MULTIEMPLOYER PENSION PLAN REFORM POLICY ISSUES

ACTIVE PARTICIPANTS FACE HIGHER CONTRIBUTIONS AND LOWER BENEFIT LEVELS AS FUNDING CHALLENGES MOUNT AND ARE LEFT UNADDRESSED BY CONGRESS

A comparison of multiemployer pension plan benefit and contribution levels for representative participants who began their careers in the 1970s, 1980s, 1990s, 2000s, and 2010s reveals that current active participants are contributing more and receiving lower benefits than their predecessors.

Policy makers should be mindful of these inequities when considering potential changes to the funding rules, and should make every effort to minimize the burden placed on the current generation of plan participants.

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Highlights of the Study

This analysis clearly demonstrates that current active participants are already bearing the burden of recent decreases in benefits and increases in contributions, and underscores the need for carefully designed policy reform to protect these participants from bearing any additional burden.

- Active participants are a large cohort (there are currently about 4.0 million in the multiemployer pension system) whose financial well-being, now and in retirement, will affect their families and communities.

- The real value of the benefits provided by all seven plans in the study has declined significantly over time. These declines are expected to range from 37% to 79% for participants who work from the 2010s to the 2040s versus participants who worked from the 1970s to the 2000s[1].

- Contributions have increased significantly – and considerably faster than wage inflation – over time. Employees who begin their careers in the 2010s can expect to contribute anywhere from 3.0 to 5.0 times the amount contributed by employees who began their careers in the 1970s, depending on the plan[1].

- The monthly benefit as a percentage of contributions has declined significantly over time. The monthly benefit as a percentage of contributions ranged from 2.4% to 3.1% for participants who worked from the 1970s to the 2000s. Participants who work from the current decade into the 2040s can expect to earn a monthly benefit as a percentage of contributions of 0.3% to 1.3%, based on the plans analyzed in the study[1].

- Nominal monthly benefits remained relatively stagnant over time. While the monthly benefit has increased gradually for five of the plans in the study, it has gone down over time for the other two plans.

- Maintaining active participation is crucial to the survival of multiemployer plans. Policy reforms that place additional, undue, burden on current active participants may encourage those participants to seek other retirement arrangements, which will further erode the system and diminish benefit security for current inactive vested participants, retirees, and beneficiaries.

- If the goal is to prevent future crises – and it should be – then protecting current actives (and current contributing employers) should be among policy makers' top priorities.

[1] A key assumption of the study is that contribution and benefit levels will remain flat at their current 2019 level for all future years. If contribution rates continue to increase or benefits continue to decrease, the gap between current active participants and their predecessors will widen. Of course future benefit increases are also a possibility, in which case the imbalance would be made less severe.

Introduction

The looming insolvencies of about 10% of multiemployer pension plans, along with the projected insolvency of the Multiemployer Program of the Pension Benefit Guaranty Corporation (PBGC) in 2025, will result in over one million retirees and beneficiaries being paid pennies on the dollar of what they were promised if no legislative action is taken. Much discussion has ensued about how to avoid the impending crisis. Not surprisingly, there has also been marked interest in reforming the statutory minimum funding rules to prevent similar crises from developing in the future.

In order to solve these problems, policy makers face the difficult challenge of balancing the interests of many stakeholders – employers, taxpayers, current retirees and beneficiaries, and current active participants, among others. Unfortunately these interests are often competing, and additional protections for one group often result in increased pain for another. While we are confident that policy makers are doing their best to understand the complicated interactions among the various stakeholders, and while we applaud their efforts to achieve equity for all involved, we are uncertain as to their understanding of the plight of current active participants.

The purpose of this report is to make certain that policy makers understand the extent to which plans have already taken significant action to increase contributions, decrease benefits, or both, and to highlight the fact that current active participants are bearing the burden of these changes.

Absent other changes to the system, current active participants who have already been asked to share an inordinate financial security detriment relative to other plan participants will bear the brunt of many of the proposals under consideration (e.g., changes to the discount rate, limitations on credit balances, increased PBGC premiums, etc.)

By and large, these proposals would result in further benefit reductions and contribution rate increases. The benefit reductions would be disproportionately applied to current actives because inactive vested, retiree, and beneficiary benefits can – and should –be reduced only under very limited circumstances. The burden of increased contribution rates will be shared by current actives – as decreases to their take home pay – and current participating employers, who will be rendered less competitive by the unreasonable level of contributions being used to fund a pension plan that their employees no longer value.

Achieving equity for current actives is important because maintaining active participation is crucial to the survival of multiemployer plans. Policy reforms that place additional, undue, burden on these participants may encourage them to seek other retirement arrangements which will further erode the system and diminish benefit security for current inactive vested participants, retirees, and beneficiaries. Erosion of participant support also endangers the health of remaining contributing employers whose liabilities are compounded by that very erosion of support.

Policy makers should be mindful of the inequities that already exist and the danger of deepening these inequities when considering potential changes to the funding rules. As such, they should make every effort to minimize any additional burden placed on the current generation of plan participants.

Methodology

In order to illustrate the significant actions plans have already taken and show how these changes have impacted current active participants, we analyzed the benefit and contribution levels for representative participants in seven UA multiemployer pension plans from the 1970s to today.

These seven plans were selected because they were the only UA plans for which we had complete and reliable information dating back to the 1970s. That is to say, these plans were essentially selected at random. While we wish the sample size were larger, we expect that the results would be similar for a significant portion of multiemployer pension plans.

In order to compare benefit and contribution levels over time, we:

- Looked at five sample participants from each plan. We assumed that one sample participant was hired in the 1970s[2], one was hired in the 1980s, and so on for each decade through the 2010s.
- Assumed each sample participant worked 30 years, beginning their career at age 30 and retiring at age 60.
- Assumed each sample participant worked 1,800 hours per year.

To measure the impact of changing benefit levels and contribution rates on current active participants we focused on the following key metrics:

- **Monthly Benefit as a Percentage of Contributions.** This metric allows for plans with different benefit formulas to be compared on a level footing. It is also useful in determining the relative value of a monthly benefit for a given level of contributions. It is calculated by dividing the monthly benefit by the total contributions.

- **Total Contributions (Forgone Wages).** This is the total amount contributed on the participant's behalf over their 30-year career. These contributions were bargained as a part of the employee's wage package and can be thought of as forgone wages.

- **Monthly Benefit.** This is the estimated monthly benefit payable at retirement based on the plan's benefit formula. These amounts have not been adjusted for inflation, and therefore are not an indicator of the real value (purchasing power) of the benefits provided.

- **Estimated Value of Benefit in 2019 Dollars.** This measure uses price inflation[3] to adjust the benefits to a level playing field in terms of their purchasing power at retirement. For example, the 2005 benefit is adjusted upwards with inflation because it had more purchasing power in 2005 than it would in 2019. Similarly, the 2045 benefit is adjusted downward with inflation because it is expected to have less purchasing power than the same benefit in 2019.

[2] We used the earliest initial hire date that we could based on available data for each plan. The range of initial hire dates was 1975 to 1979.
[3] The Consumer Price Index for all Urban Consumers (CPI-U) was used to estimate price inflation from 1975 through 2019. Future inflation was estimated to be 2.5% per annum.

