



National United Committee to Protect Pensions

Your Pension Newsletter

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Important Updates

by Mike Walden

This newsletter will address everything from the GAO, legislative proposals to the most recent Joint Council Resolution being passed around.

1. To clarify, the GAO is doing an audit on Central States, but it is not a forensic audit. A forensic audit is not going to be performed unless criminal activity such as, but not limited to, fraud is found or thought to be involved. In other words, if they do not find any evidence to lead to a forensic audit, it will not be performed. The GAO, which does excellent work, will forward their findings to those departments and committees that are involved. Those involved will make the decision on next steps whether it be to continue or drop.

2. Mitch McConnell will support the UPS proposal, but it is highly unlikely he will sponsor the UPS proposal, him being a congressional leader. Once it is handed to him, by the sponsor, he will more than likely introduce it on the

floor for discussion and approval. There are members of Congress, in the Senate and the House, who will sponsor the UPS proposal along with those, once it is introduced, who will oppose it.

3. A letter has been sent requesting a hearing on pensions to Senator Lamar Alexander (R-TN), Chairman of the Health, Education, Labor and Pensions Committee. The letter was sent from Senator Tim Kaine (D-VA), member of the HELP Committee, as a request from the NUCPP after a meeting in May with Senator Kaine. Other signatures of support from Senate members were on the letter. As of today, no reply has been sent back. I was told there has not been a hearing since 2015 on pensions.

4. It was confirmed last week, in meetings, that Senator Sherrod Brown (D-Oh) is working with House Representative Richard Neal (D-MA) on legislation concerning a solution on the pension crises. From what I understand, there is a meeting this week with other Congress members concerning that legislation.

5. There are at least two other Congress members looking into their own piece of legislation.

6. Whether you like it or not, any legislation introduced has to cover all multiemployer funds. That is what Congress wants and that is what all current legislation, such as KOPPA and all proposed legislation, addresses. There will not be a vote on any of the legislation from us, only Congress.

7. As important as it is to resolve our pension dilemma in Congress, it is somewhat on the back burner. Some are saying this will carry over to 2018. Reason being, there is a pecking order in Congress putting health care first, tax reform second and pension issues third. With the little time they have left to convene in Washington this year, it is going to be difficult. There are also elections coming up, that some will want to see the results of. We will follow the elections to support those who support us.

8. The recent resolution being distributed to Joint Councils and so far being adopted by JC 80, 69, 58 and possibly others is NOT a product of IBT. If you read the resolution "...this Joint Council is requesting that the International Brotherhood of Teamsters ("IBT") also support and endorse any such legislative proposal." That statement and communication with IBT yesterday make it clear it is not a product of IBT. IBT is upset over this resolution.

If you haven't seen the resolution yet, here it is for your reference:

Resolution

The resolution is a product of the Joint Councils' themselves or another party with or without the knowledge of recent stakeholders meetings in Washington DC, hearings in Washington, meetings with Congress Members, Senate and House Committees, Treasury, Department of Labor, PBGC, the GAO and a host of others, along with meetings in many states with the particular states' congressional and state representatives by the National United Committee to Protect Pensions and over 65 committees. The stakeholders meeting, which there have been two in the last couple months, was attended by IBT, Central States, United Mine Workers, PBGC, Pension Rights Center, AARP, UPS, American Academy of Actuaries and, of course, NUCPP. IBT was not represented at the second stakeholders meeting due to obligations on the west coast. I hope IBT makes a statement addressing this resolution to all, since it is not a product of theirs and they're possibly getting ambushed.

NUCPP takes offense to several points on that so called resolution, and comments need to be made.

The second resolution, "WHEREAS, virtually all of our active members working for contributing employers to these multiemployer plans will likely receive little or no benefit from the plans despite the fact that a large portion of their pay package is being paid to the multiemployer plans to

support existing retirees;" is a true indication that the Joint Councils that adopt this resolution, are truly trying to divide retirees and actives and truly disregard the retirees because of their animosity towards the retirees.

Let me remind the Joint Councils and Locals that adopt this resolution that, if it were not for the retirees that worked hard for 20-45 years, you would not be in the buildings you are in, you would not have the wages you receive, you would not have the benefits you have, Health and Welfare including pensions, you would not have the working conditions or safety rules you have, you would not have the time off you have, the work rules you have and many of you would not have the jobs you have, because many retirees voted for you to hold your office. Your employees today would not have the equipment they are in. Though some of the employers' equipment seems to be sub par, I guarantee you the worst truck being currently used is better and safer than the best we had at the time. You can thank the retirees for that. We earned our pensions, we fought for those benefits and working conditions only to watch them dwindle because of lack of organizing, lack of solidarity, lack of being proactive to join the fight together on all union issues, including the pension issue, by everyone and the lack of standing up for what's right.

