Public Comment Period for the MPRA Application is Open

On Friday, January 17, the U.S. Treasury Department posted the AFM-EPF's application to prevent insolvency by reducing benefits as necessary through the Multiemployer Pension Reform Act (MPRA). Treasury also began accepting public comments on the application. You can **click here** to view the MPRA application.

If you wish to submit a comment to the U.S. Treasury Department, **click here** to open the Regulations.gov website and click on the "Comment Now!" button. After writing your comment (or uploading it as an attachment), you may enter your name or leave it blank to remain anonymous. As mandated by MPRA, the comment period will remain open for 45 days, through Monday, March 2.

We encourage participants to submit comments. The decision to apply for benefit reductions under MPRA was painful, but it is essential that we do everything possible to prevent the Plan's insolvency.

Here's why it's so important that the MPRA application be approved:

Doing nothing also results in benefit reductions. This isn't a choice between reducing benefits and not reducing benefits. It is a choice between reducing benefits now or reducing benefits later, but to a greater extent. No one wants to reduce benefits. But, if we don't reduce benefits now, at some point in the future the Plan won't have enough money to pay benefits. If the Plan does not have enough money, the PBGC will provide financial assistance so the Plan can continue paying a portion of your benefits. However, by law, the portion that will continue to be paid is capped at a maximum guaranteed amount that is less (sometimes significantly less) than the current benefit for many participants in the Plan. So, insolvency of the Plan could result in benefits lower than the benefits paid under this proposal. Further, if the Plan becomes insolvent and the PBGC provides financial assistance, there are no special protections for those who are over age 75 or receiving a disability pension. Simply put, reducing benefits ourselves now means smaller cuts than if the Plan went to the PBGC.

We have a real opportunity to save the Plan. The Trustees have designed a plan for benefit reductions to preserve the Plan's solvency for current and future generations. There are a number of other financially troubled plans that are too far gone to even apply under MPRA. We believe that our proposed reduction will reposition the Plan to be around to pay benefits for decades to come. The application explains how the Plan has taken all reasonable steps to avoid the reduction and how there are no reasonable alternatives. These steps include overall employer contribution rate increases of 19.9% that the Trustees have mandated as part of the rehabilitation plan.

We are protecting the $1.00 multiplier – the core promise of the Plan. Active participants and those who have retired more recently have already made enormous sacrifices to repair the damage done by the 2000-2002 Dot Com Bubble and the 2008-2009 Financial Crisis. The Plan started out in 1959 with a $1.00 multiplier. When times were good, benefit increases, which reached a $4.65 multiplier, were applied not only to benefits that would be earned in the future but to benefits already earned in the past for retired, active, and terminated vested participants alike. But, when economic crises required reducing benefits, those benefit reductions and contribution increases applied only going forward (as required by law). We owe it to this more recent group to do all we can to ensure that the Plan can continue to honor its core promise— the Regular Pension Benefit earned at the $1.00 multiplier.

Not only is the PBGC guarantee lower, but the PBGC is in bad financial condition and can't be relied upon. Absent a change in the law, the PBGC currently projects its multiemployer insurance program will become insolvent by the end of its 2025 fiscal year. If this happens, the PBGC will not have nearly enough money to pay the benefits it guarantees. Therefore, if the Plan runs out of money, participants' benefits would be much less than even the current PBGC guaranteed amount. The Plan's proposed benefit reduction is structured to avoid the Plan's insolvency and involvement by the PBGC. It gives us the chance to be able to pay benefits to current and future participants for many years to come, and not have to rely on whatever help—likely very little—that the PBGC may be able to provide.

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We will continue to keep participants informed throughout the MPRA process. For more information about the MPRA application and the year-long review and approval process, visit the **FAQ page** and the **MPRA Benefit Reductions page** on the Plan website.

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