Results

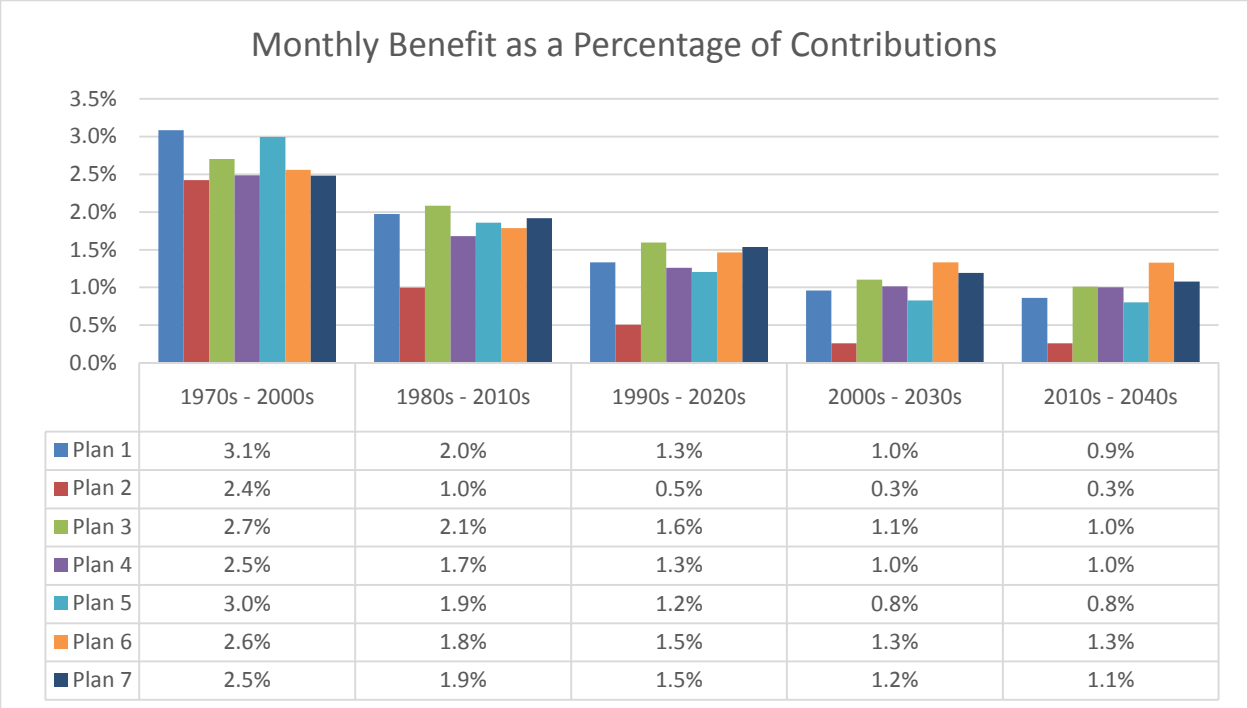
This section of the report summarizes the individual plan information to show that the trends – increases in contributions and decreases in the value of benefits over time – are similar for all seven plans in the study. Additional information on each individual plan is included in the Appendix.

As shown in Exhibit 1 (below), the monthly benefit as a percentage of contributions ranged from 2.4% to 3.1% for participants who worked from the 1970s to the 2000s. Due to increases in contributions, and relatively flat benefit levels, the monthly benefit as a percentage of contributions has declined gradually, but significantly, over time. Participants who work from the current decade into the 2040s can expect to earn a monthly benefit as a percentage of contributions of 0.3% to 1.3%, based on the plans analyzed in the study.

As noted above in the methodology section, this metric allows for plans with different benefit formulas to be compared on a level footing. It is also useful in determining the relative value of a monthly benefit for a given level of contributions.

While the causes of these declines are myriad, and are not always agreed upon, it would be difficult for anyone to argue that they are the fault of current active participants.

Exhibit 1

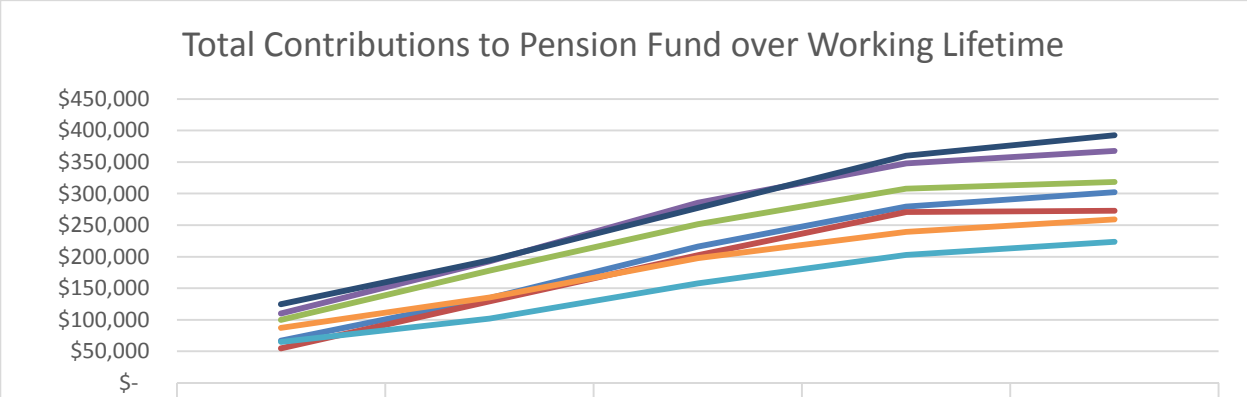


	1970s - 2000s	1980s - 2010s	1990s - 2020s	2000s - 2030s	2010s - 2040s
Plan 1	3.1%	2.0%	1.3%	1.0%	0.9%
Plan 2	2.4%	1.0%	0.5%	0.3%	0.3%
Plan 3	2.7%	2.1%	1.6%	1.1%	1.0%
Plan 4	2.5%	1.7%	1.3%	1.0%	1.0%
Plan 5	3.0%	1.9%	1.2%	0.8%	0.8%
Plan 6	2.6%	1.8%	1.5%	1.3%	1.3%
Plan 7	2.5%	1.9%	1.5%	1.2%	1.1%

Exhibit 2 shows the total contributions to the pension fund over a 30-year career for each cohort in each plan in the study. As a result of sharply increasing contribution rates over time, employees who begin their careers in the 2010s can expect to contribute anywhere from 3.0 to 5.0 times the amount contributed by employees who began their careers in the 1970s, depending on the plan in which they participate.

While these contributions are technically employer contributions, they were bargained as a part of the employee's wage package and resulted in lower take-home pay for the employee. It is important to note that these increases in contributions have also made it considerably more difficult for contributing employers to remain competitive in the marketplace.

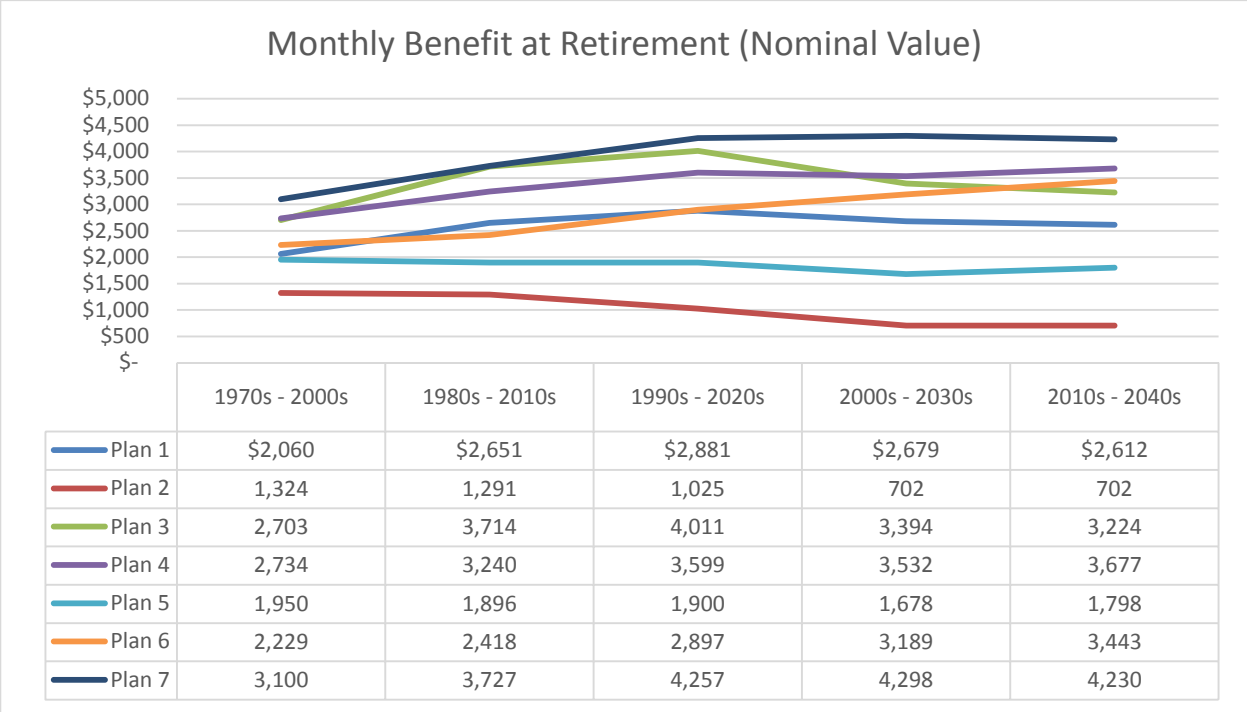
Exhibit 2



	1970s - 2000s	1980s - 2010s	1990s - 2020s	2000s - 2030s	2010s - 2040s
Plan 1	$66,834	$134,406	$216,126	$279,216	$302,400
Plan 2	54,637	129,373	202,612	270,702	272,700
Plan 3	99,990	178,110	251,478	307,800	318,600
Plan 4	109,908	192,816	285,498	347,886	367,740
Plan 5	65,070	102,078	157,698	202,968	223,560
Plan 6	87,138	135,306	197,820	239,364	259,200
Plan 7	124,848	194,346	277,326	359,946	392,436

Exhibit 3 shows the expected monthly benefit at retirement for each sample participant in each plan in the study. The monthly benefits shown have not been adjusted for inflation, and therefore are not an indicator of the real value (purchasing power) of the benefits provided. Nonetheless, the actual benefit provided has decreased in two of the seven plans studied, while the increases in the other five plans were modest. In no case were the changes in the benefit level commensurate with the significant increases in contributions shown in Exhibit 2.

