



INSTITUTE for the American Worker

Emergency Pension Plan Relief (EPPRA) Act

Bill name: Emergency Pension Plan Relief (EPPRA) Act

Bill sponsors: ([H.R. 423](#)) sponsored by Rep. Bobby Scott (D-VA), (D-WA), ([H.R. 409](#)) sponsored by Rep. Richard Neal (D-MA)

Summary: Rep. Scott, chairman of the House Committee on Education and Labor, and Rep. Neal, chairman of the House Committee on Ways and Means, introduced largely identical bills to bail out failing multiemployer pension plans and the Pension Benefit Guarantee Corporation (PBGC). Their “Emergency Pension Plan Relief Act” is similar to multiemployer pension plan provisions included last year by Congressional Democrats in their COVID-19 response bills and also approved by the House as a standalone bill in the 116th Congress ([H.R. 397](#), 116th Congress).

EPPRA would create special partition relief measures for the PBGC to partition out unfunded pensions from a failing plan to leave the remainder healthy. PBGC would assume financial responsibility for the partitioned bad pensions and be required to keep them solvent over 30 years with no reduction in a participant's or beneficiary's accrued benefit. “Such amounts as necessary” of tax dollars would be appropriated to cover this expenditure. In 2020, the Congressional Budget Office [scored](#) similar legislation as costing approximately \$52 billion. The bill would make other changes as well, such as repealing benefit suspensions for failing plans in “critical” and “declining” status and increase the PBGC guarantee for pension participants.

Background: Several massive union pension plans, such as the Teamster's Central States Pension Fund, are woefully underfunded and destined for collapse in the coming years. That failure would cause the collapse of the federal backstop for these plans, the PBGC. Scores of retirees would lose their pensions at no fault of their own. Current projections indicate these cascading failures could occur as soon as 2026. Knowing this, however, Congress has been unable to agree to a bipartisan solution. Even a House-Senate pension supercommittee tasked solely with finding a workable solution to this crisis folded in 2018, unable to agree on a compromise.

In December, 2020, Sen. Chuck Grassley (R-IA) introduced multiemployer pension reform legislation drafted with former Sen. Lamar Alexander (R-TN), the “Chris Allen Multiemployer Pension Recapitalization and Reform Act” ([H.R. 5045](#), 116th Congress). Like EPPRA, it would grant PBGC greater partition abilities, but unlike EPPRA, it would increase PBGC premium payments for employers, unions, and retirees to better fund the federal backstop for these plans. New rules for pension plan funding, governance, and disclosure would also be applied to prevent systemic failure of multiemployer plans going forward.

Bill Status: EPPRA was introduced in January 2021 and the bills have been referred to the committees on Education and Labor and Ways and Means. As a priority issue for many in Congress, EPPRA could be considered “must pass” and see inclusion in a COVID-response bill or move as a standalone.
