



# NATIONAL RIGHT TO WORK NEWSLETTER

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## Big Labor State Politicians Pummel Taxpayers *Victims Include Vehicle Owners, Policyholders, Online Shoppers*

According to the nonpartisan, Washington, D.C.-based Tax Foundation, residents of forced-unionism Illinois have been forking over roughly 31% of their aggregate personal income this year in federal, state and local taxes.

The Tax Foundation's analysis shows that the total tax burden per Illinoisan is higher than in 43 other states, including all 27 of the Right to Work states.

But Democrat Gov. J.B. Pritzker and other union-label politicians in the Prairie State insist Illinois taxpayers' burden isn't heavy enough.

And in June, Mr. Pritzker signed into law three Big Labor-backed budget bills that are projected to increase extractions

from taxpayers by \$4.7 billion a year once they are all in effect.

### Practically Every Illinois Household Is Already Paying Higher Taxes

Just last year, while campaigning to become Illinois's chief executive with Big Labor's enthusiastic support, Mr. Pritzker gave his state's citizens the false impression that only a relatively small number of high-income households would be directly targeted by his tax scheme.

"Of course, the actual package of 21 tax and fee hikes adopted in 2019 turns out to be very different from the 2018

campaign rhetoric," commented National Right to Work Committee President Mark Mix.

"Practically all Illinois households, including households headed by unionized workers whose forced dues and fees bankrolled pro-Pritzker get-out-the-vote efforts across the state, are already paying higher taxes.

"For example, on July 1 the statewide gas tax doubled from 19 cents to 38 cents a gallon, making Illinoisans' total gas-tax burden the second-highest in the nation. Automatic additional increases are projected to raise the gas tax by another 18% over the next six years.

"Vehicle registration fees for many drivers are going up by roughly 50%. And fees for owners of electric vehicles are going up by 1,400%, to \$500 a year!

"Another hefty tax increase hits managed health-care insurance companies, who will often have no choice but to pass on the cost to consumers. Yet another requires that local sales taxes in addition to state sales taxes be automatically added on to the cost of online purchases made by Illinoisans."

### Moody's Has Estimated Unfunded Pension Liabilities of Nearly a Quarter Trillion

Even as they increased Illinois taxpayers' already heavy burden, Big Labor politicians continued, practically speaking, to ignore the single greatest problem facing their state: unfunded liabilities for the pensions of overwhelmingly unionized government employees.

Using a discount rate close to that used by corporations, Moody's Investors



Big Labor Gov. J.B. Pritzker (pictured with state teacher union czarina Kathi Griffin, a close political ally) is hiking taxes on all kinds of Illinoisans, including unionized workers whose forced dues and fees helped put him in office.

Credit: J.B. Pritzker on Twitter

See Turnaround page 2

# Turnaround Still Possible

*Continued from page 1*

Services has estimated that Illinois's unfunded pension liabilities are currently \$234 billion.

"Liabilities are growing despite enormous annual outlays by state taxpayers to shore up the pension funds," said Mr. Mix.

"In FY 19, Illinois taxpayers contributed in excess of \$10 billion, or more than a quarter of the state budget, to cover state-worker retirement debts.

"And the Illinois government projects that pension costs alone will continue to consume a full quarter of the dollars forked over by state taxpayers over the next 25 years."

## To Save the State, Big Labor Monopoly Privileges Must Be Revoked

The reality is even worse than that, according to an analysis this May by journalists Ted Dabrowski and John Klingner for *WirePoints*, a Wilmette, Ill.-based news and commentary outlet.

"When the state's debt costs are more properly and honestly accounted for, Illinois ends up beyond crisis levels," wrote Mr. Dabrowski and Mr. Klingner.

"It would take nearly half of Illinois's [then] \$38 billion budget to pay the true costs of the state's retirements.

"Simply put, Illinois is insolvent under most realistic financial measures."

"To salvage Illinois's fiscal future," said Mr. Mix, "it is absolutely necessary that, in the near future, public officials reform future accruals of government pension benefits for employees who have already been hired as well as for those who haven't been hired yet.

"Already-earned benefits could be protected.

"Unfortunately, because of rulings by the Illinois Supreme Court, the people must first amend the state constitution to empower public officers to modify government pension benefits before they are even earned.