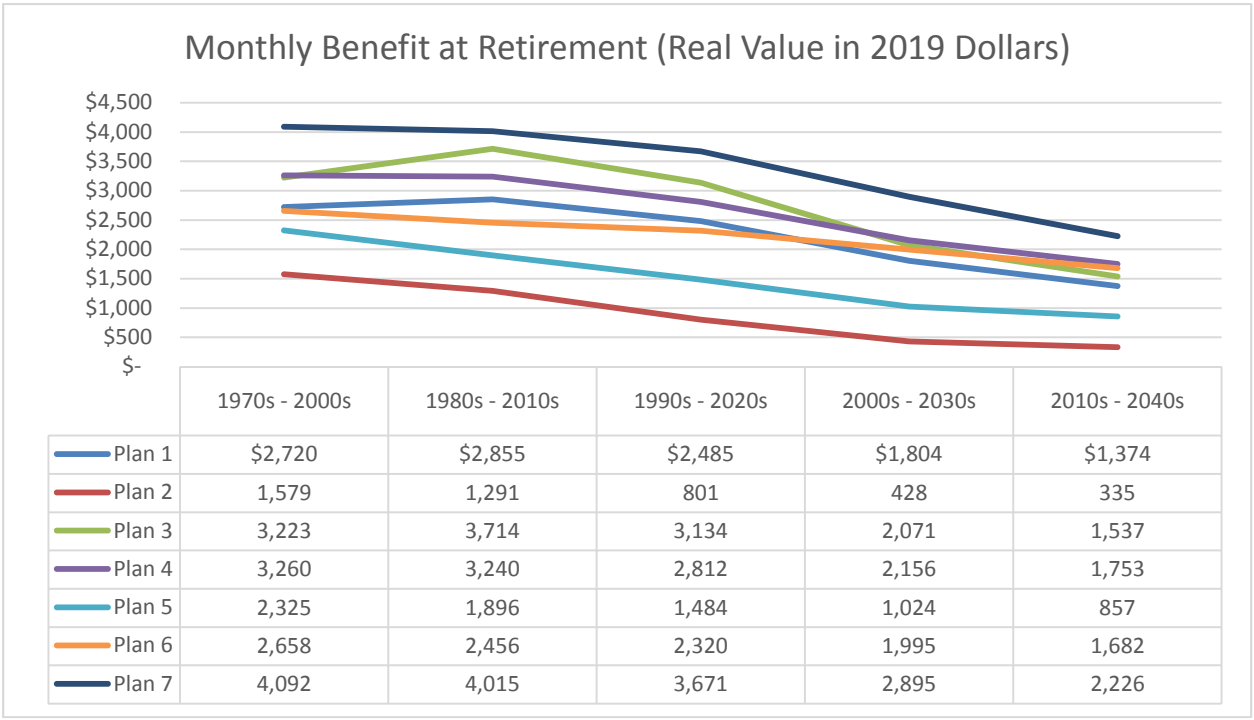
Exhibit 3



	1970s - 2000s	1980s - 2010s	1990s - 2020s	2000s - 2030s	2010s - 2040s
Plan 1	$2,060	$2,651	$2,881	$2,679	$2,612
Plan 2	1,324	1,291	1,025	702	702
Plan 3	2,703	3,714	4,011	3,394	3,224
Plan 4	2,734	3,240	3,599	3,532	3,677
Plan 5	1,950	1,896	1,900	1,678	1,798
Plan 6	2,229	2,418	2,897	3,189	3,443
Plan 7	3,100	3,727	4,257	4,298	4,230

Exhibit 4 also shows the monthly benefit at retirement. However, in contrast to the values shown in Exhibit 3, the values shown in Exhibit 4 reflect an inflation adjustment in order to estimate the real value (purchasing power) of each benefit in 2019 dollars. As evidenced by the chart, the value of the benefits provided by all seven plans in the study has declined over time. These declines ranged from 37% (for Plan 6) to 79% (for Plan 2) for participants who work from the 2010s to the 2040s versus participants who worked from the 1970s to the 2000s.

Exhibit 4



	1970s - 2000s	1980s - 2010s	1990s - 2020s	2000s - 2030s	2010s - 2040s
Plan 1	$2,720	$2,855	$2,485	$1,804	$1,374
Plan 2	1,579	1,291	801	428	335
Plan 3	3,223	3,714	3,134	2,071	1,537
Plan 4	3,260	3,240	2,812	2,156	1,753
Plan 5	2,325	1,896	1,484	1,024	857
Plan 6	2,658	2,456	2,320	1,995	1,682
Plan 7	4,092	4,015	3,671	2,895	2,226

Conclusions

The trends are clear – current active participants are being asked to shoulder more of their pension plan's cost than their predecessors. The forgone wages for a participant hired in the 2010s are expected to be 3.0 to 5.0 times the forgone wages for a participant hired in the 1970s. At the same time, the real value of the benefits earned by participants hired in the 2010s is expected to decrease by anywhere from 37% to 79% from the value of the benefits earned by participants hired in the 1970s.

Unfortunately these very same participants – current active participants – will bear the brunt of many of the policy reform proposals under consideration (e.g., changes to the discount rate, limitations on credit balances, increased PBGC premiums, etc.) As previously stated, these proposals would result in further benefit reductions and contribution rate increases that would be borne primarily by current actives and current participating employers.

Numbering around 4.0 million, active participants are a large cohort whose financial well-being, now and in retirement, will affect their families and communities. Policy reforms that place additional, undue, burden on these participants may encourage them to seek other retirement arrangements which will further erode the system and diminish benefit security for current inactive vested participants, retirees, and beneficiaries. Achieving equity for current actives is of utmost importance in ensuring the survival of multiemployer plans.

In addition to the importance of legislative reforms that strengthen the resilience and sustainability of multiemployer plans by protecting current active participants, Congress must also be judicious in designing reform options that reinforce – not diminish – the contributing employer base underlying the entire system. Reforms that further erode employers' market competitiveness by requiring significant additional contributions would be as damaging as reforms that do not safeguard current active participants.

If the goal is to prevent future crises – and it should be – then protecting current active participants (and current contributing employers) should be among policy makers' top priorities.

Individual Plan Results

This appendix includes detailed results for each of the seven plans analyzed in the study. As shown in prior sections of the report, the trends – increases in contributions and decreases in the value of benefits over time – are similar for all seven plans in the study.

Pension Plan #1

An employee who was hired in 1975, participated in Pension Plan #1 for 30 years, and retired in 2005, would have received an estimated benefit of $2,060 per month for life at retirement. In order to fund this benefit, the participant would have forgone approximately $66,834 in wages over their 30-year career.

By contrast, an employee who was hired in 2015, participates in Pension Plan #1 for 30 years, and retires in 2045, is expected to receive a benefit of $2,612 per month for life at retirement[4]. In order to fund this benefit, the participant is expected to forgo approximately $302,400 in wages over their 30-year career.

The monthly benefit as a percentage of contributions for the participant who began their career in 2015 is a mere 29% of the corresponding amount for the participant who began their career in 1975 (0.9% vs. 3.1%).

When expressed in 2019 dollars, the estimated value of the monthly benefit payable to the participant who began their career in 2015 is about 51% of the corresponding benefit payable to the participant who began their career in 1975 ($1,374 vs. $2,720).

Exhibit 1A shows the total contributions, monthly benefit, monthly benefit as a percentage of contributions, and estimated value of the monthly benefit in 2019 dollars for all cohorts in Pension Plan #1.

