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March 7, 2019

The Honorable Richard Neal  
Chairman  
United States House Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable Bobby Scott  
Chairman  
United States Committee on Education and Labor  
2176 Rayburn House Office Building  
Washington, DC 20515

Dear Chairmen Neal and Scott:

On behalf of our nearly 38 million members nationwide and all Americans age 50 and older, AARP is pleased to support H.R. 397, the Rehabilitation for Multiemployer Pensions Act, which would provide low cost loans to eligible multiemployer pension plans to enable them to continue to pay earned pensions to retirees and fund their long-term pension commitments.

As part of the FY 2015 Omnibus Appropriations Act, with almost no debate, Congress added provisions permitting underfunded multiemployer pension plans to cut the earned pensions of current retirees. Over ten million workers, retirees, and their families are counting on these earned retirement benefits for their retirement security. Congress' action broke forty years of settled pension law and put hundreds of thousands of retirees at risk of having their retirement benefits and financial security undermined. Instead of cutting earned pensions, Congress should have proposed reasonable solutions to help enable multiemployer pension plans to pay earned benefits and fully fund their pension plans over time.

We commend the bill for creating a Pension Rehabilitation Administration, within the Treasury Department, to provide low-cost loans to qualified underfunded multiemployer pension plans. Plans would have up to thirty years to pay earned retiree benefits, prudently invest the loan proceeds and employer contributions, and re-pay the loan.

During the loan period, employers may not reduce contributions and the plan may not increase promised benefits. The plan must demonstrate that receipt of the loan will enable the plan to avoid insolvency, pay benefits and loan interest, and accumulate sufficient funds to repay the loan principal when due.

We commend your leadership on this pressing issue for millions of workers and retirees and are pleased to support the Rehabilitation of Multiemployer Pensions Act. We look forward to working with you to enact this important bill. If you have any questions, please feel free to contact me, or have your staff contact Michele Varnhagen, Senior Legislative Representative, Financial Security and Consumer Affairs at [mvarnhagen@aarp.org](mailto:mvarnhagen@aarp.org) or (202) 434-3829.

Sincerely,

A handwritten signature in black ink, appearing to read "David Certner", with a long horizontal flourish extending to the right.

David Certner  
Legislative Counsel and Legislative Policy Director  
Government Affairs