



Pension Fund Notes

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

Trustees Require Increase in Employer Contributions Under Rehabilitation Plan

The Trustees recently informed employers, AFM Locals and Player Conferences that the AFM-EPF is requiring a 10% increase in the rate of contributions that employers pay to the Fund as part of a Rehabilitation Plan Update. This increase will be effective generally for contracts expiring on or after August 1, 2018.

These new contributions are “unallocated,” which means they do not generate new benefit obligations. Instead, they go directly to the Fund’s bottom line, which helps improve its financial health.

This action was taken after the Trustees’ annual review of the Fund’s Rehabilitation Plan. In considering whether to require an employer contribution increase, the Trustees must take into account how this will affect the willingness of employers to remain in the Fund and the willingness of new employers to join the Fund.

The Trustees must also consider how a required contribution increase will affect the number of single and casual engagements filed with the Fund, as well as its impact on contract negotiations across the AFM.

Considering all of these factors, the Union and Employer Trustees determined that the 10% contribution increase is a reasonable measure that will help the financial condition of the Fund, although it will come nowhere near to solving the problem on its own.

The employer contribution increase is just one of many actions the Trustees have taken to protect the solvency of the Fund. The Trustees will continue their efforts to maximize investment returns while minimizing risk and to engage with the Congressional Joint Select Committee on the Solvency of Multiemployer Pension Plans.

All participants will receive an official notice with more information in July by postal mail or, for registered participants, the option for eDelivery. Participants can visit the “[Recent Mailings](#)” section of the AFM-EPF website to read the cover letter and Rehabilitation Plan 2018 Update that was recently sent to employers, AFM Locals and Player Conferences.

We urge you to visit [the AFM-EPF website](#) to tell your Members of Congress and the Joint Select Committee to take action this year to protect the retirement security of all Fund participants.

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