Exhibit 1A

Hire Date	Retirement Date	Total Contributions	Monthly Benefit	Monthly Benefit as a Percentage of Contributions	Estimated Value of Monthly Benefit in 2019 Dollars
1975	2005	$ 66,834	$ 2,060	3.1%	$ 2,720
1985	2015	134,406	2,651	2.0%	2,855
1995	2025	216,126	2,881	1.3%	2,485
2005	2035	279,216	2,679	1.0%	1,804
2015	2045	302,400	2,612	0.9%	1,374

[4] Contributions and benefits were assumed to remain flat at their current 2019 level for all future years.

Exhibit 1B shows the Plan's hourly contribution rate versus wage inflation[5]. The contribution rate kept pace with wage inflation through 1995, at which point it increased significantly faster than wage inflation.

Exhibit 1B

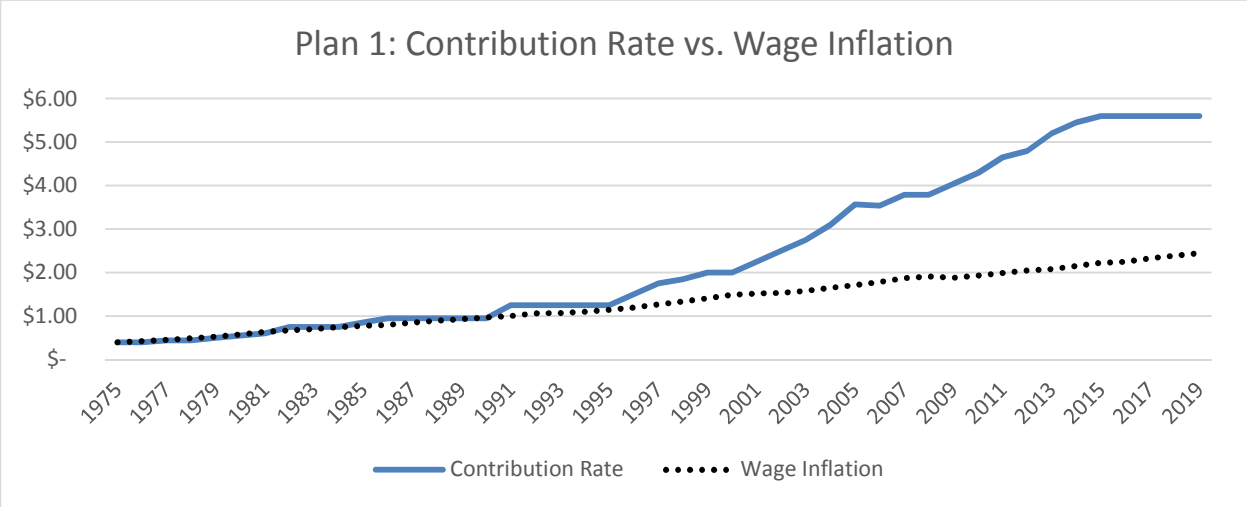
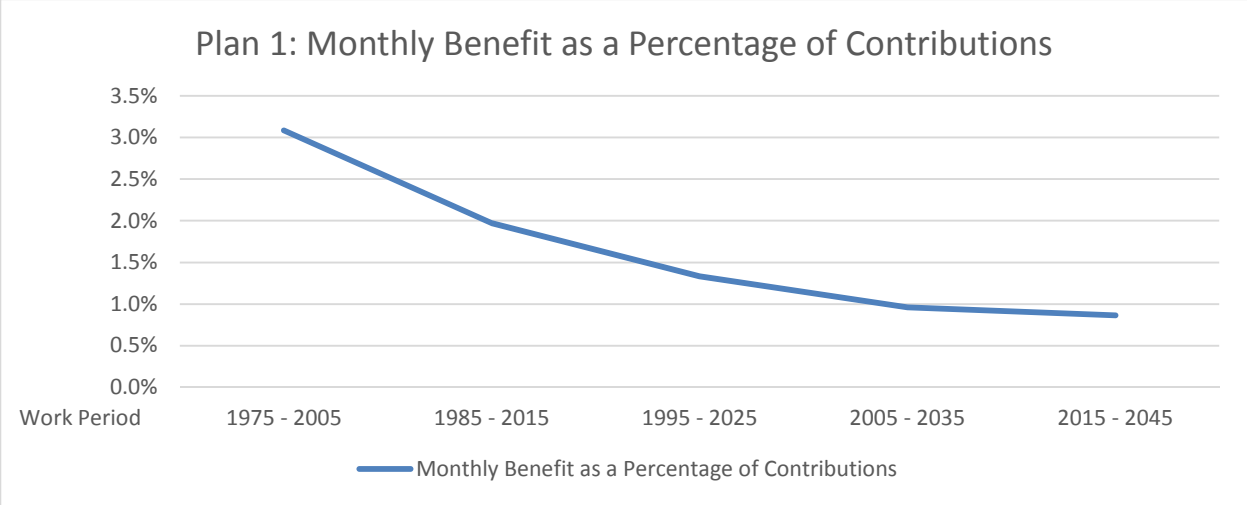


Exhibit 1C shows the Plan's monthly benefit as a percentage of contributions over time. Taken together, Exhibits 1B and 1C show that benefit levels have decreased over time as contribution rates have increased at a rate faster than inflation. These exhibits show that Plan #1 has taken significant action to increase contributions and decrease benefits to preserve and improve Plan funded levels – at the expense of current active participants.

Exhibit 1C



[5] The National Average Wage Index (NAWI) was used to estimate wage inflation.

Pension Plan #2

An employee who was hired in 1979, participated in Pension Plan #2 for 30 years, and retired in 2009, would have received an estimated benefit of $1,324 per month for life at retirement. In order to fund this benefit, the participant would have forgone approximately $54,637 in wages over their 30-year career.

By contrast, an employee who was hired in 2019, participates in Pension Plan #2 for 30 years, and retires in 2049, is expected to receive a benefit of $702 per month for life at retirement. In order to fund this benefit, the participant is expected to forgo approximately $272,700 in wages over their 30-year career.

The monthly benefit as a percentage of contributions for the participant who began their career in 2019 is a mere 13% of the corresponding amount for the participant who began their career in 1979 (0.3% vs. 2.4%).

When expressed in 2019 dollars, the estimated value of the monthly benefit payable to the participant who began their career in 2019 is about 21% of the corresponding benefit payable to the participant who began their career in 1979 ($335 vs. $1,579).

Exhibit 2A shows the total contributions, monthly benefit, monthly benefit as a percentage of contributions, and estimated value of the monthly benefit in 2019 dollars for all cohorts in Pension Plan #2.

Exhibit 2A

Hire Date	Retirement Date	Total Contributions	Monthly Benefit	Monthly Benefit as a Percentage of Contributions	Estimated Value of Monthly Benefit in 2019 Dollars
1979	2009	$ 54,637	$ 1,324	2.4%	$ 1,579
1989	2019	129,373	1,291	1.0%	1,291
1999	2029	202,612	1,025	0.5%	801
2009	2039	270,702	702	0.3%	428
2019	2049	272,700	702	0.3%	335

Exhibit 2B shows the Plan's hourly contribution rate versus wage inflation. The contribution rate fell slightly behind the pace of wage inflation through 2008, at which point it increased significantly faster than wage inflation.

