

# Detroit Carpenters Pension FAQ

March 15, 2021

As you know, the federal government has passed the American Rescue Plan which includes funding for some multi-employer pensions. **This is an incredible victory for our union and for working people all over the United States.** Below are answers to frequently asked questions about what this means for the Detroit Carpenters Pension Plan.

## **Is the Detroit Carpenters Pension Plan eligible for relief under the American Rescue Plan?**

Yes. There are several criteria to determine if plans are eligible. Our plan is eligible because it is in critical and declining status.

## **When we will apply for this relief?**

As soon as we can. The federal government has not yet written all of the regulations for how this pension relief will be carried out. The government has 120 days to issue the regulations that will govern how the program will be implemented. We should know more about the application process in July.

Having a 120-day deadline to write the regulations to implement this program is great news. It shows the Biden administration's commitment to solving this problem now.

## **Does this mean we will withdraw our MPRA application?**

The trustees of the Detroit Carpenters Pension Plan do not plan to withdraw our MPRA application yet for two very strategic reasons.

- The first is that the American Rescue Plan has specific language that prioritizes pensions which have been approved for and implemented MPRA.
- Additionally, even if we were approved for MPRA, that doesn't mean that we would have to implement MPRA reductions.

So by not withdrawing our MPRA application, our application for pension relief could be expedited. That means that withdrawing our MPRA application now is unnecessary and may end up delaying our application for relief.

## **Will the federal government approve our MPRA cuts?**

It remains possible but again, the federal government is making the rules. They

may rule that our MPRA application is no longer relevant because of the passage of the American Rescue Plan. Right now, we just don't know enough to take any action but we know that our plan is eligible for relief and we know that we will apply for relief as soon as we can. We also know that just because our cuts get approved does not mean we have to implement them.

**How will our pension receive this relief from the federal government?**

Under the current guidelines, we would receive this relief as a lump sum.

**How many other pensions are applying for this relief and do we need to worry that the federal government will run out of money?**

We estimate that there are 1.5 – 1.7 million pension participants nationwide who will be eligible for this relief. The American Rescue Plan does not specify a set amount of money to rescue these pensions and the Biden administration has made it clear that they want to support multi-employer pensions. We are not worried that the federal government will run out of money before we get relief.

**How much money will we receive?**

The legislation specifies that relief pays for promised benefits for the next 30 years.

We are not yet sure how much money that is because our actuaries are working on those numbers now.

**Does this mean we will be able to make plan changes like lowering the retirement age or restoring the adjustments made in 2013 under the Pension Protection Act?**

We do not know but we suspect that it will be some time before we can start talking about plan changes. The PBGC and the Department of Treasury will ultimately determine if are able to make any plan changes. If regulations allow such adjustments, we will let you know.

**I missed the Tele Town Hall on March 14, 2021. Can I listen to a recording?**

We do not make recordings of our Tele Town Halls public in order to protect the privacy of participants who ask questions.

**Is the Michigan Carpenters Pension Plan eligible for relief under the American Rescue Plan?**

No, we do not believe the Michigan Carpenters Plan, which covers the greater Michigan area, is eligible. But, if there is an opportunity to strengthen the Michigan Carpenters Plan under this legislation, we'll be the first ones to tell you about it.