

Keep our Pension Promises Act

To be introduced by Senator Bernie Sanders and Rep. Marcy Kaptur

The Keep our Pension Promises Act will protect earned pension benefits and strengthen multiemployer pension plans for participating employers and workers.

Background

For more than 40 years, U.S. law prevented ongoing pension plans from unilaterally cutting workers and retiree's promised benefits. But provisions gutting these protections and decimating our multiemployer pension system were slipped into the 2014 omnibus spending bill passed to avoid a government shutdown. This made individuals who worked hard their entire careers, giving up pay raises and other benefits for the promise of a pension, vulnerable to having their promised benefits slashed and being thrown into poverty in retirement.

More than 10 million Americans depend on a multiemployer pension plan for their retirement security. These pensions, along with single-employer pensions covering another 30 million Americans, are overseen and insured by the Pension Benefit Guaranty Corporation (PBGC). Currently, if a plan becomes severely underfunded, retirees can see their benefits drastically reduced, in some cases by as much as 60 to 70 percent.

The PBGC multiemployer insurance system itself is at great risk of becoming insolvent over the coming decade. Something must be done to ensure the workers and retirees in these plans, individuals who played by the rules and worked hard to build this country, are able to keep the promise made to them for a secure retirement. The Keep our Pension Promises Act would close two tax loopholes used by the wealthiest Americans to provide additional funding for our multiemployer pension system. It is currently the only legislative solution to our looming multiemployer pension crisis.

The bill will:

- **Protect retirees by restoring the anti-cutback rule**

These pensions were earned by individuals through a lifetime of hard work and are crucial to their retirement security. This bill would restore anti-cutbacks rules so that retirees in financially troubled multi-employer pension plans will not see their earned pension benefits cut.

- **Strengthen multi-employer pension plans**

This bill gives participating employers relief from having to shoulder the full financial burden and risk of underfunded "orphaned" participants, workers and retirees whose former employers went bankrupt or pulled out of the plan without paying everything they owed. This will help ensure that plans can become financially secure and strong.

- **Provide additional funding to help protect retirees and the PBGC**

A legacy fund would be created within the Pension Benefit Guaranty Corporation (PBGC) to help ensure that participants in financially troubled plans will continue to receive the benefits they depend upon. The cost to shore up the PBGC and create this legacy fund would be covered by closing tax loopholes used by the very wealthy to accumulate expensive artwork and hundreds of millions of dollars in tax-advantaged savings.

- **Protect employers participating in multi-employer plans**

This bill ensures pension obligations are prioritized during bankruptcies. This helps the remaining employers by making it less likely they become responsible for underfunded plans.