

There's A Hole In Your Bucket: 114 Multiemployer Pension Funds On Track To Fail

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Some 114 multiemployer pension funds are on track to fail within the next 20 years, according to a report published this week by Cheiron, Inc., an actuarial consulting firm. [Cheiron's report](#) indicates that these 114 pension plans covering nearly 1.3 million workers are underfunded by \$36.4 billion and lack sufficient assets to pay retirees and current employees the full benefits under their pension plans. Multiemployer pension plans, also called Taft-Hartley Funds, are used in the unionized work environment and are administered by a board of directors, with the board commonly split evenly between union and management representatives. The 114 failing plans have total assets of \$43.5 billion and liabilities of \$79.9 billion. Most of that shortfall is attributed to the Central States Teamsters plan (\$17.2 billion), the Bakery and Confectionery Union plan (\$3.2 billion) and the United Mine Workers plan (\$2.4 billion).



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for 62.5 percent of the unfunded liability and cover more than 47 percent of the total workers and retirees covered by the failing multiemployer pension plans. Publications that follow the industry differ on the glass half-empty or full viewpoint. [Pensions & Investments is reporting](#) that, in addition to these 114 plans, there are another 53 multiemployer plans from which all contributing employers have already withdrawn, meaning the Pension Benefit Guaranty Corp. (PBGC) will have to step in with financial assistance. There are an additional 1,200 multiemployer plans that are currently doing okay. [Segal Consulting's report](#) took a glass--half-full view of the same data. Segal reported to Pension & Investments that "the majority of multiemployer pension plans are well funded, with 65% of them funded 80% or better." Cheiron's report comes on the heels of the [recent PBGC report](#) in which it confirmed that its pension fund insurance program should run out of money by the end of fiscal year 2025. Three of the failing multiemployer pension plans -- New York State Teamsters Conference Pension and Retirement Fund, the United Furniture Workers Pension Fund, and Iron Workers Local 17 Pension Fund -- have sought and received permission from the U.S. Department of Treasury to cut retiree benefits in an effort to heal their underfunded status. [As reported on this blog on Aug. 9](#), some 30,000 Teamsters now have to vote on whether the New York fund benefits will in fact be cut.