"And once the so-called 'pension protection' constitutional provision is amended, union bosses will still be able to wield their monopoly bargaining power under Illinois state law to block common-sense reforms in the way public employees are compensated.

"Therefore, to save Illinois, it will also be necessary for lawmakers to remove government union bosses' monopoly-bargaining power over employee pay,

benefits, and work rules."

Given that Big Labor has dominated Illinois politics for decades, prospects for genuine, dramatic reforms in the state capital may seem slim, acknowledged Mr. Mix.

## Janus Decision Threw Out A Lifeline to Fiscally Troubled States Like Illinois

Fortunately, just last summer, the U.S. Supreme Court threw out a lifeline to fiscally troubled Organized Labor stronghold states like Illinois, New Jersey and Connecticut with its landmark decision in *Janus v. American Federation of State, County and Municipal Employees Council 31*.

In *Janus*, the High Court ruled in favor of independent-minded Illinois civil servant Mark Janus. The case was argued and won by National Right to Work Legal Defense Foundation staff attorney William Messenger.

*Janus* determined that extracting forced fees for union advocacy from public employees as a job condition violates the First Amendment.

"This was primarily a victory for individual rights. Its potential impact on state budgets is also vast," said Mr. Mix, who heads the Right to Work Foundation as well as the Committee.

"Although actual implementation of *Janus* is still a work in progress, and is going to require lots of determination, this decision is already giving lawmakers in state after state an opportunity to reassert control over public pension obligations and protect taxpayers.

"In Illinois, this could happen relatively soon, if voters reject the 60% hike in the state's maximum income tax rate union-label legislators have put on the November 2020 ballot at Mr. Pritzker's behest.

"If fed-up citizens refuse, come Election Day next year, to allow Springfield politicians to pile a massive personal income-tax hike on top of the \$4.7 billion in new taxes and fees they have already adopted, it will send them a clear message:

"Out-of-control spending must be reined in, or basic public services will be threatened.

"With a catastrophe staring them in the face, at least a significant share of Illinois state legislators may recognize that the time is up for a number of erstwhile sacred cows, including government union bosses' 36-year-old statutory monopoly-bargaining privileges." 📣

## Illinois' true retirement costs would consume nearly 50 percent of the budget FY 2019 state budget, (in billions)

Retirement payments	Current amounts	"True" amounts
General fund pension contribution	\$7.5	\$12.5
Pension obligation bond payment	\$1.6	\$1.6
Retiree health insurance payment*	\$1.0	\$4.0
<b>Total retirement costs</b>	<b>\$10.1</b>	<b>\$18.1</b>
<b>Total state general revenues</b>	<b>\$38.4</b>	<b>\$38.4</b>
<b>Share of budget</b>	<b>26%</b>	<b>47%</b>

Source: Commission on Government Forecasting and Accountability; Governor's Office of Management and Budget, FY 2020 Budget Book

\*Based on growth of retiree health's state contributions and ARC payments from '08-'16

Note: Wirepoints' calculations of retirement debt differs from JP Morgan. Wirepoints includes POB payments and excludes interest on net direct debt.



Credit: www.wirepoints.org

Illinois is struggling to make more than \$10 billion annually in required payments to retirement funds for overwhelmingly unionized government employees. But it's effectively impossible for taxpayers to keep Big Labor politicians' pension promises.

# 'Peak Earners' Ditch Forced-Dues States

## *Choose to Live Where They Can Better Provide For Their Families*

Union propagandists often grossly understate, or altogether “forget” about, regional cost-of-living differences when they are debating living standards in Right to Work states vs. forced-unionism states.

Downplaying or ignoring this key issue makes it easier to hide the economically disastrous effects of compulsory unionism.

But no matter how vociferously Big Labor tries to insist that corraling workers into monopolistic unions somehow makes them richer, there is one unimpeachable fact that union spokesmen have extraordinary difficulty explaining away:

When they have a choice, working-age people prefer not to live in forced-unionism states.

### **Over the Past Decade, Forced-Dues States' Peak-Earning-Year Population Fell by 7.9%**

Considered together, age-grouped state population data for 2018 released by the U.S. Census Bureau to the general public on June 20 and comparable data for 2008 tell an important story.