When I started working for Roadway Express, we had no time off, running every 8 hours, seven days a week, very little in benefits, which in time we gave up our raises for benefit contributions, and equipment with no power steering, air conditioning, emission standards or suspensions that save your bodies as is today. Thank the retirees for that. There are still some active workers, because of their years of service, who have seen and have lived those days. We had union leaders who, at all costs, supported actives and retirees as one. They were pro-active on every issue, there was no divide.

As an invited speaker to the IBT Convention 2016, speaking in front of thousands of Teamster members including Joint Councils and Locals, I made a statement that if we all came together like we did at the convention, we could have pretty much whatever we wanted in Washington, meaning power in numbers. After I spoke, General President James Hoffa introduced a

resolution that, in a nutshell, addressed the need to fight together, support legislation to save our pensions and receive our promised pensions, active and retired. In my speech, I addressed the actives as well as the retirees. The statement from me was, the actives are our future, but the retirees are their future as well, meaning actives are needed to fund the plan, as we did with 25-45 years of our labor, but if we don't fight this issue as retirees to provide better laws and legislation in Congress to keep our, actives and retirees both, promised pensions they will see their pensions fall to anti union Congress members being supported by anti union labor and, in some cases, other unions, such as the Builders Trades executives, who are trying to get legislation passed that will doom the multiemployer system. That IBT resolution was passed by all, thousands, with not one voice of opposition.

What have you, as Joint Councils and Locals, done to support that IBT resolution? I can count on two hands the number of Locals and Joint Councils together that have supported any aspect of that resolution. We thank and support those Locals and Joint Councils that have opened up their doors and funds to support all of us, actives and retirees both.

On the other hand we, as NUCPP and Area Committees in the states they represent, have been pushed away, divided by retirees vs actives, by most Locals and Joint Councils, have not seen you meet with any Congressional Representatives, have not joined us in any lobbying efforts in Washington, have not put one red cent of support into this cause for all, have not held meetings for your actives or retirees to address or explain any support or information in detail for any proposal, whether it be current legislation or proposed legislation. We have heard every excuse, every accusation, every false statement you can think of from Locals and Joint Councils trying to divide us because of your lack of not being provided information, your lack of not seeking information, especially from those who have fought the hardest on this issue by working with our legislators in Congress and Washington as a whole, for the last 4 years, not looking at both sides of the story, your lack of being pro-active by waiting for others to do your work, which we have been doing and waiting for your marching orders. Where your orders come

from we have no idea, but you surely don't follow IBT's resolution to help your actives or retirees. You talk about being a Teamster and solidarity, it's about time you show it. What is your experience to address or support any pension issue, whether good or bad? We know your woes, we've been there and done that. You have no clue as to ours.

Your other WHEREAS resolutions have some validity, but I can see you need more information to address your resolution.

Once again, thank you to the Joint Councils that at least listened to us and the Teamster Locals that have opened their doors in support of us, meaning retirees and actives. You are appreciated!

Concerning KOPPA, NUCPP does support KOPPA and will support OTHER legislation that saves our pensions and our funds. As you can see, once again, the 115th Congress is not much different in their politics as was the 114th Congress. It is about their party lines, not your pensions. The one thing KOPPA was introduced to do was wake up others in Congress to direct their attention to pensions, introduce their own legislation if they didn't approve of KOPPA, and seek amendments to KOPPA from all parties with their ideas to pick up bipartisan support. It has been effective in that aspect with some action picking up.

Unfortunately, there are members of Congress who have no clue what is even in the KOPPA Bill, did not read it or will not look at it because Senator Sanders' name is on it or their party affiliation is more important to them than your life. Some of these Congress members have no problem sending billions of taxpayer dollars to warlords in the endless Afghanistan war, when people in that country could not care less about you or our country, but will not even read or support a bill that would resolve the pension crises that could and will change your life. The upper 1% of the wealthiest in this country, having more money total than the bottom 97% in this country, are more important to them than you. Fortunately, there are other members of Congress who do care and will cross party lines to help. If it was announced

in Congress that they were going to have a devastating pension reduction because America is going broke, which it is, their pension issue would be settled in less than 6 months with TAXPAYER DOLLARS. I addressed that with many in Washington last week. No one disagreed. Keep in mind, we were and still are taxpayers. They have no problem taking our taxpayer dollars for their causes, but do not want to help us. If Mitch McConnell introduced or supported KOPPA, word for word, it would probably pass.

