

CHICAGO TEAMSTERS JOINT COUNCIL 25



NEWS»

TEAMSTERS COMMEND BIPARTISAN BILL ON PENSION REFORM TO PROTECT WORKERS

Legislation Would Stem Job Loss, Hoffa Says

The International Brotherhood of Teamsters this week applauded Reps. Earl Pomeroy, D-N.D., and Pat Tiberi, R-Ohio, for introducing legislation that would save jobs and stabilize pension plans.

Many single- and multi-employer pension plans are suffering funding problems because of the unprecedented financial crisis facing our country, putting unreasonable financial pressure on companies that employ tens of thousands of workers. The long-term retirement security of these workers and millions of retirees is being threatened. If Congress fails to change the laws governing the funding status of pension plans, dozens of companies could face bankruptcy, worsening the current unemployment crisis. This bill would help avert such a disaster by setting new funding rules for defined benefit plans to allow them time to recover.

“This is about jobs,” said Teamsters General President Jim Hoffa. “We have to live up to promises that workers can retire with dignity, but we also need to make sure we don’t jeopardize jobs to fulfill that promise.”

“Reps. Pomeroy and Tiberi are responding to concerns by both employers and workers about the pension and jobs crisis facing our country,” Hoffa said. “This is a catastrophe caused by both irresponsible Wall Street speculation and recent pension legislation that did not contemplate the kind of collapse of financial markets that occurred in 2008. We can’t do much about Wall Street’s past bad behavior, but we can at least fix the law to take into account this unprecedented situation.”

At the end of 2008, the largest U.S. pension funds had just 79 cents for every dollar owed to current and future retirees.

“This legislation would simply give our pension plans some breathing room to recover from the catastrophe that the big banks and Wall Street operators created,” said Teamsters General Secretary-Treasurer Tom Keegel. “Congress must act quickly or pension funds will fail, and the bill introduced by Reps. Pomeroy and Tiberi is a good one.”

Particularly important in the legislation are amendments that would alleviate the problems faced by multi-employer plans. In many of those plans, the number of retirees far exceeds active participants because many former employers have failed. In those funds, the funding pressure on the remaining employers is unsustainable and if not dealt with soon will lead to a new wave of bankruptcies.