



MISSOURI GROCERS ASSOCIATION

"Committed to Growth & Profitability of Our Members"

Hon. Roy Blunt
260 Russell Senate Office Building
Washington, DC 20510

Dear Senator Blunt,

The Missouri Grocers Association is a statewide, association committed to the growth and profitability of its over 1,300 members. I am writing to you today on behalf of our association to urge you to prioritize pension reform in 2018. As an organization that represents members who have participated in Multiemployer Pension Plans, we are deeply troubled by these failing plans and the impact they may have on the retirees, jobs, and ultimately the economy in Missouri and the country at large.

Multiemployer Pension Plans (MEPPs) are collectively bargained employee plans maintained by more than one employer; to which more than one employer contributes. The design was intended to pool risk and allow for cost-savings that are proportionate to increased production. Now, over 100 MEPPs are set to fail in the next 9 years.

The Federal backstop that was intended to help these failing plans, the Federal Government's Pension Benefit Guaranty Corporation (PBGC) released a concerning report on their own financial ability to bail out failing MEPPs. According to the 2016 [report](#) from the PBGC, the already large deficit of \$59 billion will likely raise to \$80 billion by FY2026. Because of the rising number of insolvent MEPPs, the demand for financial assistance from the PBGC is impossible to meet. If no legislation is made to correct this downhill spiral, the PBGC will run out of money as early as 2026.

To make matters worse, when one MEPP enters bankruptcy, the contributing employers for that plan take on significant liabilities that in turn, may result in many of the smaller businesses that make up the majority of the contributing employers towards the pension plan to go out of business. This cycle will result in rapid deterioration of MEPPs across the country.

There are nearly 1.2 million Americans, and over 18,000 retirees in Missouri alone, who will face financial insecurity in retirement as a result of this situation. The MEPP system is on the brink of collapse due to major shifts in many of the industries that utilize this type of plan and as a result of the 2008 recession.

The cascading effect of failing MEPPs will also affect third-party suppliers and service providers. As an organization that promotes growth and profitability, we request that your attention be directed towards developing a comprehensive legislative solution in 2018. If no action is taken, there is legitimate concern for the start of another recession and devastating impact on people's financial security, and future job availability.

Sincerely,

Dan Shaul
State Director



MISSOURI GROCERS ASSOCIATION

"Committed to Growth & Profitability of Our Members"

Hon. Claire McCaskill
503 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator McCaskill,

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