

Central States Pension Fund announces proposed pension cuts

Posted by Joellen Leavelle on October 06, 2015



In the last few days we at the Pension Rights Center have been inundated with calls from retirees who are receiving letters from their pension plan informing them that their pension is slated to be cut by as much as 70 percent. All of the retirees we have heard from so far are participants in the Central States Pension Fund – and they are scared and upset at the thought that their benefits could be cut by so much. This is the first time many of them are learning that their pensions could be cut at all.

Many of the people we've spoken to have told us that they fear they will lose their homes, they worry that they won't be able to pay for medicine, and they worry that they won't be able to support their families – all because of these proposed pension benefit cuts. They say they will now have to resort to government assistance to pay their bills -- a cruel irony when you consider that these people worked all their lives for a pension they assumed would take care of them in retirement.

This is all happening because of a bill that was signed into law in the waning moments of Congress last December. The law, called the **Multiemployer Pension Reform Act of 2014**, was passed based on the incorrect assumption that the only way to save certain underfunded multiemployer plans was by cutting retirees' pension benefits.

The Central States Pension Fund is only the first domino to fall. We're worried that other pension plans that are in **critical and declining status** could make similar moves to cut their pension benefits, too. That's why we're working hard to get the **Keep Our Pension Promises Act** of 2015 passed into law. Sponsored by Senator Bernie Sanders and Representative Marcy Kaptur, this bill would repeal the benefit suspension provisions of the Multiemployer Pension Reform Act of 2014 while ensuring that the Central States Pension Fund and other plans will have enough money to continue to pay promised pensions. Read our **fact sheet** to learn how the Keep Our Pension Promises Act would save the Central States Pension Fund.

Retirees have questions about these proposed cuts and what the letter means. We know many of you have specific questions about how your own pension benefit may be impacted by the proposed cuts. We've still got a lot of figuring out to do, but here is what we can tell you right now.

Check the calculation. We've heard from many of you that information used in the calculation included in the letter you received is incorrect. The letter states that retirees can submit a claim to the plan to have the calculation corrected. If you believe any of the information included in the calculation is incorrect, we *strongly* encourage you to do this. If you are in one of the 30 states covered by a **Pension Counseling and Information Project**, contact them for assistance with submitting a claim. You can also contact a project if you lived in a covered state while earning your pension or if your employer or pension plan is headquartered in a covered state.

If you are a Central States' retiree, participate in the plan's town hall meeting. The Central States Pension Fund will be holding a town hall meeting on **Thursday, October 15 at 5 p.m. CST**. During this meeting CPSF will present a video and answer questions about the proposed cuts. Participate by visiting <http://www.cspensionrescue.com/town-hall> or by calling 1-877-327-9495.

Ask your members of Congress to support the Keep Our Pension Promises Act. As described

above, the **Keep Our Pension Promises Act** would repeal the proposed cuts.

Contact local media. One way to generate support for the Keep Our Pension Promises Act is to gain media attention. Do everything you can! Write letters to the editor. Contact local TV and radio stations. Make sure they know that your pensions may be cut by up to 70 percent and that retirees with less income will have a substantial impact on the local economy.

Spread the word. Even though we've heard from many people who have received letters, there are many more people who are in certain critical and declining multiemployer pension plans who have no idea that their pensions may be cut. Make sure they know about this – **and that there is something they can do about it.** This is not a done deal.

Add your voice to our story bank. We're working hard on your behalf to prevent these cuts from happening. Help us make the case to the media and to Congress by telling us how you'd be impacted by the proposed cut to your pension. **Add your story.** If you have already submitted your story, consider letting us know how much your income would be reduced if the cuts are approved.

Timeline. The Central States Pension Fund notified the Treasury Department of its proposed plan to cut benefits on September 25, 2015. The Treasury Department must approve or deny the proposed plan within 225 days from that date, on May 7, 2016. If the plan is approved, you will have an opportunity to vote on whether the proposed plan to cut benefits should be implemented. The earliest date that the proposed plan to cut benefits for Central States' retirees would be implemented is July 1, 2016.
