(May 5, 2016) When the NRLN issues an Action Alert we can tell from statistics produced in our database that some do not open the email and a number of those who do don't follow up and send a letter to their members of Congress. It is regrettable that some individuals are insulated and unconcerned about the need to advocate legislation for important retirement issues. This message, Pain around the Corner – Pensions, is the first in a series of emails from me to address the need to protect pensions, Social Security, Medicare, and reduce the cost of health care, particularly the skyrocketing cost of prescription drugs.

Only legislation passed by Congress and signed into law by the President can address the need to protect pensions. Legislation is needed to force pension plan sponsors to obtain federal agency approval before merging a well-funded pension plan with one or more lower-funded plans to avoid having to contribute money to shore up the lower funded plans.

Fiat Chrysler and CenturyLink (formerly Qwest) salaried retirees have experienced pension plan merging. Leaders of these retiree organizations have joined the NRLN in Washington, DC three times for meetings with the Pension Benefit Guaranty Corp., Departments of Treasury and Labor and U.S. House of Representatives committee staffers to advocate the need to protect pension plan participants.

Congress needs to act to rectify the Multiemployer Pension Reform Act (MPRA) passed by Congress in late December 2014 as part of the Fiscal Year 2015 spending bill. MPRA gave trustees of severely underfunded multiemployer pension plans the authority to propose to the Treasury Department reductions in pension benefits as much as 60 percent. Not only is MPRA unfair to retirees in multiemployer pension plans, but because it changed the Employee Retirement Income Security Act of 1974 (ERISA) it set a bad precedent that could someday negatively impact single employer pension plans.

On April 14, I experienced in person during a rally at the U.S. Capitol the distress of 4,000 participants in the Central States Fund multiemployer pension plan who were shouting “No Cuts” to members of Congress. Their pain is real and they need Congress to take action to prevent the cuts scheduled for July 1.

If the individuals receiving pensions who do not open NRLN emails and don’t respond to Action Alerts could see through the eyes of the members of the NRLN’s two newest chapters they would be more receptive to the NRLN’s efforts to protect pensions. Tennessee Valley Authority retirees want Congress to act to place their pension plan under the protection of ERISA and force TVA to appropriately fund their pension plan that is underfunded by $6 billion (a 53% funding level). Avaya retirees are concerned that their pension plans are about 30 percent underfunded when Congressional adjusted interest rates are not included in the asset calculations.

No amount of conferring or company bashing can change the outcome if a CEO and Board have decided to take action where their actions would be protected by statutes. They won’t change their decision because they work for shareholders. If they fail to do what the law allows these days, they are at risk to being removed or sued or both. More and more, companies are refusing to bargain with unions for retiree benefits because labor law does not required companies to negotiate retiree benefits. It is just the way it is. This is why it is important to get laws passed that will protect retirees’ pensions.

Whenever retirees become complacent and don’t advocate legislation with members of Congress because they feel they can’t lose more benefits, it is a formula for “Pain around the Corner.”

Bill Kadereit, President
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