Exhibit 2B

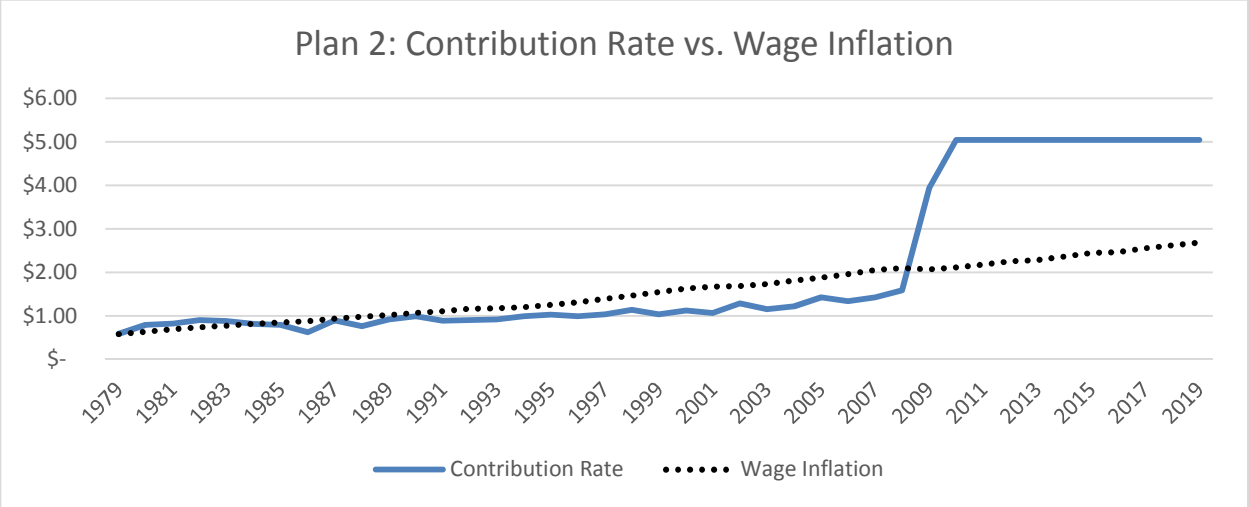
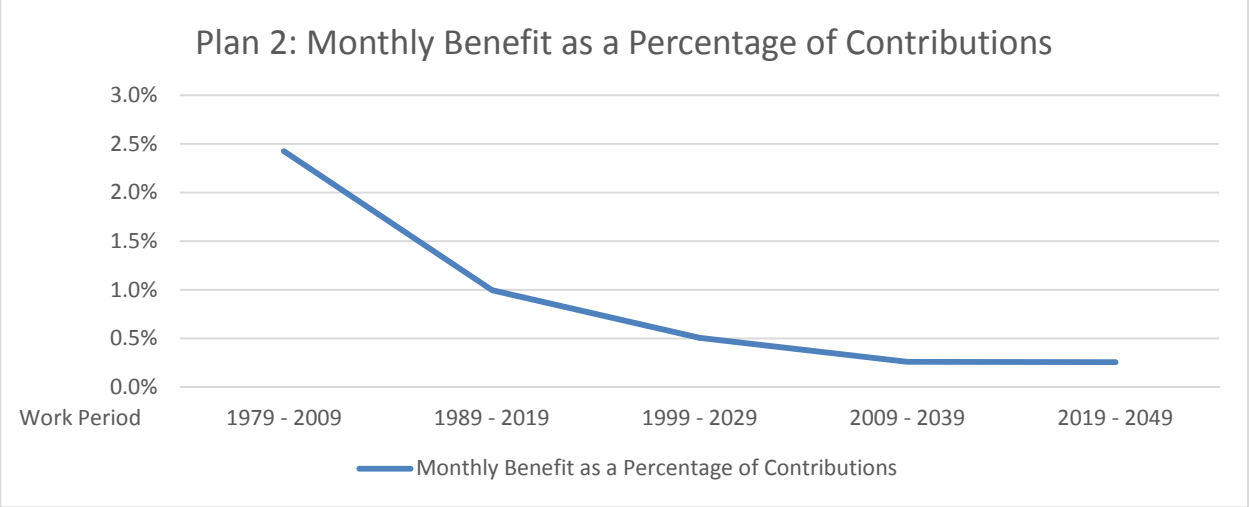


Exhibit 2C shows the Plan's monthly benefit as a percentage of contributions over time. Taken together, Exhibits 2B and 2C show that benefit levels have decreased over time as contribution rates have increased at a rate faster than inflation. These exhibits show that Plan #2 has taken significant action to increase contributions and decrease benefits to preserve and improve Plan funded levels – at the expense of current active participants.

Exhibit 2C



Pension Plan #3

An employee who was hired in 1979, participated in Pension Plan #3 for 30 years, and retired in 2009, would have received an estimated benefit of $2,703 per month for life at retirement. In order to fund this benefit, the participant would have forgone approximately $99,990 in wages over their 30-year career.

By contrast, an employee who was hired in 2019, participates in Pension Plan #3 for 30 years, and retires in 2049, is expected to receive a benefit of $3,224 per month for life at retirement. In order to fund this benefit, the participant is expected to forgo approximately $318,600 in wages over their 30-year career.

The monthly benefit as a percentage of contributions for the participant who began their career in 2019 is a mere 37% of the corresponding amount for the participant who began their career in 1979 (1.0% vs. 2.7%).

When expressed in 2019 dollars, the estimated value of the monthly benefit payable to the participant who began their career in 2019 is about 48% of the corresponding benefit payable to the participant who began their career in 1979 ($1,537 vs. $3,223).

Exhibit 3A shows the total contributions, monthly benefit, monthly benefit as a percentage of contributions, and estimated value of the monthly benefit in 2019 dollars for all cohorts in Pension Plan #3.

Exhibit 3A

Hire Date	Retirement Date	Total Contributions	Monthly Benefit	Monthly Benefit as a Percentage of Contributions	Estimated Value of Monthly Benefit in 2019 Dollars
1979	2009	$ 99,990	$ 2,703	2.7%	$ 3,223
1989	2019	178,110	3,714	2.1%	3,714
1999	2029	251,478	4,011	1.6%	3,134
2009	2039	307,800	3,394	1.1%	2,071
2019	2049	318,600	3,224	1.0%	1,537

Exhibit 3B shows the Plan's hourly contribution rate versus wage inflation. The contribution rate kept pace with wage inflation through 1991, at which point it increased faster than wage inflation. Beginning in 2009, the contribution rate increased significantly faster than wage inflation.

Exhibit 3B

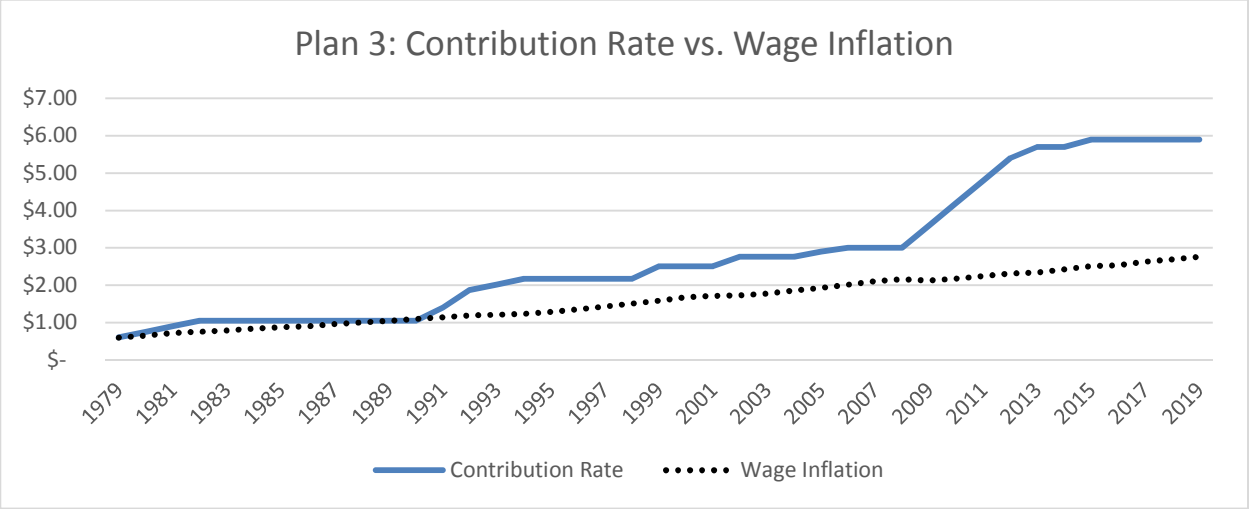
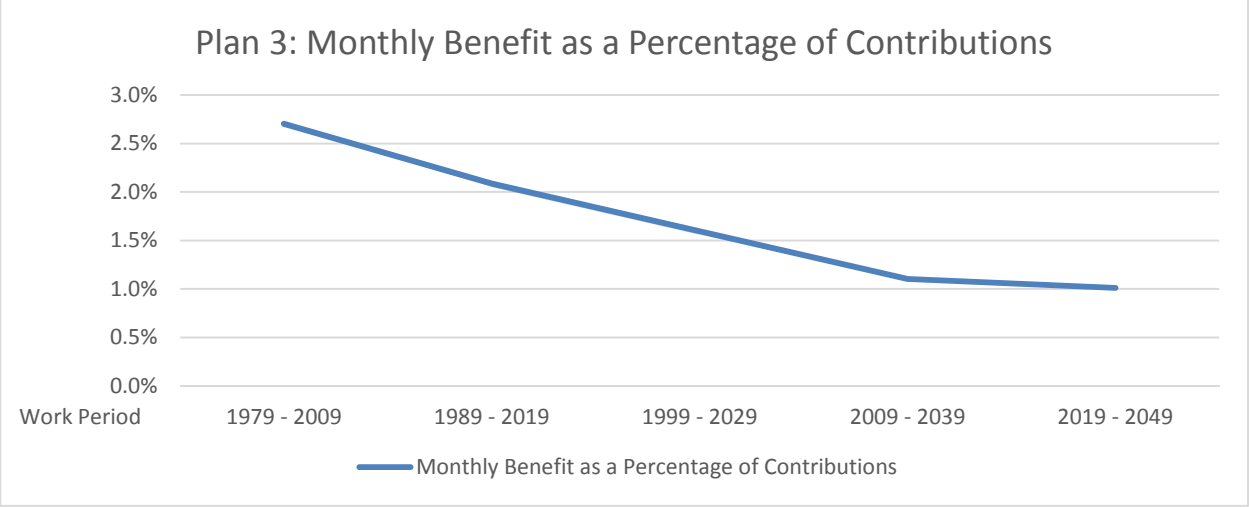


