



Multiemployer Pension Reform

"A pension is more than just dollars and cents. It's a promise. [IBEW members] do our part by working hard for years and in return we receive a solid and secure retirement."

*—International President
Lonnie Stephenson*



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IBEW POLICY BRIEF

GOVERNMENT AFFAIRS DEPARTMENT LEGISLATIVE ACTIVITY

Multiemployer Pension Reform

Multiemployer defined benefit pension plans form the backbone of the retirement safety net for over 10 million working Americans. In fact, more than 550,000 active members, retirees and survivors participate in the IBEW’s multiemployer pension plans, including the National Electrical Benefit Fund, the second largest multiemployer pension fund in the United States. The COVID-19 pandemic worsened the multiemployer pension crisis and threatened to bankrupt the Pension Benefit Guaranty Corporation, (“PBGC”), decimate thousands of businesses, and devastate communities across the country. Even before the pandemic, the PBGC’s multiemployer program was facing insolvency by 2026.

After many years of advocacy by the IBEW and others labor unions to fix the pending pension crisis, Congress took the necessary action and passed the Butch Lewis Emergency Pension Plan Relief Act (the “Butch Lewis Act”) as part of the American Rescue Plan Act of 2021 (“ARPA”), President Biden’s COVID-19 relief package for people and organizations impacted by the pandemic. The Butch Lewis Act provides much-needed help to severely financially troubled multiemployer plans so that they can meet their benefit obligations to workers, retirees and their dependents.

Butch Lewis Emergency Pension Plan Relief Act of 2021

The Butch Lewis Act authorizes the U.S. Treasury Department to provide the PBGC with an estimated \$86 billion to save the benefits of an estimated 3 million workers, retirees, spouses and widows. It identifies plans suffering severe financial shortfalls—often due to factors beyond the plan’s control, such as automation and declines in the stock market— and allows the plan to apply for financial assistance so that it can continue paying benefits. The act includes:

- Temporary funding relief
- Special financial assistance for qualifying plans to pay benefits through plan years ending 2051
- Program will not harm health plans, such as the vast majority of IBEW multiemployer pension plans
- Grants, not loans—no repayment required

The GROW Act, which would have allowed industry-designed composite plans, was excluded from the new law.

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Policy Expertise

Pensions