They show that, over the past decade, the total population of people in their peak-earning years (aged 35-54) for the 23 states that have yet to adopt and implement a Right to Work law, barring the termination of employees for refusal to bankroll an unwanted union, fell from 44.78 million to 41.26 million.

That represents a decline of roughly 3.5 million, or 7.9%.

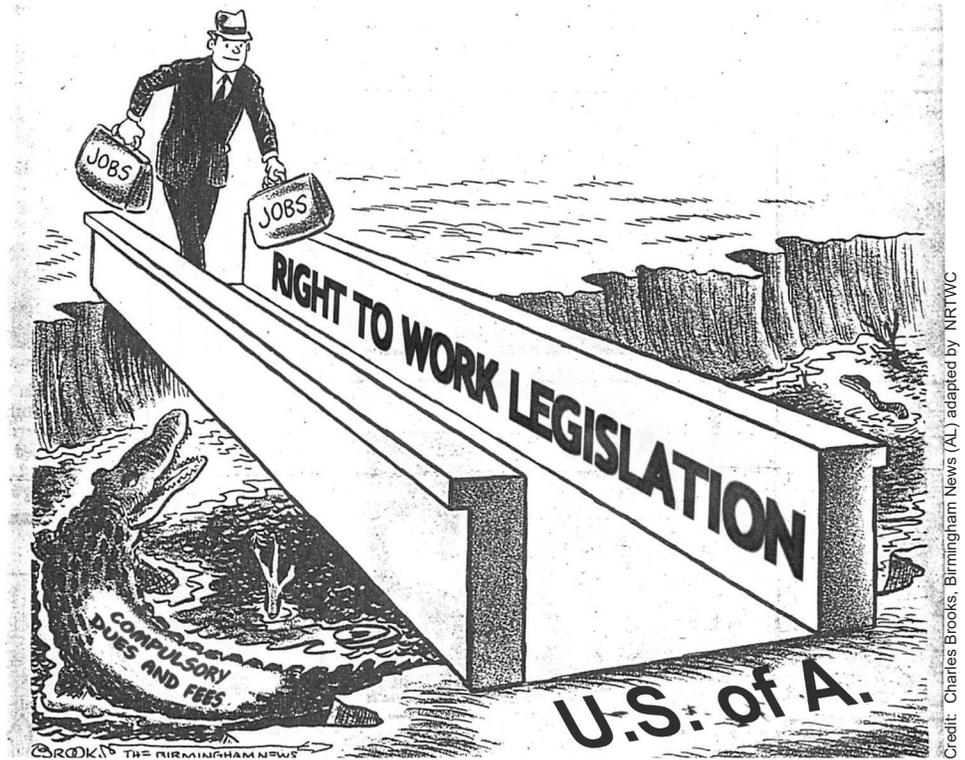
Nationwide, the peak-earning-year population fell by 4.6% from 2008 to 2018 as a consequence of the aging of the Baby Boomers, but in the 22 states that had Right to Work laws on the books the whole time, there was no overall net decline at all.

And the correlation between forced-unionism status and peak-earning-year population decline is quite robust.

Among the 44 states that were either Right to Work or forced-unionism for the whole period from 2008 to 2018, the 12 states experiencing the most severe percentage losses are: Alaska, Connecticut, Illinois, Maine, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Vermont. They are all forced-unionism.

Fifteen of the 17 bottom-ranking states are non-Right to Work.

Had the decline in the 23 states that still



**Thanks to the impact of the 27 current Right to Work laws, which protect roughly half of all American employees, the U.S. attracts many additional opportunity-creating business investments from around the world.**

don't have Right to Work laws today been only as severe as the national average, they would have had roughly 1.5 million more residents in their peak-earning years as of 2018.

### **Cost of Living-Adjusted Income Per Capita More Than \$1,300 Higher in Right Work States**

National Right to Work Committee Vice President John Kalb commented:

“The obvious and correct explanation for the Census Bureau data is that breadwinners, along with their families, are fleeing forced-unionism states in droves.

“Working men and women find again and again that they cannot provide as well for their families in such states as they can in Right to Work states, with their generally higher real incomes and lower living costs.”

Mr. Kalb pointed to U.S. Commerce Department data, adjusted for regional differences in cost of living with an index calculated by the nonpartisan Missouri Economic Research and Information Center.