Exhibit 3C shows the Plan's monthly benefit as a percentage of contributions over time. Taken together, Exhibits 3B and 3C show that benefit levels have decreased over time as contribution rates have increased at a rate faster than inflation. These exhibits show that Plan #3 has taken significant action to increase contributions and decrease benefits to preserve and improve Plan funded levels – at the expense of current active participants.

Exhibit 3C



Pension Plan #4

An employee who was hired in 1979, participated in Pension Plan #4 for 30 years, and retired in 2009, would have received an estimated benefit of $2,734 per month for life at retirement. In order to fund this benefit, the participant would have forgone approximately $109,908 in wages over their 30-year career.

By contrast, an employee who was hired in 2019, participates in Pension Plan #4 for 30 years, and retires in 2049, is expected to receive a benefit of $3,677 per month for life at retirement. In order to fund this benefit, the participant is expected to forgo approximately $367,740 in wages over their 30-year career.

The monthly benefit as a percentage of contributions for the participant who began their career in 2019 is a mere 40% of the corresponding amount for the participant who began their career in 1979 (1.0% vs. 2.5%).

When expressed in 2019 dollars, the estimated value of the monthly benefit payable to the participant who began their career in 2019 is about 54% of the corresponding benefit payable to the participant who began their career in 1979 ($1,753 vs. $3,260).

Exhibit 4A shows the total contributions, monthly benefit, monthly benefit as a percentage of contributions, and estimated value of the monthly benefit in 2019 dollars for all cohorts in Pension Plan #4.

Exhibit 4A

Hire Date	Retirement Date	Total Contributions	Monthly Benefit	Monthly Benefit as a Percentage of Contributions	Estimated Value of Monthly Benefit in 2019 Dollars
1979	2009	$ 109,908	$ 2,734	2.5%	$ 3,260
1989	2019	192,816	3,240	1.7%	3,240
1999	2029	285,498	3,599	1.3%	2,812
2009	2039	347,886	3,532	1.0%	2,156
2019	2049	367,740	3,677	1.0%	1,753

Exhibit 4B shows the Plan's hourly contribution rate versus wage inflation. The contribution rate increased slightly faster than wage inflation through 2003, at which point it increased significantly faster than wage inflation.

Exhibit 4B

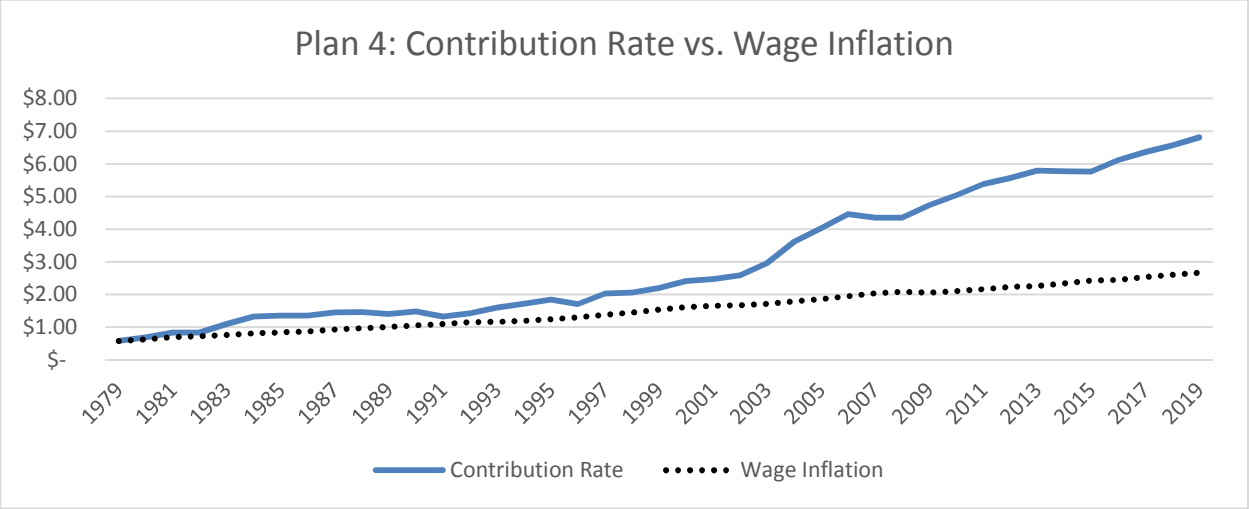
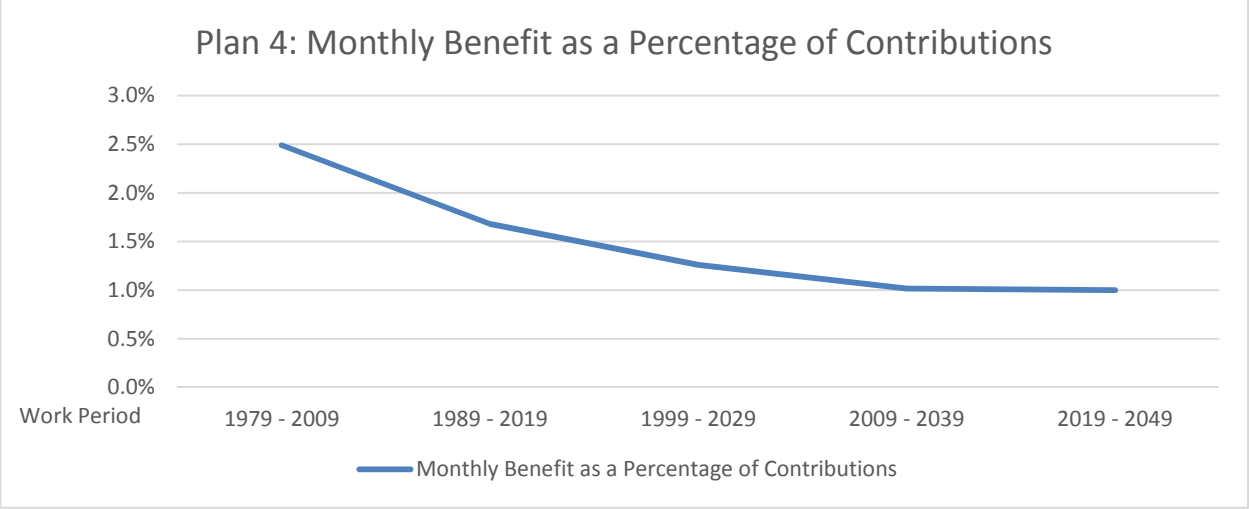


Exhibit 4C shows the Plan's monthly benefit as a percentage of contributions over time. Taken together, Exhibits 4B and 4C show that benefit levels have decreased over time as contribution rates have increased at a rate faster than inflation. These exhibits show that Plan #4 has taken significant action to increase contributions and decrease benefits to preserve and improve Plan funded levels – at the expense of current active participants.

Exhibit 4C



Pension Plan #5

An employee who was hired in 1979, participated in Pension Plan #5 for 30 years, and retired in 2009, would have received an estimated benefit of $1,950 per month for life at retirement. In order to fund this benefit, the participant would have forgone approximately $65,070 in wages over their 30-year career.

By contrast, an employee who was hired in 2019, participates in Pension Plan #5 for 30 years, and retires in 2049, is expected to receive a benefit of $1,798 per month for life at retirement. In order to fund this benefit, the participant is expected to forgo approximately $223,560 in wages over their 30-year career.

