

**OPENING STATEMENT FOR RANKING MEMBER POLIS
HELP SUBCOMMITTEE HEARING
“DISCUSSION DRAFT TO MODERNIZE MULTIEMPLOYER PLANS”
SEPTEMBER 22, 2016**

Good morning. I want to thank Dr. Roe for arranging this hearing and for his and Chairman Kline’s continued interest in multiemployer pension reform. I appreciate their willingness to work in a fair, open, and bipartisan way on this critical issue.

We can all agree that everyone who works hard and plays by the rules deserves to live out their golden years with dignity. Retirement security affects not only the retiring population, but younger generations who are caring for their aging parents.

Last April, the Subcommittee held a hearing on multiemployer pensions to explore what we called “new plan designs.” Specifically, several innovative legislative concepts – such as variable annuity plans and composite plans – were discussed as options to strengthen the multiemployer pension system, provide flexibility for employers, and maintain appropriate benefits and protections for workers and retirees.

Today’s hearing represents a continuation of this important work.

Chairman Kline put forward discussion draft legislation establishing composite plans. These plans resemble a traditional defined-benefit pension plan in that assets would be pooled and professionally managed, and participants’ benefits would be paid out in the form of an annuity that they could not outlive. These composite plans also blend aspects of a 401(k) style defined contribution plan, as employers would not incur the risks, costs, and liabilities associated with the defined-benefit pension system.

A diverse collection of groups – including those representing business and organized labor – have already come forward and expressed their support for Chairman Kline’s discussion draft. And I truly mean diverse. It’s not often you see

the U.S. Chamber of Commerce and the National Building Trades Unions see eye to eye on the same issue, but on this one they do.

But by no means is this unanimous.

Several respected organizations have registered concern or opposition to composite plans. They fear that the composite plan concept will allow employers to transition to a new plan and escape their obligation to appropriately fund the existing – or legacy – plan. They also raise legitimate questions about whether composite plans include sufficient protections for workers and retirees. We have to take this point of view seriously.

That's why we must have a fair and transparent process for considering this discussion draft. This Subcommittee hearing gives Members the opportunity to learn more about composite plans and ask questions about Chairman Kline's discussion draft. I know that Chairman Kline and his staff are also soliciting public and stakeholder feedback on the draft as well – which is also incredibly important.

This legislation would make major changes to our multiemployer retirement system. This sort of change requires careful consideration and thoughtful debate among all stakeholders. The process of adopting such sweeping changes to defined benefit retirement plans should be open, transparent, fair, and most of all thorough. After today's hearing, I hope that the Committee is able to fully consider the witnesses' testimony and thoughtfully consider their recommendations to improve the discussion draft. Once a bill is introduced, I hope that it can go through regular order, which would include a full committee mark-up where Members can offer amendments and improve the final bill.

There are currently about 1,400 multiemployer pension plans, covering approximately 10 million Americans. Many of these plans are facing dire financial circumstances. If we are going to move forward on this composite plan discussion draft – then it's important we get it right.

But, Mr. Chairman, we shouldn't stop here. Another pensions-related priority demands Congress's immediate attention.

Tens of thousands of coal miners – including over 500 in Colorado – are at risk of losing health care and pension benefits. Unless Congress acts, about 20,000 retirees stand to lose their promised health benefits by the end of this year. Pension promises were made to these miners and their families, and these promises need to be kept.

I am a co-sponsor of bipartisan legislation that would solve this problem and avoid a catastrophic scenario for hard-working miners and their families in my state and across the country. Before Congress adjourns this year, we must pass this bill.

Again, I want to thank Dr. Roe for convening this hearing and look forward to the witnesses' testimony. I yield back the balance of my time.