

Is it Too Little, Too Late for Multiemployer Pension Reform?

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Bob Christenson's article "Is it Too Little, Too Late for Multiemployer Pension Reform?" was featured in *Inside Counsel* on January 15, 2015.

Employers and unions locked into failing multiemployer pension plans received an 11th-hour reprieve in late December when Congress passed legislation revising laws that had hobbled these plans for years. Titled the "Multiemployer Pension Reform Act of 2014," the reforms give multiemployer trustees and the Pension Benefit Guaranty Corporation (PBGC) new tools to address plan underfunding and seek to eliminate reasons employers abandon these plans prematurely.

In the article, Bob provides a brief overview of the history of Multiemployer pension plans and examines the new changes to the Multiemployer Pension Reform Act of 2014.

While the new law makes a number of technical changes to multiemployer rules, the heart of the legislation is aimed at plans in "critical and declining" status. Simply put, these are multiemployer plans that are not only in "critical" or red zone status under existing laws, but are projected to become insolvent in the next 20 years. These are the plans that pose the most danger to PBGC and could bring down the whole multiemployer guarantee system.

Bob states that the bottom line is that reforms will likely provide some stability to the multiemployer plan system, but in the case of some of the most vulnerable plans, the patient may already be dead.

To read the full article, please visit [Inside Counsel](#).

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