



# Pennsylvania Conference of Teamsters

**Strength in Numbers 95,000**

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## LEGISLATIVE ACTION ALERT

### **PBGC to Provide Early Financial Assistance to Teamsters Local 805 Multiemployer Pension Plan**

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WASHINGTON – The Pension Benefit Guaranty Corporation announced that it has approved a partition application and will provide early financial assistance to the Teamsters Local 805 Pension and Retirement Plan (Local 805 Plan), a trucking industry multiemployer pension plan based in New York that covers approximately 2,000 participants. The early financial assistance from PBGC, together with benefit reductions that are required as a condition for receiving PBGC assistance, will help the plan avoid insolvency and pay benefits to participants.

The U.S. Department of the Treasury approved a related application submitted by the plan for the required benefit reductions and certified the results of a participant vote on the plan's benefit reduction proposal. Under the Multiemployer Pension Reform Act of 2014, troubled multiemployer pension plans that face insolvency are permitted to apply for benefit reductions and, if necessary, partition and early financial assistance from PBGC to extend their financial viability. In its applications to Treasury and PBGC, the plan trustees said that the plan was in critical and declining status, that the plan's assets and future income are insufficient to pay promised benefits, and that the plan would run out of money during the plan year ending March 31, 2022.

Effective January 1, 2019, PBGC will begin providing financial assistance by moving a portion of the plan's guaranteed benefit obligations to a new, separate plan that will have its costs reimbursed by PBGC. This will relieve some of the financial burden on the Local 805 Plan and, together with the benefit cuts, enable it to avoid insolvency. Plan participants whose benefits are moved to the new plan will be treated the same as participants whose benefits remain entirely in the original plan.

Benefits of approximately 495 participants will not be reduced because of the statutory protections for benefits of older and disabled participants and for participants whose benefits are equal to or less than 110% of the PBGC guarantee amount. The remaining participants will see future benefit reductions to 110% of the PBGC guaranteed amount, averaging a 41% cut in benefits. For more information on how partition works see [Multiemployer Plans and Partition](#) on PBGC.gov. Plan participants can find additional information about the partition on the [Teamsters Local 805 Retirement and Pension Plan page](#).