

Panelists differ over cure for ill union pension plans

WASHINGTON, D.C. — Panelists deeply immersed in the financial problems of multi-employer pension plans remain split over how to fix them.

“Multi-employer plans are a ticking time bomb,” warned House Education and the Workforce Committee Chairman John Kline (R-Minn) at a May 1 forum sponsored by Bloomberg Gov-

ernment.

Kline said multi-employer pension plans are on an unsustainable path, with \$818 billion in liabilities and only \$397 billion in assets. More than 10.5 million people participate in such pension plans, including 3.5 million retirees.

“Do the math,” Kline said. “There is an urgent need to enact bold reforms.”

Most of the panelists at the forum nixed finding any federal aid for the minority of failing pension plans. The chairmen of the relevant GOP-run U.S. House committees have flatly said such aid won’t pass. They agreed a fix is needed, but warned that their colleagues will need a lot of education on the issue. Kline said many of his colleagues are

unaware of the magnitude of the problem.

The National Coordinating Committee for Multi-Employer Plans (NCCMP), a joint group of union leaders and executives, proposed a solution last year. “Solutions, Not Bailouts” would rewrite pension law to allow plans with surpluses to sock money away to save for future hard times; allow flexible timelines for plans to return to solvency; allow cuts in earned benefits — including those retirees in pay status already earning benefits, and establish ways for plans to seek new clients, merge, or both.

Kline said the choice NCCMP offers is “between an axe in the hands of a first-year med student, or a scalpel in the hand of a trusted surgeon.”

If a multi-employer pension plan does collapse, participants have a safety net in the form of the government’s Pension Benefit Guaranty Corp. But its director, Joshua Gotbaum, said “PBGC is a safety net that’s only a foot above the ground. Plans whose participants come to PBGC are seeing their benefits cut very substantially.”

For a participant with 30 years of service retiring at age 65, the maximum benefit amount that the PBGC will pay is \$12,870 per year. Any benefits that participants have earned over this amount are forfeited. The maximum annual benefit for workers with 20 years of service is \$8,580.

Gotbaum said the vast majority of multi-employer pension plans will be around “next year, next decade, and next generation.” He said there is a minority of plans covering between 1 million to 2 million people that will become insolvent over time — some sooner than later.

“What they need is the ability to adjust their benefits to survive and stay above PBGC levels,” he said.

International Association of Machinists General President Tom Buffenbarger was the lone dissenter at the forum. His union’s plans escaped the 2008 financial crash for the most part by investing conservatively. But he said the crash itself caused the problems. And since taxpayers had to bail out the big banks that caused the crash, the government should help taxpayers save their own pensions, Buffenbarger declared.

“We’re girding for the fight over cutting benefits of existing retirees,” he stated. “These are the people who

worked hard, they earned a pension — which are deferred wages. They played by the rules. And now they’re supposed to take the pain for doing all the right things in life? And the reason that drove this was the bad acting by our financial community and by our government.”

Buffenbarger said the federal government “was very quick to act to bail out banks and the bad actors there; bail out corporations and the bad actors there; bail out accounting firms, bail out airlines, bail out auto companies, bail out everybody ... but the American taxpayer. I find nothing wrong with asking our government to throw a few dollars into a system that will put some security back into our retirement system.”

David Certner of AARP said one of the fundamental tenets of ERISA is that once a worker has earned a (pension) benefit, it can’t be taken away (called the anti-cutback rule).

“There is a very bright line there for us that says, ‘no you can’t do that.’ Those are earned benefits, you can’t cut those benefits. You have to look at other alternatives,” he said.

The Pension Protection Act reforms are set to expire at the end of 2014. Rep. Kline says a new reform act needs to get through Congress this year.

(Editor’s Note: Press Associates Inc. contributed to this report.)

OSEA needs help to bring free books to children in east Multnomah Co.

The Oregon School Employees Association (OSEA) is working with the nonprofit organization First Book to get access to free books for children in east Multnomah County.

First Book is a Washington, D.C.-based social enterprise that furnishes brand-new, high-quality, popular children’s books to schools or programs where they might otherwise have difficulty acquiring them. Founded in 1992, First Book has distributed more than 100 million books targeted for youngsters from birth to 18 years of age.

The American Federation of Teachers (AFT) — of which OSEA is an affiliate — has partnered with First Book to hold more than 10 “book truck” events in communities across the country. One was held in Turner, Oregon, last January that benefited students at Cascade, Jefferson and North Santiam school districts.

Vicki Nelson, president of OSEA’s Centennial School District Chapter 113, is spearheading the campaign that hope-

fully will bring 40,000 to 45,000 books to east Multnomah County, which is home to Centennial, Reynolds, David Douglas, Parkrose and Gresham-Barlow school districts. But other groups such as My Father’s House, SnowCap, Human Solutions, the Boys and Girls Club of America, and others, stand to benefit as well.

To make it all happen, Nelson first must register 2,000 people with First-Book by July 31. Once that is done, the book order will be placed, and then scheduled for delivery sometime in late August. To register, you must be involved in some way with either a Title 1 or Title 1-eligible school program; with a program where at least 70 percent of the children are from low-income families; with a program primarily serving children in military families; or with a program primarily serving children with disabilities.

“Once you are registered, there is no obligation to do anything else,” Nelson said.

However, she will need at least 150 volunteers to come to the drop point at Centennial High School to help sort the books by title and age group. She envisions a sea of union members all wearing their union-colored T-shirts sorting and processing the books. Then, more union members and community partners would take boxes of books to hand out to children, who get to keep them forever.

“We understand that investing in early childhood education is really the most important investment any community can make. We want to give every child in east county the opportunity to succeed,” Nelson said.

“This is a positive project that will put the children on a path to a better future,” noted Richard Ramirez, organizing director for OSEA.

To register, go online to www.first-book.org/aft. When signing up, be sure to use the AFT link. For more information, call Ramirez at 1-800-252-6732.

...Staples boycott

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because roughly one-third of Staples’ revenue comes from the sale of school supplies, said Jim Falvey, president of Portland-based National Association of Letter Carriers Branch 82.

When management of the store on Northeast 122nd off Glisan Street in Portland refused to accept the protesters’ petition, the protesters began chanting “the U.S. Mail is not for sale” and “privatization has got to go,” while blocking the store entrance. After the person in charge agreed to convey their message to upper management, the protesters filed out, chanting “we’ll be back.”

“Staples is setting up fake post offices inside their stores that jeopardize our nation’s public post offices, the sanctity of the mail and thousands of good jobs at living wages,” said Jamie Partridge, a retired letter carrier now with Communities and Postal Workers United, the organization that sponsored of the action.

“The public should not be fooled by claims of better service. Staples workers are not sworn to safeguard the mail. The risk of theft from the mail deposited in a Staples post office is very real,” Partridge said.

Protesters vow to increase pressure on the office supply chain nationwide until it drops the postal contract.



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