



Pension Fund Notes

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

Joint Select Committee Hears Directly from Pension Participants

The Joint Select Committee on the Solvency of Multiemployer Pension Plans held its fourth hearing in Columbus, Ohio on Friday, July 13. This field hearing, entitled, “Understanding What’s at Stake for Current Workers and Retirees,” featured testimony from participants and small businesses whose multiemployer pension funds are in “critical and declining” status:

- Bill Martin, President, Spangler Candy Company
- Roberta Dell, Chief Union Steward, Spangler Candy Company
- David A. Gardner, Chief Executive Officer, Alfred Nickles Bakery Inc.
- Larry Ward, Retired Coal Miner and Former President of United Mine Workers of America, District 6
- Brian Slone, Apprentice Instructor, Millwright Local 1090
- Mr. Mike Walden, President, National United Committee to Protect Pensions

Full video of the hearing is available on [the Joint Select Committee website](#), as well as supplemental testimony from witnesses and opening statements delivered by Sen. Sherrod Brown (D-OH) and Sen. Rob Portman (R-OH).

In their opening statements, Sen. Brown and Sen. Portman both emphasized that the Joint Select Committee will produce no solution without a bipartisan compromise. Sen. Brown stated:

“I’ve put out a proposal – the Butch Lewis Act – I think it’s a good place to start. But everyone here knows we can’t get anything done unless we work together. That’s why I am open to any solution that protects workers, retirees, and businesses. I am ready and willing to make changes. Or to work on new solutions. I too want to hear any idea that brings us closer to a bipartisan compromise...We have to get off our talking points, listen to all ideas, and work in good faith.”

Sen. Portman agreed and said that it is time that the Joint Select Committee turns its attention to solutions, including a hearing to discuss them openly. He acknowledged, “There are no easy solutions, otherwise it would have been done already.”

All Joint Select Committee members in attendance recognized that this crisis has arrived through the fault of no one affected by it. Rep. Norcross (D-NJ) likened the situation to “a hurricane that has hit the pension plan.”

Committee members and witnesses pointed to low-interest government loans as the most viable solution on the table. Sen. Portman raised concerns about the cost of such a program, but he and his fellow members cautioned that this must be weighed against the cost of letting troubled pension funds fail.

Ms. Dell, Mr. Ward, Mr. Slone and Mr. Walden all described the devastating impact on themselves and their fellow participants if their pension funds are allowed to become insolvent. Many participants would be destitute and won’t be able to pay for their homes, groceries or healthcare. Mr. Martin and Mr. Gardner said they will be unable to hire additional employees or invest in their companies, and they may not be able to secure the loans they need to keep their businesses afloat.

These effects would not be limited to the more than one million participants and thousands of employers whose funds are

projected to become insolvent in the next 20 years. Committee members and witnesses discussed the “contagion effect” that would damage multiemployer funds across the system as employers in insolvent funds face the risk of bankruptcy.

This widespread loss of benefits will reduce income tax payments at the same time that hundreds of thousands of retirees may be forced to rely on government safety net programs. Communities with large numbers of participants in insolvent pension funds will be robbed of a significant source of consumer spending. Rep. Scott (D-VA) described how waves of foreclosures in these communities will bring down home values and decimate local property tax revenue. If bedrock employers like Spangler Candy or Nickles Bakery go bankrupt, their towns lose a major economic engine.

When Committee members asked about making broader changes to the multiemployer system in order to prevent a future crisis, the predominant view among witnesses was that such changes may be needed, but that they should not stand in the way of fixing the immediate problem. Mr. Walden said, “We need the critical and declining plans fixed now.”

Sen. Manchin (D-WV) told the witnesses as well as all participants and employers present in the packed hearing room, “Put the hammer on us.” The Joint Select Committee will only produce a solution by its November 30 deadline if its members feel the pressure from their constituents and fellow Congressmen. AFM-EPF participants can use [the tools on the Fund website](#) to make their voices heard.

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