The monthly benefit as a percentage of contributions for the participant who began their career in 2019 is a mere 27% of the corresponding amount for the participant who began their career in 1979 (0.8% vs. 3.0%).

When expressed in 2019 dollars, the estimated value of the monthly benefit payable to the participant who began their career in 2019 is about 37% of the corresponding benefit payable to the participant who began their career in 1979 ($857 vs. $2,325).

Exhibit 5A shows the total contributions, monthly benefit, monthly benefit as a percentage of contributions, and estimated value of the monthly benefit in 2019 dollars for all cohorts in Pension Plan #5.

Exhibit 5A

Hire Date	Retirement Date	Total Contributions	Monthly Benefit	Monthly Benefit as a Percentage of Contributions	Estimated Value of Monthly Benefit in 2019 Dollars
1979	2009	$ 65,070	$ 1,950	3.0%	$ 2,325
1989	2019	102,078	1,896	1.9%	1,896
1999	2029	157,698	1,900	1.2%	1,484
2009	2039	202,968	1,678	0.8%	1,024
2019	2049	223,560	1,798	0.8%	857

Exhibit 5B shows the Plan's hourly contribution rate versus wage inflation. The contribution rate lagged wage inflation through 2017, at which point it increased faster than wage inflation.

Exhibit 5B

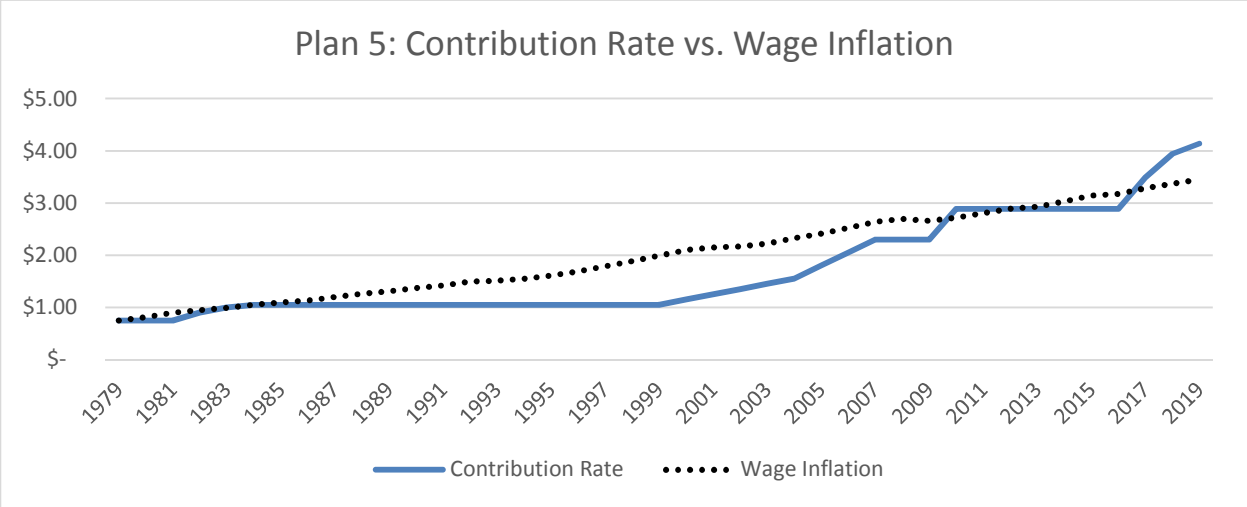
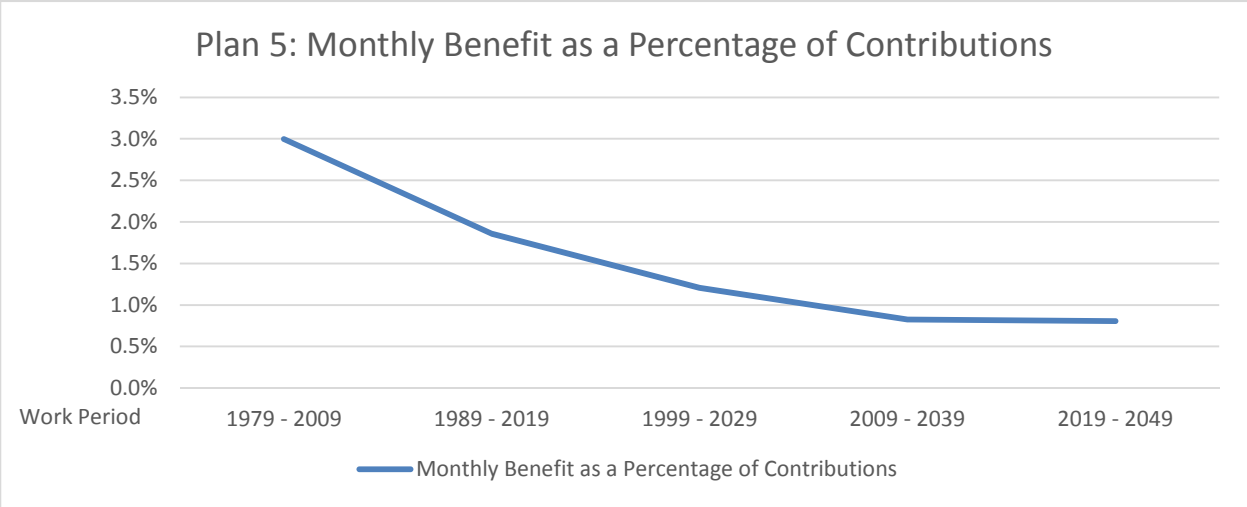


Exhibit 5C shows the Plan's monthly benefit as a percentage of contributions over time. Taken together, Exhibits 5B and 5C show that benefit levels have decreased over time as contribution rates have increased at a rate faster than inflation. These exhibits show that Plan #5 has taken significant action to increase contributions and decrease benefits to preserve and improve Plan funded levels – at the expense of current active participants.

Exhibit 5C



Pension Plan #6

An employee who was hired in 1978, participated in Pension Plan #6 for 30 years, and retired in 2008, would have received an estimated benefit of $2,229 per month for life at retirement. In order to fund this benefit, the participant would have forgone approximately $87,138 in wages over their 30-year career.

By contrast, an employee who was hired in 2018, participates in Pension Plan #6 for 30 years, and retires in 2048, is expected to receive a benefit of $3,443 per month for life at retirement. In order to fund this benefit, the participant is expected to forgo approximately $259,200 in wages over their 30-year career.

The monthly benefit as a percentage of contributions for the participant who began their career in 2018 is a mere 50% of the corresponding amount for the participant who began their career in 1978 (1.3% vs. 2.6%).

When expressed in 2019 dollars, the estimated value of the monthly benefit payable to the participant who began their career in 2018 is about 63% of the corresponding benefit payable to the participant who began their career in 1978 ($1,682 vs. $2,658).

Exhibit 6A shows the total contributions, monthly benefit, monthly benefit as a percentage of contributions, and estimated value of the monthly benefit in 2019 dollars for all cohorts in Pension Plan #6.

Exhibit 6A

Hire Date	Retirement Date	Total Contributions	Monthly Benefit	Monthly Benefit as a Percentage of Contributions	Estimated Value of Monthly Benefit in 2019 Dollars
1978	2008	$ 87,138	$ 2,229	2.6%	$ 2,658
1988	2018	135,306	2,418	1.8%	2,456
1998	2028	197,820	2,897	1.5%	2,320
2008	2038	239,364	3,189	1.3%	1,995
2018	2048	259,200	3,443	1.3%	1,682

Exhibit 6B shows the Plan's hourly contribution rate versus wage inflation. The contribution rate kept pace with wage inflation through 1995, at which point it increased faster than wage inflation. The increases became more pronounced starting around 2009.

