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Construction Employers of America Urges Authorization of Composite Plans
Composite Plans would Modernize Multiemployer Retirement Benefits

Washington, DC – The Senate Committee on Finance held a hearing today exploring recent reforms and challenges for the multiemployer pension plan system. The Construction Employers of America urged the Committee to provide employers and employees participating in collectively bargained multiemployer plans an additional choice in retirement plan models by authorizing composite plans.

“Authorization of composite plans is the single most important step Congress can take to modernize multiemployer retirement benefits that can meet the evolving needs of both employees and employers in our ever-changing economic environment,” said Jack Jacobson, spokesperson for CEA. “Composite plans were jointly developed by labor and management, have been thoroughly researched, and have undergone extensive stress testing. We urge Congress to authorize composite plans as soon as possible.”

Composite plans combine the best attributes of traditional defined benefit plans that provide lifetime income for retired workers, and 401(k) defined contribution plans, that provide cost predictability and reduced risk for employers. Congress must authorize composite plans before employers and employees can begin using them. Labor and management would voluntarily agree to adopt composite retirement plans. Once Congress authorizes composite plans, the companies that sponsor multiemployer plans will be able to offer safe and secure lifetime benefits to their employees without risking the survival of their businesses.

Last year the House Education and the Workforce Committee held a hearing to examine reforms that would modernize the multiemployer pension system during which composite plans were thoroughly reviewed. Witnesses and stakeholders agreed that composite plans could provide annuitized income for employees while ensuring greater certainty for employers that defined benefit plans lack.

Construction Employers of America is a joint initiative to coordinate action on labor, workforce, and construction issues facing our industries. CEA will work to strengthen the construction industry and provide opportunities for top-quality construction workers to learn and maintain the skills they need to deliver highly productive, quality workmanship that provides the best value to project owners while earning high-value compensation and benefits for themselves, their families, and their communities.

Information about the CEA can be found online at www.constructionemployersofamerica.com.

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