They show that, in 2018, the four lowest-ranking states for disposable income per capita all lacked Right to Work laws. They also show the average cost of living-adjusted disposable income per capita in Right to Work states last year was \$45,587, more than \$1,300 higher than the forced-unionism average.

Mr. Kalb commented: “Union bosses know full well that large compulsory-unionism states like California and New York are far more expensive than the national average. But they can't admit it in the context of the Right to Work debate, without torpedoing their economic argument.

“And higher living costs and slow job growth are not the only economic ills pushing breadwinners in forced-unionism states to seek better opportunities in Right to Work states.

“Another albatross for forced-dues states is nearly \$23,200 per capita in unfunded liabilities of public pension plans, according to data published in a recent American Legislative Exchange Council analysis. That's a per capita burden nearly \$10,000 more severe than the average for Right to Work states.”

# ‘You’re Losing More Than You’re Gaining’

## Former Union Militant Admits Recent Strike Has Hurt Teachers

As the 2018-2019 school year drew to a close late this spring, rank-and-file teachers in Oakland, Calif., who had heeded Big Labor’s strike siren song this winter finally learned how much their unauthorized absences from the classroom would cost them.

A number of teachers were reportedly shocked to learn their losses were greater than the gains they thought they had reaped.

According to a June 12 news account by journalist Lily Jamali for KQED, a San Francisco-based public radio station, one of the flabbergasted teachers was Raymond Pulliam.

### Teachers ‘May Not Have Been Prepared for the Type of Losses That They Received’

Mr. Pulliam, at the time the teacher of a third- and fourth-grade combination class at Parker Elementary School in Oakland, had been a “strike captain who encouraged fellow teachers to go on strike in February,” reported Ms. Jamali.

He expected he and his colleagues would benefit financially from the walkout.

But now he estimates, he and others lost “about a third” of their earnings “for one pay cycle,” that is, “a few thousand dollars.”

As Mr. Pulliam admitted to Ms. Jamali, he had begun to have “misgivings” about his actions as a strike organizer:

“I felt as if I was taking my soldiers into a winless fight. . . . Yes, we all took a financial hit. I feel so sorry about those who also took that hit, but may or may not



Credit: Photo originally published by KQED radio (San Francisco), courtesy of Raymond Pulliam.

**California teacher Raymond Pulliam helped organize a public school strike. He now sees it was a “winless fight.”**

have been prepared for the type of losses that they received.”

His bitter experience as a strike captain and the “disappointing” deal union bosses ultimately struck with the school district both “played into” the recent decision he and his family made to pull up stakes:

“All of the things that I experienced during the strike [are] a microcosm of what’s happening across [forced-unionism] California. . . . You’re losing more than you’re gaining. We decided that we need to get out of this web and move to where things make more sense.”

### Top Teacher Union Bosses Praise K-12 School Strikes, Including Illegal Ones

National Right to Work Committee President Mark Mix commented:

“The vast majority of Americans recognize that schoolchildren, parents and taxpayers are hurt when government union bosses call teachers out on strike, regardless of whether the strike is formally barred by state law, as it often is, or legally permitted, as is the case in Big Labor-ruled California.

“Unfortunately, top teacher union bosses have, despite the havoc wrought by the recent wave of K-12 school strikes in California and a number of other states, repeatedly praised such job actions, even as Big Labor routinely denies responsibility for those that are illegal.

“For example, at the conclusion of a flagrantly political strike that shut down the Los Angeles Unified School District for seven days this January, National Education Association [NEA] union President Lily Eskelsen Garcia gushed:

“What we are witnessing is not a moment but a movement . . . by educators who are fighting for the public schools our students deserve.”

“The fact is, union bosses openly order or quietly instigate strikes to advance their institutional interests.

“As the late national teacher union boss Al Shanker once acknowledged, it’s a ‘fact of life’ that there is no ‘voice for students’ in Big Labor collectivism. That’s true of school strikes, especially.

“And, as Raymond Pulliam and many of his colleagues recently learned, rank-and-file teachers don’t come out on top in strikes, either.”

### State Bans on Union Monopoly Bargaining Protect Public Educators

Mr. Mix noted it is significant that the state to which Mr. Pulliam and his family opted to move, Right to Work Virginia, is one of just seven where union monopoly bargaining over public educators’ pay and other terms and conditions of employment is barred by statute or by case law:

“As Raymond Pulliam succinctly put it, ‘things make more sense’ in states like Virginia, where teachers cannot be forced to bankroll a union or cede control over their pay, benefits, and work rules to union officials.