Exhibit 6B

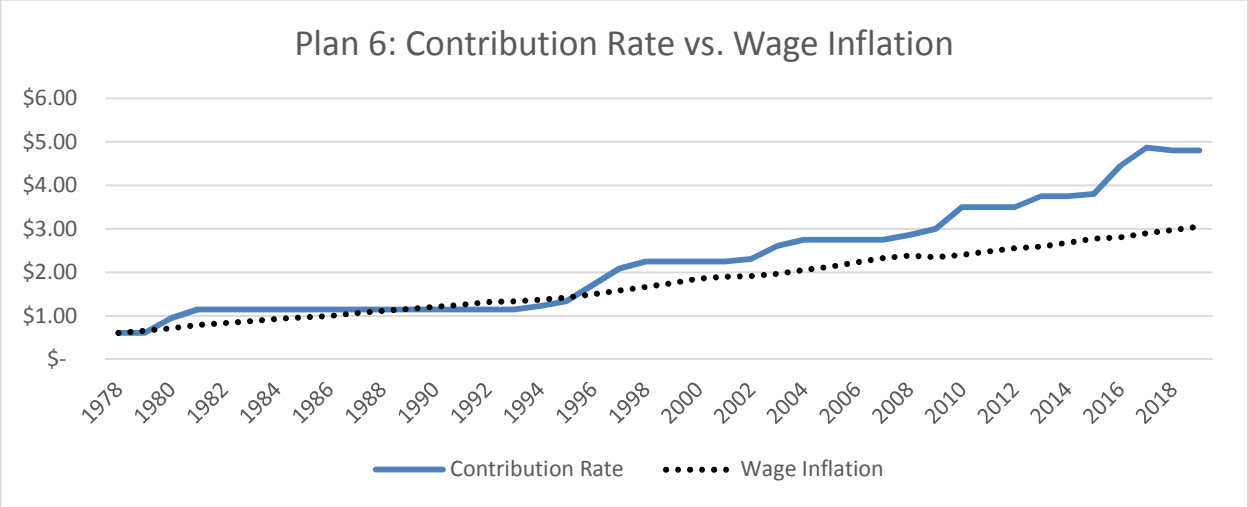
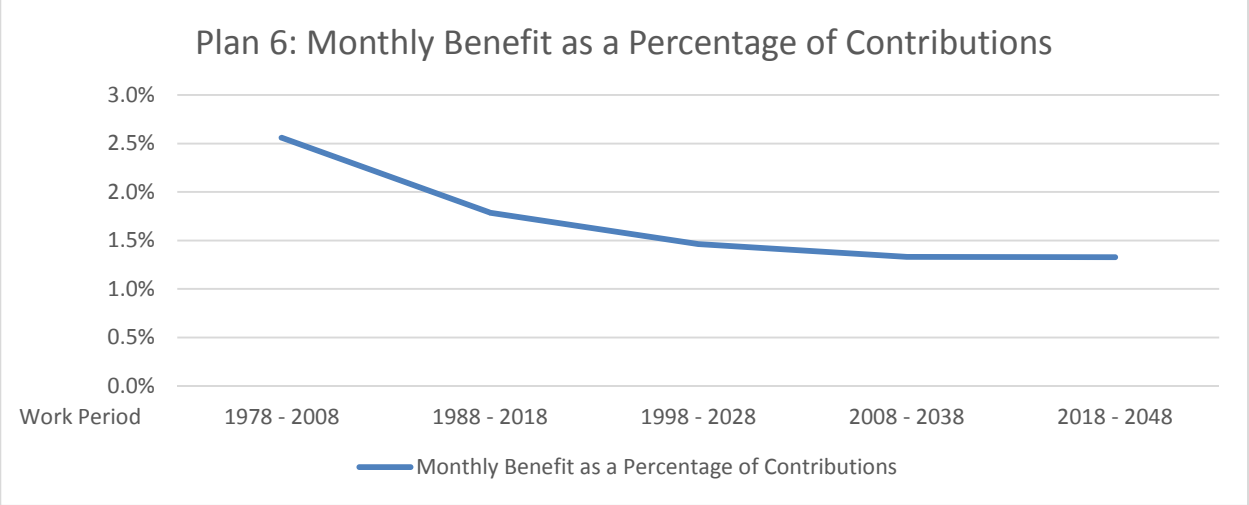


Exhibit 6C shows the Plan's monthly benefit as a percentage of contributions over time. Taken together, Exhibits 6B and 6C show that benefit levels have decreased over time as contribution rates have increased at a rate faster than inflation. These exhibits show that the Trustees of Pension Plan #6 have taken significant actions to increase contributions and decrease benefits to preserve and improve Plan funded levels – at the expense of current active participants.

Exhibit 6C



Pension Plan #7

An employee who was hired in 1975, participated in Pension Plan #7 for 30 years, and retired in 2005, would have received an estimated benefit of $3,100 per month for life at retirement. In order to fund this benefit, the participant would have forgone approximately $124,848 in wages over their 30-year career.

By contrast, an employee who was hired in 2015, participates in Pension Plan #7 for 30 years, and retires in 2045, is expected to receive a benefit of $4,230 per month for life at retirement. In order to fund this benefit, the participant is expected to forgo approximately $392,436 in wages over their 30-year career.

The monthly benefit as a percentage of contributions for the participant who began their career in 2015 is a mere 44% of the corresponding amount for the participant who began their career in 1975 (1.1% vs. 2.5%).

When expressed in 2019 dollars, the estimated value of the monthly benefit payable to the participant who began their career in 2015 is about 54% of the corresponding benefit payable to the participant who began their career in 1975 ($2,226 vs. $4,092).

Exhibit 7A shows the total contributions, monthly benefit, monthly benefit as a percentage of contributions, and estimated value of the monthly benefit in 2019 dollars for all cohorts in Pension Plan #7.

Exhibit 7A

Hire Date	Retirement Date	Total Contributions	Monthly Benefit	Monthly Benefit as a Percentage of Contributions	Estimated Value of Monthly Benefit in 2019 Dollars
1975	2005	$ 124,848	$ 3,100	2.5%	$ 4,092
1985	2015	194,346	3,727	1.9%	4,015
1995	2025	277,326	4,257	1.5%	3,671
2005	2035	359,946	4,298	1.2%	2,895
2015	2045	392,436	4,230	1.1%	2,226

Exhibit 7B shows the Plan's hourly contribution rate versus wage inflation. The contribution rate outpaced wage inflation through 1989, lagged wage inflation through 2007, and increased significantly faster than wage inflation beginning around 2008.

Exhibit 7B

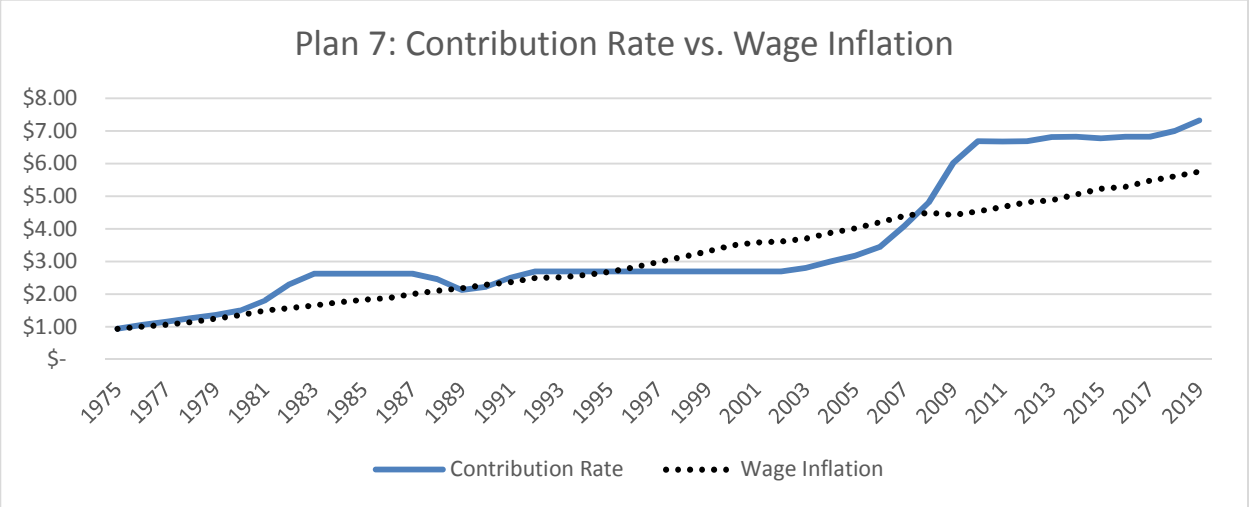


Exhibit 7C shows the Plan's monthly benefit as a percentage of contributions over time. Taken together, Exhibits 7B and 7C show that benefit levels have decreased over time as contribution rates have increased at a rate faster than inflation. These exhibits show that the Trustees of Pension Plan #7 have taken significant actions to increase contributions and decrease benefits to preserve and improve Plan funded levels – at the expense of current active participants.

Exhibit 7C