

U.S. Sen. Baldwin: After House passage of Butch Lewis Act, Baldwin reaffirms commitment to solving the pension crisis

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If the Senate Fails to Act, the Retirement Benefits of 25,000 Pension Plan Participants in Wisconsin Could Be At Risk

WASHINGTON, DC – Following House passage of the Butch Lewis Act Wednesday evening, U.S. Senator Tammy Baldwin today reaffirmed her commitment to solving the pension crisis threatening the retirement of more than 1.3 million workers and retirees nationwide – including 25,000 in Wisconsin – and putting small businesses across the country in jeopardy. Baldwin joined her Senate colleagues, led by Senator Sherrod Brown (D-OH), to reintroduce the Butch Lewis Act in the Senate.

“There are about 25,000 workers and retirees in Wisconsin who are facing massive cuts to their pensions, through no fault of their own. That’s simply not fair. Congress needs to act on this long-term solution, so that workers, retirees and their families have the peace of mind that comes with knowing that the pensions they worked for will be there when they need it,” said Senator Baldwin. “Now that the Butch Lewis Act has cleared the House with bipartisan support, Mitch McConnell should immediately bring it up for a vote in the Senate so we can get the job done protecting the pensions that these workers and retirees have earned.”

Pension plans – including the massive Central States Teamsters Pension Plan and

over 200 more plans impacting workers in every state in the country - are on the brink of failure and threatened by massive cuts. If nothing is done, these 200 multiemployer plans are projected to fail, many within the next 10 years. The result of significant cuts to these pensions would be economically devastating, as the retirement benefits of 1.5 million plan participants could be at risk, including 25,000 in Wisconsin. In 2015, multiemployer participants were paid \$241 billion in wages and pension benefits and those participants paid over \$35 billion in federal taxes and an additional \$8.4 billion in state and local taxes.

If pension plans are allowed to fail, not only will employers no longer be able to pay promised benefits, but taxpayers would be at risk of having to pay billions when the Pension Benefit Guarantee Corporation (PBGC), the government sponsored insurance company for multiemployer pensions, has an exposure of \$59 billion and is projected to become insolvent by 2025. The Congressional Budget Office estimates that the cost of backstopping the PBGC, should it fail, would be \$101 billion dollars over 20 years.

The Butch Lewis Act would: Create a loan program to allow failing pensions plans to borrow the money they need to put plans back on solid ground and ensure they can meet their commitments to retirees and workers for decades to come. By putting the plans back on solid footing, the bill would also protect small businesses from the threat of closing their doors if plans are allowed to fail. The bill would solve the pension crisis without cutting benefits retirees have earned, and it would put safeguards in place to encourage pensions to remain strong so they can be there for today's workers when they retire.

In addition to Baldwin and Brown, the Butch Lewis Act is also cosponsored in the Senate by Joe Manchin (D-WV) Chuck Schumer (D-NY), Richard Blumenthal (D-CT), Cory Booker (D-NJ), Bob Casey (D-PA), Tammy Duckworth (IL), Dick Durbin (D-IL), Kamala Harris (D-CA), Maggie Hassan (D-NH), Martin Heinrich (D-NM), Mazie Hirono (D-HI), Doug Jones (D-AL), Tim Kaine (D-VA), Amy Klobuchar (D-MN), Ed Markey (D-MA), Jeff Merkley (D-OR), Gary Peters (MI), Jacky Rosen (D-NV), Bernie Sanders (I-VT), Jeanne Shaheen (D-NH), Debbie Stabenow (D-MI), Chris Van Hollen (D-MD), Elizabeth Warren (D-MA) and Sheldon Whitehouse (D-RI).