



# *Pension Fund Notes*

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

## **AFM-EPF Fiscal Year Ends March 31, 2019; "Critical" or "Critical and Declining" Status Not Yet Determined**

Sunday, March 31 is the last day of the current fiscal year for the American Federation of Musicians and Employers' Pension Fund (Fund). Over the next two months, the Fund's actuaries will collect and analyze the year-end data and prepare actuarial projections to determine whether our Fund will remain in "critical" status or move into "critical and declining" status for the new fiscal year. Entering "critical and declining" status means that the Fund is projected to run out of money to pay benefits within 20 years. The Fund's status must be certified by the Fund's actuaries and filed with the federal government by June 28. Once that occurs, we will communicate with our participants through the Fund's website and via email for those who have an email address on file at the Fund Office. The Fund will send all participants and employers the Annual Funding Notice and Zone Status Notice by postal mail or email on or before July 26, 2019.

As explained in [the February 24 issue of \*Pension Fund Notes\*](#), it is likely that the Fund will enter critical and declining status for the new fiscal year. The determination of status has significant implications. Under the Multiemployer Pension Reform Act (MPRA), if a fund enters critical and declining status, the Trustees can apply to the U.S. Treasury Department for approval to reduce benefits for active, retired and deferred vested participants and beneficiaries by an amount sufficient to avoid insolvency. If the Fund enters critical and declining status for the fiscal year beginning April 1, 2019, the Trustees plan to submit a MPRA application before the end of 2019.

Although reducing earned benefits will be painful for everyone, the Trustees are planning to seek permission to do so if the Fund enters critical and declining status, because running out of money would leave all participants with almost no benefits in the future, unless Congress passes legislation that prevents this fate. While the Trustees must plan for a possible MPRA application, they also continue to push for legislation in Congress that will provide assistance to the Fund and the more than 120 other multiemployer pension funds across the nation now facing the same possibility of insolvency. Because there is no guarantee that Congress will pass such legislation, the Trustees feel that it is incumbent on them to pursue these two tracks simultaneously.

We understand that the financial challenges facing the Fund create anxiety and uncertainty among our participants. We will continue to keep you updated about our ongoing efforts to protect your retirement security.

*For more information on critical and declining status, benefit reductions under MPRA and other topics, please visit [the recently updated FAQ page](#) on the AFM-EPF website.*

[view this email in your browser](#)

**American Federation of Musicians and  
Employers' Pension Fund**

PO Box 2673

New York, NY 10117-0262

[www.afm-epf.org](http://www.afm-epf.org)

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#).