

RESOLUTION CONCERNING LEGISLATIVE PROPOSALS TO RESCUE
TEAMSTER PENSION PLANS

WHEREAS, four of the five largest Teamster multiemployer pension plans are in "critical and declining" status under federal pension law and are projected to become insolvent in the near future;

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;

WHEREAS, the Pension Benefit Guaranty Corporation (the "PBGC"), has a projected deficit of approximately \$52 billion and is expected to deplete its cash and to become insolvent within 8 years;

WHEREAS, the insolvency of the PBGC would leave the participants in the plans facing insolvency without recourse and reduce their pension benefits to essentially zero;

WHEREAS, it is unrealistic to expect passage of any federal legislation that will be perceived as a pure "bail-out" of private, union-sponsored multiemployer pension plans;

WHEREAS, even if Congress were to approve the funding necessary to save the PBGC from insolvency, the PBGC guaranty payments would still result in significant benefit reductions for most participants in insolvent multiemployer pension plans;

WHEREAS, in addition to the tragic loss of retirement income for millions of American families that would result from an insolvency of the Central States Pension Fund and other Teamster pension funds, the pension fund insolvencies would threaten the jobs, and have other adverse consequences, for many Teamsters;

WHEREAS, when the plans actually become insolvent both the present and former contributing employers, including local unions, will be at serious risk of liability for billions of dollars in additional pension contributions which will force many contributing employers and local unions out of business, with a resulting catastrophic loss of jobs;

WHEREAS, there is a serious risk of a snowball effect that will push other, currently well-funded, Teamster plans towards insolvency as those pension plans see their contributing employers forced out of business as a result of the insolvencies of other plans;

NOW THEREFORE, it is hereby resolved that Teamsters Joint Council 80, supports any legislative proposal that offers a reasonable likelihood of avoiding the projected insolvencies of Teamster pension plans, and which do not require the current benefit levels of those plans to be reduced by more than 20%;