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In this **Update Series**, we will provide continuing analysis on the key developments relating to multiemployer pension plans, as well as practical considerations for the companies that participate in them. These union benefit funds pose unique and significant business risks due to recent changes made by the Multiemployer Pension Reform Act of 2014 (MPRA). As the post-MPRA landscape evolves, we will keep you apprised of the potential impact on your company's withdrawal liability exposure, your collective bargaining strategies and other business risks.

Recent Developments for Multiemployer Pension Plans

1. Central States Pension Fund Issues Statement on the MPRA. Without question, the most controversial change under the MPRA allows deeply troubled funds to reduce the pension benefits of plan participants, including those of retirees already in payment status. Due to its severe underfunding, the Central States pension fund will likely be a plan that seeks IRS approval to reduce benefits. The MPRA, however, has detailed timelines and procedures that a fund must follow first. According to a statement posted on its public website, which can be found [here](#), Central States predicts that it will take “up to a year” before any benefit modifications for the new MPRA rules could take effect under its pension fund.

Our View: We would expect a similar time period to apply to other multiemployer pension funds that may seek to reduce benefits under the MPRA.

2. Some Unions Supported the Passage of the MPRA. In December 2014, John Kline (R-MN), Chairman of the House Education and the Workforce Committee, issued a [statement](#) reflecting the supporting statements of



various labor unions and business associations. The list is by no means exhaustive and, despite these unions expressing their support, there have also been many statements issued by other unions made in opposition to the MPRA changes.

Our View: Comments from union officials on the MPRA changes may be helpful to employers during future collective bargaining negotiations. Please contact the Polsinelli Resource Team if you would like to discuss any public statements issued by specific unions, lobbying organizations, or other interest groups and how such statements might impact your company's collective bargaining strategy.

3. Bakery and Confectionary Pension Fund Sued By Plan Participants. On January 9, 2015, former union employees brought suit against the Bakery & Confectionary Union and Industry International Pension Fund (the "B&C Pension Fund") over its so-called "rehabilitation plan." Under federal law, "red zone" and "yellow zone" funds are required to adopt specific, actuarially based plans to improve their funding status over time. In the recent suit brought against the B&C Pension Fund, the plaintiffs contend that the fund's rehabilitation plan violates federal law because it prevents them from "aging into" certain enhanced benefits.

Our View: We may see similar lawsuits brought by participants against other "red zone" and "yellow zone" funds. It is too early to tell at this point whether these types of suits, even if successful, would have any impact on a company's contribution obligation under any such fund.

Q & A

Question: Where can I get a good summary of the MPRA? What should my company be doing now to analyze how it may impact us?

Answer: Please see our e-Alert on the key MPRA changes, which can found [here](#). Our e-Alert also has specific action items for companies to consider now for addressing how the MPRA may impact them.

More Polsinelli MPRA Intelligence:

Webinar - [A Road Map to Major Changes Coming to Multi-Employer Pension Plans: What Participating Employers Should Do Now](#) - 2.26.2015

[Employers Should Start Preparing Now for Big Changes Coming to Multiemployer Pension Plans](#)

Podcast - [A Roadmap to Multiemployer Pension Plans](#)

MPRA Services

Polsinelli offers a suite of fixed-fee services to help your company better understand the potential impact of the MPRA on each multiemployer fund to which it makes pension contributions. [Learn more about our counseling services.](#)

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For More Information

Our attorneys have extensive experience helping companies address complex issues under multiemployer pension plans. If you should have any questions regarding this Update Series, please contact your Polsinelli attorney or any of the individuals shown below.

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About Polsinelli's Employee Benefits and Executive Compensation Practice

Polsinelli has a diverse group of Employee Benefits attorneys who cover all aspects of plan creation and design, plan compliance and executive compensation agreements. Our attorneys have more than 100 years of combined employee benefits experience which we focus on providing practical, proactive advice, while also striving to develop innovative solutions to our clients' employee benefit needs.

Our firm has experience working with public and private businesses, as well as governmental and nonprofit entities to design, implement and effectively administer plans that meet their business needs.

In this increasingly complex area of compliance responsibility, our team works with clients to not only minimize the risk of problems, but to develop proactive strategies in ways that benefit a business' culture, as well as its bottom line. A key to such success lies in the development of initial advisory alerts, training programs, educational campaigns, and regular internal memoranda that properly outline compliance obligations, as well as the elements of the organization's successful usage of such arrangements.

About Polsinelli

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Polsinelli is a first generation Am Law 100 firm serving corporations, institutions, entrepreneurs and individuals nationally. Our attorneys successfully build enduring client relationships by providing practical legal counsel infused with business insight, and with a passion for assisting General Counsel and CEOs in achieving their objectives. Polsinelli is ranked 18th in number of U.S. partners* and has more than 740 attorneys in 19 offices. Profiled by *The American Lawyer* and ranked as the fastest growing U.S. law firm over a six-year period**, the firm focuses on health care, financial services, real estate, life sciences and technology, energy and business litigation, and has depth of experience in 100 service areas and 70 industries. The firm can be found online at www.polsinelli.com. Polsinelli PC. In California, Polsinelli LLP.

* Law360, March 2014

** *The American Lawyer* 2013 and 2014 reports

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