“Right to Work members agree, and that’s why they continue to fight to expand such protections for teachers and other employees to additional states.”

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# ‘Secret Judges List’ For Joe or Kamala or Liz

## *Tidal Wave of Anti-Right to Work Judicial Activism After 2020?*

Just a few years ago, a number of vociferous champions of forced unionism were openly contemplating the effective destruction of every state Right to Work law in the country by Big Labor judicial activists on a future U.S. Supreme Court.

For example, in April 2016, former American Federation of Teachers (AFT/AFL-CIO) Deputy Director of Organizing Shaun Richman publicly gloated, in writing, about the potential impact of *International Union of Operating Engineers (IUOE) v. Wasden*, a lawsuit that was then pending before a federal judge in Idaho:

“The result could be that all right-to-work laws are nullified -- and sooner than you might imagine.”

A few months after Mr. Richman made his *Wasden* pitch in the Chicago-based socialist publication *In These Times*, Donald Trump, an avowed Right to Work supporter and advocate of judicial restraint, was elected as America’s 45th President.

With federal judicial appointments suddenly in Mr. Trump’s hands for the next four years, efforts to kill Right to Work in the courts appeared to have been derailed.

However, in 2019, they are back on track.

### **One More Big Labor Judicial Activist on the High Court Could Still Tip the Balance**

At the time Big Labor partisans like Shaun Richman were openly speculating about a possibly imminent “nullification” of all state Right to Work laws, there were only eight justices sitting on the U.S. Supreme Court, rather than the usual nine, as a consequence of the then-recent death of Justice Antonin Scalia.

Four of those High Court members -- Justices Breyer, Ginsburg, Kagan and Sotomayor -- so consistently sided with Big Labor on controversial workplace-policy matters that it seemed very possible they would swallow the *Wasden* plaintiffs’ outrageous claims regarding the supposed impermissibility of Right to Work laws under the Fifth Amendment if they heard them.

Last summer, after Trump appointee Neil Gorsuch had joined the court and made it clear he would not go along with pro-forced unionism judicial activism,



Credit: WJCT-TV (Jacksonville, Fla.)

**Big Labor lawyers like Harvard man Ben Sachs are posed to take a case designed to nullify all state Right to Work laws to the Supreme Court, as soon as they decide the time is ripe.**

IUOE union lawyers withdrew *Wasden*.

But Justices Breyer, Ginsburg, Kagan and Sotomayor all remain on the Supreme Court today, and all evidently remain just as committed to assisting Big Labor by twisting the law as they ever were.

“The unexpected election of Donald Trump as President only temporarily set back the anti-Right to Work scheme by Harvard law professor Ben Sachs, the *Wasden* plaintiffs’ counsel of record, and other union lawyers,” said National Right to Work Committee President Mark Mix.

“One more Big Labor judicial activist on the High Court could still tip the balance and make *Wasden*-like litigation a viable strategy once again.

“And a news article published in the *New York Times* on June 8 shows how union lawyers and their allies are already laying the groundwork for a Big Labor judicial takeover after 2020.”

### **Big Labor and Its Cohorts Won’t Be Making ‘Their Recommendations Public’**

*Times* Washington correspondent Carl Hulse reported on “Building a Bench,” a secretive initiative spearheaded by virulent Right to Work opponent Nan Aron, the president of the Washington, D.C.-based Alliance for Justice.

According to Mr. Hulse, along with the Alliance for Justice, a number of labor union officials in addition to other heads of “liberal advocacy groups” are “underwriting and supporting” the

Building a Bench initiative.

The focus of this project is to “recommend possible successors” for federal judges, including Supreme Court justices, who retire or pass away after 2020.

The Building a Bench list of potential judicial appointees is intended to be a “guide” for a future, pro-forced unionism presidential administration.

In stark contrast to the pro-Right to Work Federalist Society, which helped then-candidate Donald Trump compile a list of potential U.S. Supreme Court nominees during his 2016 campaign, the parties involved in the Building a Bench project “do not intend to make their recommendations public.”

