

Paying The Piper? More Than 30,000 Teamsters To Vote On Pension Cuts

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Multi-employer pension funds around the country continue to face mounting difficulties, as the recession in 2008 accelerated the financial freefall of many of the plans. Things now may be coming to a head: More than 30,000 participants in the New York State Teamsters Conference Pension and Retirement Fund – one of the country’s many severely underfunded plans – are [voting on proposed cuts](#) to their benefits. The decreases in benefits are an attempt to save the fund from insolvency. In the event a majority of members reject the cuts, the U.S. Department of the Treasury may step in and authorize the cuts anyway. Vote results should be known by early September. The New York State Teamsters Conference Pension and Retirement Fund, however, is hardly alone. In fact, the United Furniture Workers Pension Fund A out of Nashville, Tennessee, recently was authorized to [slash benefits to members](#) and a vote by its membership is underway. Other funds, such as the [Teamsters’ Central States fund](#), continue to struggle to come up with definitive plans on how to rescue themselves from insolvency. The underfunded pension liabilities continue to grow for many of these funds. We’ll see which ones, if any, can turn their fortunes around – through slashed benefits or otherwise. These serve as important reminders to employers who are asked to join multi-employer plans to carefully vet such a fund before agreeing to join. From insolvency issues to potential withdrawal liability for the company, there a lot of factors employers need to weigh.

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