

What Took So Long? Democrats Quickly Introduce Pension Relief Bill

By Robert R. Perry & David M. Pixley

January 22, 2021

Meet the Authors



Robert R. Perry

Principal
212-545-4000
Robert.Perry@jacksonlewis.com



David M. Pixley

Principal
216-750-0404
David.Pixley@jacksonlewis.com

Related Services

Employee Benefits
ERISA Complex Litigation
Wellness Programs

House Ways and Means Committee Chairman Richard Neal (D-Mass.) introduced the [Emergency Pension Plan Relief Act of 2021](#) (EPPRA) on January 21, 2021. EPPRA represents the latest legislative attempt to address the well-documented multiemployer pension crisis.

EPPRA is significant in that it is the first legislation introduced by Chairman Neal under the Biden administration, signaling a possible renewed emphasis on solving the multiemployer pension crisis by the incoming administration. (A [summary](#) of EPPRA is available.)

Similar to the bipartisan Butch Lewis Act (H.R. 397, 116th Congress), EPPRA emphasizes the “partition” of troubled multiemployer pension plans. Partition is a procedure where a multiemployer pension plan is divided into two plans, with the Pension Benefit Guaranty Corporation (PBGC) accepting financial responsibility for the portion of the plan representing the benefits of participants for whom no contributions are being made.

Under current law, PBGC has limited authority to partition certain troubled multiemployer pension plans. EPPRA would increase the number of plans eligible for relief and simplify the application process.

In addition to expanding the current partition program, EPPRA would repeal the benefit suspensions that were introduced in 2014 by the Multiemployer Pension Reform Act (MPRA). Under these provisions, many troubled multiemployer plans had applied for approval to suspend and possibly reduce the accrued benefits of certain participants. If enacted, EPPRA would prohibit any future suspension of benefits applications (or approvals) under MPRA. It does not appear, however, that EPPRA would affect MPRA benefit suspensions that were approved prior to the date of enactment.

In another significant change, EPPRA would increase the level of multiemployer plan benefits that are guaranteed by the PBGC. Under current law, PBGC provides a maximum guaranteed benefit of \$12,870 to a participant with 30 years of service (100% of the first \$11 of the monthly benefit rate, plus 75% of the next \$33 of the monthly benefit rate, multiplied by the participant’s years of credited service). EPPRA would significantly increase the amount of the PBGC guarantee to 100% of the first \$15 in monthly benefits per year of service and 75% of the next \$70 in monthly benefits per year of service, with no limit on credited years of service (currently capped at 30). Cost-of-living increases (not currently provided) also would be implemented.

Of particular interest to employers is that none of the provisions in prior proposals that would have increased an employer’s potential withdrawal liability are currently in EPPRA.

We will continue to monitor this situation as it evolves. In the interim, feel free to contact the authors or the Jackson Lewis attorney with whom you regularly work.

©2021 Jackson Lewis P.C. This material is provided for informational purposes only. It is not intended to constitute legal advice nor does it create a client-lawyer relationship between Jackson Lewis and any recipient. Recipients should consult with counsel before taking any actions based on the information contained within this material. This material may be considered attorney advertising in some jurisdictions. Prior results do not guarantee a similar outcome.

Focused on employment and labor law since 1958, Jackson Lewis P.C.'s 1,000+ attorneys located in major cities nationwide consistently identify and respond to new ways workplace law intersects business. We help employers develop proactive strategies, strong policies and business-oriented solutions to cultivate high-functioning workforces that are engaged and stable, and share our clients' goals to emphasize belonging and respect for the contributions of every employee. For more information, visit <https://www.jacksonlewis.com>.