

**Congress of the United States**  
**Washington, DC 20515**

Mr. Thomas Nyhan  
Executive Director  
Central States, Southeast and Southwest Areas,  
Health and Welfare and Pension Funds  
9377 W. Higgins Road  
Rosemont, IL 60018

Dear Mr. Nyhan,

There is no question that significant reforms need to be made to the Central States Pension Fund (the Fund) in order to maintain its long-term solvency. The financial setbacks that plagued investments throughout the 2000s combined with employers exiting the Fund, have left it in dire financial condition. Given this series of struggles, the Fund's projected insolvency in 11 years is not surprising. Making matters worse is the challenging financial future of the Pension Benefit Guarantee Corporation (PBGC). As Central States has made clear, if the Fund collapses, it will bankrupt the PBGC and all multiemployer plan participants and beneficiaries will be at risk. This situation would be catastrophic for retirees and America's economy. It is imperative that something be done to maintain the Fund's long-term solvency.

Each path to solvency for the Fund will have real life consequences. It must be a goal to minimize the severity that proposed cuts will have on all participants and beneficiaries. Since the Multiemployer Pension Reform Act of 2014 (MPRA) was signed into law, we have heard extensively from constituents who will see their pensions dramatically reduced if the current cuts go forth. Scores of individuals, who worked for decades for a company and thought they would have a secure retirement income, are now being told their pensions could be reduced by 50-70%. Unfortunately these stories are all too common. These cuts create real concerns for the economic security of our communities and for our constituents. It is our responsibility to explore other feasible options.

Understandably, we are aware of your concern that a failure to implement reforms in 2016 could irreparably damage the Fund. However, we are interested in exploring alternative solutions that could prevent such massive cuts to a specific segment of retirees. The law requires that any beneficiary whose employer withdrew from the plan and failed to pay their full withdrawal penalty, known as "orphans," automatically have their benefits reduced to the maximum extent permissible - 110% of the PBGC guarantee. This will result in more than 19,000 orphan beneficiaries who worked more than 20 years in a job that contributed to Central States to have their Tier 1 employment pensions be cut by more than 50%. While multiemployer pensions are meant to create a risk pool in order to protect retirees, the current proposal disproportionately impacts Tier 1 beneficiaries.

To this end, we ask for your analysis of the implications of raising MPRA's mandated benefit to a higher level, e.g. between 120%-150%. Recognizing this is a "zero-sum" problem, what impact would this policy change have on the benefits received by Tier 1, Tier 2, and Tier 3 beneficiaries? Additionally, what alterations would need to be made in the current Central States

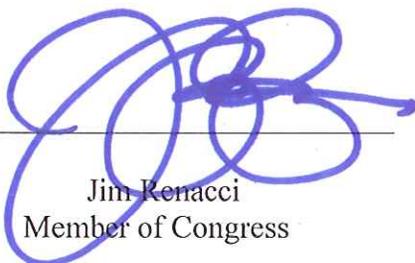
application to guarantee long term solvency, beyond the 50.4% probability under the current plan? Finally, can you recommend any policy proposals to amend MPRA that would provide Central States with greater flexibility to ensure long-term solvency, while also providing relief to individuals who will currently face the brunt of the cuts?

In order to assist our analysis of the financial condition of the Central States Pension Fund over time, we additionally request you provide balance sheet summaries and audited financial statements of the Fund from 1977-present. It is our understanding the 1982 consent decree required a quarterly report prepared by the Independent Special Counsel. We request you provide each of these reports, from the beginning of the consent decree to today. Further, please include a listing, by year, of all financial institutions and investment firms involved in managing the Central States Fund. Lastly, given the gravity of the cuts, it is important to understand how these cuts will impact communities. Each retiree was mailed a letter with specific details as to the percentage and the numerical cut this would mean personally. We ask that you collect this information in an easily digestible format (without personal identification information) so Congress has an accurate understanding of the number of retirees facing what percentage of cuts and the financial impact the cuts will have on communities. If there is a high concentration of retirees in close proximity to each other who each receive the highest percentage of cuts, there are potentially grave economic impacts that must be addressed.

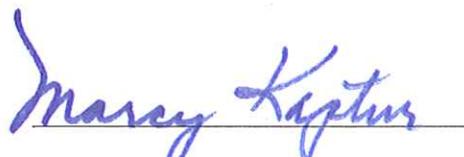
Given our extensive interest in this matter, we request that you and your team come to Capitol Hill to answer questions and brief Members on the impact that raising MPRA's mandated benefits to a higher percentage would have on the Fund and on how Central States developed the benefit reduction application submitted to the Treasury Department. **We request you reach out upon receipt of this letter to work with our offices to schedule this briefing during the first two weeks of February.** Further, we ask that you come to the briefing with the information regarding the economic impact that these cuts will have on our communities and the financial reports requested in the paragraph above.

We believe there may be time to reform MPRA in order to prevent these dramatic cuts from taking place and we hope that you are willing to engage in a conversation to explore alternative solutions. Please feel free to contact our offices if you need clarification or have any questions.

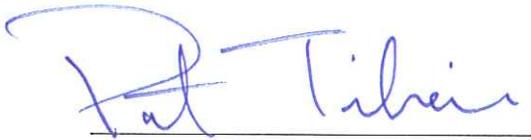
Sincerely,



Jim Renacci  
Member of Congress



Marcy Kaptur  
Member of Congress

A handwritten signature in blue ink that reads "Pat Tiberi". The signature is written in a cursive style with a large initial "P" and "T".

Patrick Tiberi  
Member of Congress

A handwritten signature in blue ink that reads "Michael R. Turner". The signature is written in a cursive style with a large initial "M" and "T".

Michael Turner  
Member of Congress

A handwritten signature in blue ink that reads "Richard M. Nolan". The signature is written in a cursive style with a large initial "R" and "N".

Richard M. Nolan  
Member of Congress