

Teamsters to Slash Retirees' Pensions Come 2016

By [Melanie Batley](#) | Thursday, 21 May 2015 09:35 AM

The Teamsters have started informing retirees and current workers that their pension benefits will be cut after it spent millions of union dollars to lobby Washington for the right to do so.

The decision could affect 410,000 current members of the pension and as many as 10 million workers nationwide.

"Like many of our nation's multiemployer pension funds, Central States Pension Fund has become severely underfunded and is headed toward financial failure if we don't take immediate, decisive action," said a CSPF letter dated April 8, according to the Times.

"Baby Boomers are retiring in record numbers and the union workforce has been steadily declining for years. As a result, the Fund currently has more than three times as many retirees as active members — so, fewer contributions are coming in than benefits being paid out.

"To put this into perspective, for every \$3.46 that the Fund pays out in pension benefits, only \$1 is collected from contributing employers, which results in a \$2 billion annual shortfall. Clearly, that math will never work," the letter said.

The Teamsters pension fund has spent close to \$6 million dollars on lobbying and political contributions in part to push for the passage of a pension reform law that allows underfunded pensions to slash benefits.

Current workers and retirees under the age of 75 will be hardest hit by the reductions. The most vulnerable retirees over the age of 80 and those with disabilities would continue to receive full benefits, the Times said. Those aged between 75 and 80 would see reductions on a sliding scale. The CSPF has not been able to say what the cuts would amount to.

"Any number put out there now would be entirely speculative and premature," said Thomas Nyhan, a CSPF executive director and general counsel, according to the Times.

"There are a whole variety of factors that must go into developing a rescue plan. This includes guidance from the U.S. Treasury Department, which hasn't even happened yet. So we would caution against uninformed speculation," Nyhan said. "The soonest that a rescue plan, including benefit reductions, could be implemented is likely early 2016."

Teamsters have begun organizing protests across the country and speaking out in the media.

Robert Amsden, a truck driver who worked for 33 years, recently told an online magazine that the pension cuts would not save money because Congress will be forced to support people through government-funded entitlement programs.

"They are going to bail us out one way or another. People who never expected any government assistance in their life, they're going to have to go for food stamps," he said, according to the Times.

"They act like 30 or 40 percent is no big deal," said Sue Cole, the wife of a retired car hauler and a founder of the Teamsters Local 604 Pension Protection Committee in St. Louis. "Our feeling is that we worked for it.

"They mismanaged it; we didn't. Why should we lose any portion of our pension?"