

# Multiemployer Pension Facts and the National Economic Impact

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# Summary of Multiemployer Pension Data <sup>1</sup>

Data Set	Total	Critical Status	Critical and Declining Status
Number of Plans	1,296	201	110
Number of Employers <sup>2</sup>	210,865	33,401	5,402
Number of Plan Participants	10,390,058	2,031,561	1,267,767
Number of Active Participants	3,800,018	666,314	203,501
Number of Retirees and Beneficiaries in Pay Status	3,663,311	683,400	653,739
Number of Terminated Vested Participants	2,926,729	681,847	410,527

<sup>1</sup> Study by The Segal Group commissioned by NCCMP analyzing U.S. Department of Labor, Form 5500 Data. Data accessed in May and June 2017.

<sup>2</sup> As reported on the Form 5500.

# Benefits Payable and Reductions Coming to Retirees in Distressed Plans Under Current Law – Examples from MPRA Applications

(\$ Billions)	Contractual Benefits Payable	Benefits Payable Under MPRA Application	PBGC Current Law (Maximum \$12,870 Annually at 30 Years) Benefits Payable	PBGC Benefits Payable at PBGC Insolvency
MPRA Applicants <sup>3</sup>	\$6.02	\$4.06	\$2.83	\$0.14 - \$0.35
Percent Benefit Reduction from Contractual Benefits Payable	0.00%	36%	53%	94% to 98%

<sup>3</sup> Central States, Southeast and Southwest Areas Pension Plan, New York State Teamsters Conference Pension & Retirement Fund, Western States Office & Professional Employees Pension Fund, Southwest Ohio Regional Council of Carpenters Pension Plan, Iron Workers Local 17 Pension Fund, Teamsters Local 469 Pension Plan, Local 805 IBT Pension & Retirement Plan, Ironworkers Local 16 Pension Fund, Int'l Assoc. Of Machinists Motor City Pension Fund, Alaska Ironworkers Pension Plan, Bricklayers and Allied Craftworkers Local 5 Pension Plan, and the Bricklayers & Allied Craftsmen Local No. 7 Pension Plan.

# Multiemployer Plans and the National Economic Impact

## Economic Impact of Pension Payments, Wages Paid to Actives, and Economic Output

(\$ Billions)	2015	Federal Budget Window (10-Year)
Pension Benefits Paid to Retirees <sup>4</sup>	\$41.0	\$438.6
Total Economic Output Generated by Pension Payments <sup>5</sup>	\$83.5	\$893.7
Wages Paid to Active Employees <sup>6</sup>	\$203.1	\$2,124.4
Total Economic Output Generated by Wages Paid to Actives <sup>5</sup>	\$1,859.2	\$19,451.3
<b>Total Economic Activity</b>	<b>\$2,186.8</b>	<b>\$22,908.0</b>

<sup>4</sup> Study by The Segal Group commissioned by NCCMP analyzing U.S. Department of Labor, Form 5500 Data. Data accessed in May and June 2017. The Federal Budget Window uses 2015 pension data inflated at 1.5% annually.

<sup>5</sup> National Institute on Retirement Security IMPLAN Study Commissioned by NCCMP.

<sup>6</sup> Calculated from 2015 Form 5500 data. Federal Budget Window uses 2015 wage data inflated at 1.0% annually.

# Multiemployer Plans and the National Economic Impact (cont'd)

## Impact on U.S. Gross Domestic Product (GDP) <sup>7</sup>

(\$ Billions)	2015	Federal Budget Window (10-Year)
Total Value Added (GDP) related to Pension Payments	\$45.2	\$553.3 <sup>8</sup>
Total Value Added (GDP) related to Wages Paid	\$970.5	\$11,879.9 <sup>9</sup>
<b>Total Value Added (GDP) from Multiemployer System</b>	<b>\$1,015.7 <sup>10</sup></b>	<b>\$12,433.2</b>
U.S. Gross Domestic Product <sup>11</sup>	\$17,803.0	\$217,936.0
<b>Multiemployer System GDP as a % of U.S. GDP</b>	<b>5.7%</b>	<b>5.7%</b>

<sup>7</sup> National Institute on Retirement Security IMPLAN Study Commissioned by NCCMP.