### **Union Bosses Need a Judicial ‘Hail Mary’ Play**

Mr. Mix commented: “With the leadership of the National Right to Work Committee, five new state Right to Work laws have been adopted and taken effect, just since 2012.

“A majority of states now have Right to Work laws. And thanks to the Supreme Court’s 2018 ruling in *Janus*, argued successfully by Right to Work attorney Bill Messenger, public employees in all 50 states are now protected from forced union financial support.

“Big Labor needs a judicial ‘Hail Mary’ play. And that could indeed happen, depending on the outcome of the 2020 elections.” 🔔

# Tennessee Autoworkers' Vote Enrages Union Dons

## *Big Labor Loudens Demands For New Privileges For Union Organizers*

Throughout their latest campaign, launched in early April, to secure monopoly-bargaining control over Volkswagen (VW) employees in Chattanooga, Tenn., United Auto Workers (UAW) union bosses enjoyed important structural advantages.

Because they had ready access to a massive war chest that is stocked largely with workers' compulsory dues and fees, UAW officials were able to greatly outspend opponents of monopolistic unionism on PR.

Immediately before and during the June 12-14 unionization vote, the radio and TV airwaves in Chattanooga were flooded with Big Labor-funded ads vilifying VW and lauding workplace collectivism.

As rabidly pro-forced unionism journalist Chris Brooks acknowledged in an electoral post mortem for *Labor Notes*, "The union even had video messages running on the pumps at gas stations near the plant."

Another major factor working in the UAW hierarchy's favor was that VW, as an international company whose worldwide production workforce is overwhelmingly unionized, clearly feared repercussions if its Tennessee managers directly asked employees to vote against UAW monopoly control.

Consequently, company messages to front-line Chattanooga workers about the potential detriments of unionization were elliptical, whereas the UAW pitch about the supposed benefits was blunt and

unapologetic.

Unfortunately for UAW bosses, their huge advantages turned out in the end to be not quite sufficient to overcome workers' skepticism regarding a union that was recently named by the FBI as a "coconspirator" in a scheme to loot a multimillion-dollar worker training fund.

And over the course of the 10-week campaign prior to the vote, workers also had the opportunity to learn about UAW officials' long record of foisting counter-productive, job-destroying work rules on motor-vehicle workers and firms.

### **Workers Learned About UAW Brass' Long Record of Job Destruction**

National Right to Work Committee Vice President Matthew Leen commented:

"Big Labor bosses believe it's 'unfair' that VW managers and other citizens informed Chattanooga autoworkers prior to the vote about the fact, for example, that former UAW Vice President Norwood Jewell had pleaded guilty in April to accepting tens of thousands of dollars in meals and golf trips from Fiat Chrysler.

"Outraged union officials also don't think anyone should have been allowed to talk to VW rank-and-file employees about the fact that, this year, General Motors is in the process of shuttering five of its North American plants, all of which employ or used to employ UAW-'represented' workers."

Unfortunately, if S.1306/H.R.2474, a Big Labor legislative power grab that is pending in the U.S. Congress and already publicly backed by more than 200 senators and House members, becomes law, union bosses will have a far easier time keeping workers in the dark throughout future organizing campaigns.

Introduced in both chambers of Congress on May 2, S.1306/H.R.2474 has been cynically mislabeled by its champions as the "Protecting the Right to Organize" Act, or PRO Act.

Its lead sponsors are Big Labor Sen. Patty Murray (D-Wash.) and union-label Congressman Bobby Scott (D-Va.). Mr. Scott is chairman of the House Education and Labor Committee.

"The PRO Act is a smorgasbord of special-interest delights for the union hierarchy," explained Mr. Leen.

"Its single most outrageous provision would amend the National Labor Relations Act to empower union bosses in all 50 states, including the 27 erstwhile Right to Work states, to force employees to pay union fees against their will."

### **Radical Bill's Senate Cosponsors Include Bernie Sanders and Kamala Harris**

"And that's just for starters," continued Mr. Leen.

"Another provision would empower National Labor Relations Board bureaucrats, unilaterally, to overturn secret-ballot votes, handing workers over to Big Labor without so much as a repeat election.

"Yet another provision would effectively prohibit employers from informing their own employees about the potential downsides of unionization.

"In the wake of UAW bosses' stinging defeat in Chattanooga a few weeks ago, Big Labor is reportedly pushing harder than ever for passage of the PRO Act.

