

**RETIREMENT**

# OPEIU members are voting on whether to cut their own pension – to halt insolvency

About 7,400 current and former members of nine western union locals of Office and Professional Employees International Union (OPEIU) face a vote on whether to cut their own promised pension benefits by 30 percent — in order to prevent the pension from running out of money altogether in 2036.

Assets owned by the Western States OPEIU Pension Fund lost value in the 2008 financial crash, but because its participating unions have shrunk greatly in recent decades, there are now too few participating employees to be able to ramp up contributions and recover from that shortfall.

About one in ten union multi-employer pension plans nationally are in the same predicament, headed for insolvency. To respond to that crisis, Congress passed a law called Multiemployer Pension Reform Act (MPRA) in 2014 that allows the union and employer trustees of failing pension plans to propose benefit cuts to a certain extent — just enough to save the pension plans themselves from going under.

In the case of the Western States OPEIU Pension Fund, the participants are mostly clerical staff at labor unions and defunct or no-longer-unionized trucking companies. Retirees and vested former workers in

the plan today outnumber current workers by 11 to 1.

Participants in the Western States OPEIU pension, including members of Vancouver-headquartered OPEIU Local 11, received ballots and instructions in the mail Aug. 20. They'll have until Sept. 7 to cast a ballot by mail, telephone or online. But under MPRA, a majority of pension plan participants must vote no in order to overturn a cut proposed by trustees, not just a majority of those voting. In effect, participants who don't vote are counted as "yes" votes.

If the cuts aren't overturned, retirees and their surviving spouses will see their pension payments reduced as of Oct. 1, though no cuts will be made to those 80 years old or older, and the cuts are less than 30 percent for those 75 to 80. The cuts also apply to those who retire after that date; their benefit will be 30 percent less than was formerly promised.

In all cases, the reduced benefit levels will still be more than the amount retirees would get from the Pension Benefit Guaranty Corporation (PBGC) if the plan were to become insolvent in 18 years, as is projected.

The Western States pension cut proposal is explained in detail at a special web site, [wspensionrecovery.com](http://wspensionrecovery.com).



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