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For Immediate Release

**Cheiron Study finds 114 multiemployer pension plans projected to fail within 20 years  
 More than a million participants could lose benefits**

MCLEAN, VA, August 22, 2017—As many as 114 multiemployer pension plans covering nearly 1.3 million workers are underfunded by \$36.4 billion and expect to become insolvent within the next 20 years because they do not have money to pay participants the full benefits earned. These findings are from a [new analysis](#) by [Cheiron Inc.](#), the actuarial consulting firm, of the latest annual financial reports filed by multiemployer pension plans with regulators.

“Traditionally, participants in healthy multiemployer pension plans have been forced to pay for the guaranteed benefits of retirees and their families in failed plans,” said Joshua Davis, a principal consulting actuary at Cheiron who analyzed the filings. “If this happens again, it will push other plans into insolvency with terrible consequences for communities across the country,” he said. “Action must be taken soon to prevent that from happening.”

All the failing multiemployer plans informed regulators that they are in “critical and declining” status in keeping with the Multiemployer Pension Reform Act of 2014. The law requires pension plans to notify regulators annually if their financial condition is worsening and they expect to fail within 20 years. These plans have total assets of \$43.5 billion and liabilities of \$79.9 billion.

**Three multiemployer pension plans account for most of the unfunded liability of all failing plans**



They do not include those that have already failed, or those that shut down because all the employers withdrew. Nor do they include plans that are “safe” or “endangered” under the law.

The Pension Benefit Guaranty Corporation, the federal agency which guarantees participants a minimum pension even if their plans fail, recently announced that it expects its insurance program for multiemployer pension plans will run out of money by the end of 2025. The PBGC covers 1,400 multiemployer pension plans with approximately 10 million unionized workers.

Multiemployer pension plans, also known as Taft-Hartley plans, are industry plans that cover unionized workers and pensioners. They are jointly sponsored by employers and labor unions.

A combination of factors have led to the crisis multiemployer pension plans face—the downturn of the stock market during the Great Recession, declining industries creating more retirees than workers, and employers exiting the plans either through bankruptcy or by withdrawing from the plans, leaving the remaining employers responsible for the unfunded liabilities.

Just three of the pension plans account for \$22.8 billion or more than 62.5 percent of the unfunded liability of these failing plans, and cover 603,000 participants or more than 47 percent of the total workers and retirees covered by all of the declining multiemployer pension plans.

Seven more multiemployer plans that identified themselves as “critical and declining” have already failed and are receiving financial assistance from the PBGC to pay benefits up to the maximum guaranteed federal limit.

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Cheiron Inc. is an independent full-service pension and healthcare actuarial and financial consulting firm advising public employers, multiemployer plans, non-profit organizations and corporations.

