



SR2013

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SENATE RESOLUTION

2 WHEREAS, Over ten million Americans are currently
3 participating in multiemployer pension plans, which support
4 over 9.1% of the United States workforce, or over 13.5 million
5 jobs; in 2015, participants in these multiemployer pension
6 plans received \$41 billion in benefits; and

7 WHEREAS, The Central States Pension Fund is the largest
8 multiemployer pension plan in the United States and has 1,335
9 employers participating and over 378,000 individuals; and

10 WHEREAS, Current beneficiaries of the Central States
11 Pension Fund receive over \$2.8 billion a year in benefits and
12 pay over \$230 million annually in taxes; and

13 WHEREAS, Almost 25,500 participants in the Central States
14 Pension Fund live in Illinois, and they receive almost \$166
15 million in annual benefits; the Illinois beneficiaries pay
16 almost \$13 million annually in taxes; and

17 WHEREAS, As of August 2017, 114 multiemployer pension plans
18 nationwide were underfunded by \$49.9 billion, affecting 1.3
19 million workers; and

20 WHEREAS, The Central States Pension Fund suffered massive

1 investment losses in the 2008 financial crisis and is projected
2 to go insolvent by 2026; the Pension Benefit Guaranty
3 Corporation has a \$65 billion deficit and is likely to run out
4 of money by 2025; and

5 WHEREAS, Should the Central States Pension Fund fail, there
6 will be negative economic effects throughout the country and in
7 Illinois, as the Fund's participants will lack sufficient
8 resources for basic necessities, including housing and medical
9 expenses; and

10 WHEREAS, The failure of the Central States Pension Fund
11 will cause its participating employers to enter bankruptcy or
12 go out of business; when the Central States Pension Fund fails,
13 any attempt by the Pension Benefit Guaranty Corporation to meet
14 its obligations to the Fund will likely force the PBGC into
15 insolvency; and

16 WHEREAS, The Chamber of Commerce has expressed its concern
17 that should the Central States Pension Fund fail, other
18 multiemployer pension plans would also become insolvent and
19 have a devastating effect on the economy; and

20 WHEREAS, The Butch Lewis Act, Senate Bill 2147, as
21 proposed, would create the Pension Rehabilitation
22 Administration, an agency of the U.S. Department of Treasury;

1 and

2 WHEREAS, The Pension Rehabilitation Administration would
3 provide financially distressed plans with low-interest loans
4 guaranteed by the U.S. Government; the proceeds for these loans
5 would be raised by the U.S. Treasury in the public debt markets
6 and are not grants from the Federal budget; the loans for
7 distressed plans, such as the Central States Pension Fund,
8 would be interest only for years one through 29, with principal
9 repayment in the year 30, and would mandate low-risk investment
10 strategies that create a high certainty of repayment; and

11 WHEREAS, the Joint Select Committee on Solvency of
12 Multiemployer Pension Plans, a Joint Committee of the U.S.
13 Senate and House of Representatives, is devising
14 recommendations and legislation that will significantly
15 improve the solvency of multi-employer pension plans,
16 including consideration of the Butch Lewis Act; the Joint
17 Select Committee must issue a report with its conclusions by
18 November 30, 2018; and

19 WHEREAS, In developing its recommendations, the Joint
20 Selection Committee is seeking input from all who may be
21 impacted by the failure of the multiemployer pension funds,
22 such as the State of Illinois; and

1 WHEREAS, The Butch Lewis Act is supported by employers
2 participating in the Central States Pension Fund, the U.S.
3 Chamber of Commerce, the International Brotherhood of
4 Teamsters, Teamsters Joint Council 25, and many labor unions
5 and employers; and

6 WHEREAS, The creation of the Pension Rehabilitation
7 Administration would prevent substantial harm to the economy of
8 Illinois; therefore, be it

9 RESOLVED, BY THE SENATE OF THE ONE HUNDREDTH GENERAL
10 ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the United
11 States Congress to immediately pass the Butch Lewis Act and
12 allow these vital portions of our country's economy to remain
13 solvent; and be it further

14 RESOLVED, That suitable copies of this resolution be
15 presented to the members of the United States House of
16 Representatives and the United States Senate.