<sup>8</sup> 2016-2024 pension payments inflated at 1.5% annually.

<sup>9</sup> 2016-2024 wages inflated at 1.0% annually

<sup>10</sup> Multiemployer system GDP of \$1,015.7 billion would rank 15<sup>th</sup> among all nations.

<sup>11</sup> 2015-2024 U.S. GDP as reported in President's FY 2018 Budget, Table S-1. Budget Totals, Page 25, <https://www.whitehouse.gov/wp-content/uploads/2017/11/budget.pdf>.

## Employer Revenues

(\$ Billions)	2015	Federal Budget Window (10-Year)
<b>Total Employer Revenues</b>	<b>\$1,218.3</b>	<b>\$12,746.5</b>

# Multiemployer Plans and the National Economic Impact (cont'd)

## Impact on U.S. Jobs

	2015
Jobs Supported by Pension Payments <sup>12</sup>	510,408
Jobs Supported by Wages <sup>12</sup>	13,107,633
<b>Total Jobs Related to the Multiemployer System</b>	<b>13,618,041</b>
Total Employed Workforce <sup>13</sup>	149,703,000
<b>Multiemployer System Supported Jobs as a % of U.S. Workforce</b>	<b>9.1%</b>

<sup>12</sup> National Institute on Retirement Security IMPLAN Study Commissioned by NCCMP.

<sup>13</sup> U.S. Department of Labor, Bureau of Labor Statistics, 2015 Employment & Earnings, Household Survey Data, [https://www.bls.gov/opub/ee/2015/cps/tablea19\\_201512.pdf](https://www.bls.gov/opub/ee/2015/cps/tablea19_201512.pdf).

# Multiemployer Plans and Federal Taxes Paid

## Federal Taxes Paid on Pension Payments, Wages, and Economic Output <sup>14</sup>

(\$ Billions)	2015	Federal Budget Window (10-Year)
Federal Taxes Paid on Pension Benefits Paid to Retirees	\$3.5	\$37.2 <sup>15</sup>
Federal Taxes Generated from Economic Output Related to Pension Spending	\$6.6	\$70.4 <sup>15</sup>
Federal Taxes Paid on Wages to Active Employees and Economic Output from Wages	\$148.4	\$1,552.9 <sup>16</sup>
<b>Total Federal Taxes Paid</b>	<b>\$158.5</b>	<b>\$1,660.5</b>

<sup>14</sup> National Institute on Retirement Security IMPLAN Study Commissioned by NCCMP using tax law in effect in 2015.

<sup>15</sup> 2016-2024 federal taxes paid on pension payments are inflated at 1.5% annually consistent with the inflation factor used for pension payments and output.

<sup>16</sup> 2016-2024 federal taxes paid on wages and wage based economic output are inflated at 1.0% annually consistent with the inflation factor used for wage payments.



# Multiemployer Plans and State and Local Taxes Paid

## State and Local Taxes Paid on Pension Payments, Wages, and Economic Output <sup>17</sup>

(\$ Billions)	2015	Federal Budget Window (10-Year)
State and Local Taxes Paid on Pension Benefits Paid to Retirees	\$1.9	\$20.4 <sup>18</sup>
State and Local Taxes Generated from Economic Output Related to Pension Spending	\$4.2	\$44.6 <sup>18</sup>
State and Local Taxes Paid on Wages to Active Employees and Economic Output from Wages	\$76.4	\$798.9 <sup>19</sup>
<b>Total State and Local Taxes Paid</b>	<b>\$82.5</b>	<b>\$863.9</b>

<sup>17</sup> National Institute on Retirement Security IMPLAN Study Commissioned by NCCMP using tax law in effect in 2015.

<sup>18</sup> 2016-2024 state and local taxes paid on pension payments are inflated at 1.5% annually consistent with the inflation factor used for pension payments and output.

<sup>19</sup> 2016-2024 state and local taxes paid on wages and wage based economic output are inflated at 1.0% annually consistent with the inflation factor used for wage payments.