Multiemployer funds will pay only interest on the loan for 29 years, and will then be required to repay the full amount of the loan in the 30th year.
- If the loan will be insufficient for a multiemployer fund to avoid insolvency, a fund can also apply for additional financial resources from the federal Pension Benefit Guaranty Corporation (PBGC). Congress would provide any necessary funding to the PBGC for this purpose.

The Trustees believe that the Butch Lewis Act provides a fair and necessary solution to protect the benefits the AFM-EPF's 50,000 participants, as well as those of 1.3 million participants in other multiemployer pension funds across the country that face insolvency over the next 20 years.

We have been made aware that bipartisan negotiations are underway in Washington between key Congressional Republicans, Democrats and stakeholders impacted by the multiemployer pension crisis. Such negotiations are a promising sign, but they may produce changes to the legislation.

We are closely monitoring both the progress and substance of these negotiations, and we will actively support resulting legislation if it addresses the issues facing our Fund and treats our participants in the fairest manner possible. Now is the time for Congress to act, before this national crisis deepens any further.

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