We will support any plan that will resolve our personal pension issues and, just as important, a plan that will save the funds. We can support more than one plan and let the cards fall as they may. We just need whatever the plan is, to be in the best interest of all and the funds. We have to save the funds to continue to receive our pensions. The solution to the woes of PBGC, is to save the funds so no one has to draw from PBGC. PBGC's problems are somewhat caused by Congress not keeping up with the reality of contributions needed instead of the antiquated contributions being made, and also not addressing the discrimination between single employer plans vs multiemployer plans.

Just an fyi.....any plan currently addressed is saying their plan is the best and will work, and the other plans will not work. That comes from all. Congress, as a whole, has doubts that any of them will work and, if they do think they'll work, they have a problem with giving the money to make them work or with where the money would be coming from, meaning loans from Treasury or Wall Street.

Comments on current legislation:

1. KOPPA is a sure cure to all but not supported in Congress because, as mentioned above, Senator Sanders' name is on it and some care more about the upper 1% of the wealthiest than they do you. In all my meetings in Washington, I have asked all, Democrats and Republicans alike, why don't you support it, what is wrong with it? Most say nothing is wrong other than the name, the others mention the so-called tax burden that would be placed

upon the upper 1% of the wealthiest. Really?! They are more favorable for a tax loophole for the wealthiest than your life and dignity. Just keep paying your taxes while the upper 1% does not. The upper 1% does pay a lot of real estate and other taxes, which they are very vocal about, but did you ever hear how much they get back on their income tax returns? Check it out sometime. Their returns could fund CSPF.

Since all pretty much know about KOPPA, which is the only legislation introduced in Congress at this time, and which possibly will not, but we wish, pass the politics test, the only thing to say is, whether it is to employers, funds or participants, if you say you support us, show it. There is no call for reductions in the KOPPA bill.

2. The IBT proposal has been redirected, and I will let IBT address that in time. I don't think anyone has actually seen the complete proposal but, once again, it will be out in time and IBT will be around to explain it. Since IBT could not attend the second stakeholders meeting, in fairness to them, and without up-to-date information from them on changes, I elect to wait to comment on their proposal. At this time, there is still no call for reductions in their plan. Their plan has been modeled with 5-10% reductions.

3. The UPS proposal is the hot topic currently addressed by the so called resolution adopted by some Joint Councils. They do not say UPS, but you don't have to be Sherlock Holmes to figure out that it is UPS's plan they are referring to, since UPS has the only proposal out there that mentions 20% reductions. Sort of like the tiers in MPRA 2014 that doesn't mention UPS, but it is the only employer it concerns.

Since NUCPP, along with PRC, was the organizer of the stakeholders meetings which took place in Washington DC, first one being in April, second one last week, I will address the meeting. Since no Joint Council or Teamster Local attended and, to be fair to them, they were not invited at this time, I will present some issues concerning the meeting and the UPS proposal. I cannot address all issues at the stakeholders meeting, as an agreement was

made by all in attendance, which included PRC, NUCPP, PBGC, AARP, CSPF, UMWA and the American Academy of Actuaries, to not share them outside of the stakeholders meetings. As mentioned above, IBT, because of a commitment on the West Coast, did not attend.

I don't think I'm going out of bounds addressing the UPS proposal, as it may explain it better for you to understand somewhat in their favor. It has been said that it could pass both the politics and math issues at hand.

1. The UPS proposal is just that, at this time, a proposal, not legislation. Some on social media already have it passed in Congress with reductions taking place soon in the amount of 20-29%. Currently, there is no active UPS legislation written or introduced, but there will be. Time is of the essence to many distressed funds, no matter what legislation is introduced now or in the future.

2. 29% has never been mentioned by anyone or any plan. False rumor or fabrication

3. Reductions up to 20% have been mentioned, nothing higher. The more time taking to resolve this issue, the more may be needed. Figures today may not work next year. Up to 20% means other funds may only need 10%, 15% reductions, or whatever percentage, to cure their pension woes. At this time, Central States needs 20% under the UPS plan. We have reviewed the models at 5%, 10% and 15% for CSPF, and only 20% will work under the UPS plan. That came from an actuarial firm and was agreed to, by all, for this particular UPS proposal. NUCPP did not negotiate those reductions. If any talk concerning those reductions went on, it was about getting them lower by using different methods, which were presented for modeling. Unfortunately, this stakeholders meeting and the different proposals should have happened a couple years ago, as the numbers were different then and will be different next year.

4. As the UPS proposal was addressed, NUCPP had concerns. The possibility was there to fall back on MPRA 2014 to request additional reductions if their plan failed, or CSPF gained enough ground to file another application. The up to 20% reduction was more or less labeled as a bonus to CSPF to use for investments, etc. There was no language addressing the possibility of reducing the 20% reductions as the fund gained solvency, other than if the green zone were achieved, possibly 15 years from now, your pension could be restored. Of course, the 20% reduction was felt to be too high for the participants, as some are living check to check now with little, if any, money left over.