"Among this radical bill's Senate sponsors are a number of 2020 Democrat presidential hopefuls, including Sens. Bernie Sanders [I-Vt.], Kamala Harris [D-Calif.], and Elizabeth Warren [D-Mass.].

"This scheme is a brazen attack on the personal freedom of American employees. Right to Work members will do everything possible to ensure it never becomes law, and to hold politicians who support it accountable." 



In June, Right to Work staff attorney Bill Messenger delivered congressional testimony against the so-called "PRO Act," legislation that would greatly intensify federal labor law's bias against individual employee rights.

# Multiemployer Pension Disaster

*Continued from page 8*

losing up to 60% of their benefits starting February 1, 2017.

Or they could vote potentially to lose all their pension benefits when Local 17's grossly underfunded pension plan ran out of money in 2024.

Not surprisingly, a majority of Local 17—"represented" workers who voted reluctantly backed severe pension cuts for all but the most elderly and/or infirm among them, rather than risk losing all of their pension benefits.

According to an analysis by the Washington, D.C.-based Pension Rights Center, there were 336 Local 17 retirees who experienced cuts of 30% to 60%.

In the two-and-a-half years since the Iron Workers Local 17 retirement fund took advantage of the MPRA to slash benefits, thousands and thousands of additional unionized workers and retirees have been subjected to pension cutbacks under the same law.

Today well over a million more unionized active employees and pensioners know their retirement benefits could soon be targeted for major, MPRA-authorized reductions.

They are naturally worried.

Meanwhile, Big Labor is trying to deflect the blame for a huge problem it played a central role in creating by pointing the finger at President Trump.

## 'A Lack of Big Labor Accountability Is the Common Theme'

Pro-forced unionism Inside-the-Beltway politicians like Bernie Sanders, Vermont's junior senator and a 2020 presidential hopeful, are demanding that Mr. Trump, and Republicans in Congress, back a bailout of MEPPs, primarily through low-cost, subsidized loans that are guaranteed by taxpayers.

If they refuse, falsely claim Mr. Sanders and other union boss-puppet politicians, they will be responsible for whatever happens after funds like Central States go bust.

In June, the Big Labor-controlled Education and Labor Committee green-lighted H.R.397, the cynically mislabeled "Rehabilitation for Multiemployer Pensions Act," or "RMPA," in a 26-18 vote.

National Right to Work Committee Vice President Mary King commented:

"At first blush, it might seem surprising

that many of the same forced-unionism politicians who supported the MPRA in 2014 are now backing the RMPA.

"The MPRA empowers union operatives and other officers of grossly mismanaged MEPPs to cut retirement benefits without ever having to file for bankruptcy.

"The RMPA gambles tens of billions of dollars in taxpayer money to keep grossly mismanaged MEPPs afloat, without holding union bosses and any employers who colluded with them responsible for shorting workers out of their contracted compensation.

"The approaches seem different, but a lack of Big Labor accountability is the common theme."

## Many Workers Who Now Face Steep Pension Cuts Aren't Voluntary Union Members

Ms. King continued:

"As retirement policy specialist and current American Enterprise Institute resident scholar Andrew Biggs observed in a perceptive commentary last September, the 'retirees threatened by multiemployer pension insolvency are themselves blameless.'

"Dr. Biggs might have added that many of the workers who now face steep pension cuts never even voluntarily joined the union whose officers are at fault for

benefit-fund mismanagement.

"For these reasons and others, an MEPP bailout of some kind may be inevitable.

"But it would be an insult to taxpayers for Congress to furnish assistance to the workers and retirees MEPPs have victimized without taking concrete, meaningful measures to ensure the MEPP fiasco is not repeated."

## 'It Should Be Clear to Everyone . . . That This Is a Pension Disaster'

One of several safeguards proposed by Dr. Biggs, but unsurprisingly not included in the MPRA or the proposed RMPA, is that "any multiemployer plan seeking federal help should be taken over" by the Pension Benefit Guaranty Corporation, the federal agency charged with overseeing private retirement funds.

"It should be clear to everyone -- pension participants, employers, unions and Congress -- that this is a pension disaster, not business as usual. Putting failing plans in receivership sends that message," explained Dr. Biggs.

