



IBEW POLICY BRIEF

Chapter 3: Multiemployer Pension Reform

Multiemployer-defined benefit pension plans form the backbone of the retirement safety net for over 10 million working Americans.

More than 550,000 active members, retirees, and survivors participate in the IBEW's multiemployer pension plans, including the National Electrical Benefit Fund (NEBF), the second largest multiemployer pension fund in the United States.

The COVID-19 pandemic worsened the multiemployer pension crisis and threatened to bankrupt the Pension Benefit Guaranty Corporation (PBGC), decimate thousands of businesses, and devastate communities across the country. Even before the pandemic, the PBGC's multiemployer program faced insolvency by 2026.

After many years of advocacy efforts by the IBEW and other labor unions to fix the pending pension crisis, Congress finally took necessary action by passing the Butch Lewis Emergency Pension Plan Relief Act (the Butch Lewis Act). The Butch Lewis Act was part of the American Rescue Plan Act of 2021 (ARPA). In addition, the act was part of President Biden's COVID-19 relief package for people and organizations impacted by the pandemic. The Butch Lewis Act provides much-needed help to severely financially troubled multiemployer plans to meet their benefit obligations to workers, retirees, and dependents.

Recent Developments

The Butch Lewis Emergency Pension Plan Relief Act

The Butch Lewis Act authorizes the U.S. Treasury Department to provide the PBGC with an estimated \$86 billion to save the benefits of an estimated 3 million workers, retirees, spouses, and widows. It identifies plans suffering severe financial shortfalls, often due to factors beyond the plan's control. These factors can include anything from automation to declines in the stock market.

Under Butch Lewis, the plan can apply for financial assistance so that it can continue paying benefits, including:

- Temporary funding relief
- Special financial assistance for qualifying plans through plan years ending in 2051
- The program will not harm health plans, such as the vast majority of IBEW multiemployer pension plans
- Grants, not loans — no repayment required

The GROW Act, which would have allowed industry-designed composite plans, was excluded from the new law.

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