5. Bringing those issues up at the stakeholders meeting led to UPS agreeing to address all of our concerns. They have agreed to add language in their legislation that guarantees us that they or the funds will not fall back on MPRA 2014 while loans are being used and loans are being paid back. That could mean up to 30 or more years of no falling back on MPRA. They have also agreed to add language that the reductions proposed to us will only be used for investments, not administration fees, which includes salaries, operating costs, etc. They have also agreed to add language that will make the 20% reduction a variable rate meaning, after the first year's 20% reduction, every year thereafter the fund would review the progress achieved and possibly lower the percentage rate.

Keep in mind, those are guarantees in their legislation. So far, no other plans offer a guarantee. There may be plans presented in the future calling for a 0%, 5%, 10% or 15% reduction with no guarantees, that could lead back to an application being filed to reduce your pensions up to 110% of the PBGC guarantee. NUCPP is in favor of guarantees no matter what plan is presented. There were other ideas presented for modeling to possibly lower the UPS planned reductions to 10% or less which are being addressed. It will take a lot of work, as it is, to push through Congress the UPS plan and other planned proposals.

6. As we all know, the numbers used this year will not work next year. UPS is pushing for this to go through by year's end. The projected date for the UPS plan to go into effect is January, 2018. As said before, there will be no vote from us on any plan or proposal currently on the table. If the UPS legislation would pass in Congress, the loans and reductions would take place 60 days after. Though UPS does not have to have their plan scored by CBO, to see if it will work, they have agreed to do it as members of Congress are requesting it. The problem is, the CBO only looks at 10 years ahead. The UPS plan works better, on paper, after the first 10 years.

7. Under the UPS proposal, loans are 3 loans at 5 years each, the money to come from Treasury not from UPS. They are not lump sum loans, but money issued each month for the financial shortcomings of the fund. Loan defaults are addressed by the risk pool in the UPS proposal. Once again, at this time, UPS is going to have opposition to their plan by Congress, because some consider the loans a bailout. Their legislation, if introduced, will be tweaked by Congress, debated by Congress, etc., but it is sure to open the eyes of many to get this ball rolling before more funds go belly up.

Other plans were addressed at the stakeholders meeting, such as New York Teamster Fund's, Mark Greene and his attorney, creating a Credit Union and credit card to have proceeds go to help finance the funds. I cannot comment on that as I haven't seen it in a draft. It sounds interesting enough.

A highway use tax was discussed as well to help fund the shortcomings, with no support from anyone.

NUCPP met with other Senate and House members and other House and Senate committees. The meetings were productive by sharing information with each other.

NUCPP was also joined by a couple members of the North Carolina Committee. Davey Grubbs did present his interesting proposal to add to the UPS plan. It is being modeled by CSPF. All other proposals, such as Bernie

Anderson's, Dave Scheidt's, Ed Coombs', a couple of NUCPP's and others were also brought up for review. For those who say 0% percent reductions, please put your plans in place and forward them.

For those seeking restitution from wherever, meaning the government, the CSPF administration, Wall Street or GAO, it has been addressed so many times in DC by you, us, them, powerful attorneys on both sides and Congress. If you notice, there is no action being taken other than waiting on the GAO report. All I can say is, if you want to take legal action, you better have your ducks in a row and a fat wallet to the tune of at least \$500,000 to \$1 million dollars or more to fight your stand. Those figures have been expressed by attorneys and other professionals.

Thanks to the people who went to Washington a couple weeks ago for their committed efforts to save our pensions and funds. I hear the Wisconsin Committees are gathering in Washington in July.

There is another stakeholders meeting being planned. It is very possible and agreed to at the last stakeholders meeting that Ken Feinberg, if he wishes, may attend. We will be contacting him to set up a meeting prior.

As there is much more to discuss, it is time to stop for now.

Thanks to those who support us as we support you. We have an upcoming phone conference with committee leaders and we will be visiting different Area Committees soon.

For those who think we are non-existent, not transparent or whatever, this is our 18th newsletter, lost track of how many visits to DC, we had an open conference to address any issue concerning NUCPP and have traveled to many states to address updates and issues to committees. That being said, once again, thanks to the people, the committees, the locals, the Joint Councils, the members in Congress, the unions, the organizations and all who support us. Thanks especially to those Area Committees that spend so much

of their time backing us up, going against the likes of former House Representative, *George Miller*, who ambushed us with MPRA and is now lobbying for another union, reportedly being paid at least \$150,000 to lobby for the composite bill, with support of the NCCMP. As we all know, the composite plan will break the multiemployer plans. And he was a friend of labor?

Mike Walden
President