"Congress should definitely incorporate safeguards like those Dr. Biggs recommends before passing any legislation to aid MEPP plan participants," said Ms. King.

"And ultimately Congress must end the pro-union monopoly federal labor policies that are largely culpable for the pension shortfalls that will surely be faced by millions of additional unionized workers over the next two decades." 📣



Union-label politicians like 2020 presidential hopeful Bernie Sanders are loudly pressuring President Trump to go along with a scheme to bail out multiemployer pensions, primarily through subsidized, taxpayers-guaranteed government loans.

# House Panel Okays Failing-Union-Pension Bailout

## *Union Dons Who Shortchanged Workers Would Be Let Off the Hook*

Of all the seemingly intractable problems facing lawmakers in Washington, D.C., today, one of the thorniest is what to do about an estimated \$600 billion or more in unfunded pension promises to employees made by “multiemployer” pension plans (MEPPs).

These are private retirement funds that are controlled by Big Labor in partnership with unionized companies.

Hundreds of the roughly 1,400 MEPPs across the country are now in deep trouble primarily for one reason:

For years, the contributions going in, with the amounts directly determined through union monopoly bargaining, were insufficient to pay for the pensions that union bosses and their agents told workers they would provide.

Union-label Democrat politicians are now turning up the pressure on President Donald Trump and Capitol Hill Republicans to go along with a scheme to bail out MEPPs.

And on June 11 the U.S. House Labor and Education Committee rubber-stamped H.R.397, a MEPP bailout sponsored by union-lackey Congressman Richard Neal (D-Mass).

### **Barack Obama’s ‘Parting Gift’ Has Left Many Retirees in the Lurch**

The price many Americans are paying for systematically underfunded MEPPs has only gotten higher in the nearly five years since Barack Obama signed the so-called “Multiemployer Pension Reform Act” (or “MPRA”) of 2014.

By altering 40 years of labor law, the MPRA has paved the way for unprecedented cuts in benefits for current retirees in troubled MEPPs.

The MPRA was rubber-stamped by a “lame duck” Congress during the Christmas season.

This happened only after Mr. Obama and then-Vice President Joe Biden (now a contestant for the 2020 Democrat presidential nomination) both “telephoned Democrats to secure the votes needed for passage of the [omnibus budget] package” into which it had been inserted, according to a contemporaneous Associated Press report.

Under the MPRA, plans that are classified as “critical and declining” are potentially eligible to reduce pension



Credit: Originally appeared in Cleveland Plain Dealer, courtesy of Walt and Pat Overstreet

**When Ohio iron worker Walter Overstreet was working, no one told him his union retirement fund was in trouble. But in 2017, after he had retired, Mr. Overstreet and his wife endured a drastic cut in their benefits.**

benefits by 30% or more.

In public, union bosses try to disavow responsibility for the MPRA.

But the fact is, the MPRA could never have been adopted without the support of multiple unions whose rank-and-file members, as a consequence of this law’s passage, have either already been hit with drastic benefit cuts, or could be in the near future.

### **‘The Question Is When And How [Benefit Cuts] Are Going to Happen’**

In 2013, William Hite, then the general president of the United Association of Plumbers and Pipefitters Industry (UA), endorsed the original blueprint for the MPRA, known as “Solutions, Not Bailouts” (SNB), when it was issued by a commission on multi-employer pension reform.

Mr. Hite exulted that the SNB proposal, essentially identical in key regards to the measure ultimately adopted by Congress, would make “retirement plans more

secure.”

Tom Nyhan, executive director of the Teamster Union’s Central States, Southeast & Southwest Areas Pension Fund, was unapologetic about the fact that the SNB plan would cut retiree benefits sharply:

“We are going -- it’s not a question of if there are going to be benefit cuts.

“There are going to be benefit cuts. The question is when and how they are going to happen.”

In late 2016, the pension fund co-managed by the Cleveland-based Iron Workers Local 17 Union became the first in the U.S. to receive approval from the Obama Treasury Department to slash benefits for its members.

### **Hundreds of Retired Iron Workers Endured Pension Cuts of 30% to 60%**

Consequently, in January 2017, roughly 2,000 forced dues- and forced fee-paying workers in northeastern Ohio faced a Hobson’s choice.

They could cast a vote in favor of

*See Multiemployer page 7*