



September 22, 2016

Charities & Co-ops Agree: **Stop PBGC from Grossly Overcharging our Pension Plans**

PASS the “Retirement Enhancement and Savings Act of 2016”
(Unanimously Passed by the Senate Finance Committee on 9/21/16)

We urge Congress to stop the PBGC from *grossly* overcharging charitable and rural cooperative “multiple-employer” defined benefit plans. In 2014 Congress passed a law recognizing that – by our nature – we pose virtually no risk of default to the PBGC, and yet we continue to pay premiums as if we were such a risk. (See *Cooperative and Small Employer Charity Pension Flexibility Act of 2014 (Pub. L. No. 113-97) (“CSEC”)*).

The core mission of these organizations is to provide food, electricity, communications, and other necessities of life, educate and empower children, and for the sustainable development of the communities in which their millions of members, volunteers and beneficiaries live. However, current PBGC rules designed for “single-employer” for-profit companies inappropriately require us to divert scarce resources from our core missions. The proposal fixes this inequity permanently.

The same facts that led Congress to adjust *funding* rules for CSEC plans strongly support adjusting PBGC *premiums* charged to CSEC plans. Since CSEC plans pose far less risk to PBGC than “single-employer” plans, it does not make sense for CSEC plans to be subject to that premium structure.

It’s time to stop forcing charities and not-for-profit cooperatives from subsidizing the PBGC premiums of “single-employer” for-profit companies. **PBGC’s own data supports reducing premiums for CSEC plans; in fact, PBGC projects making more than a 3,000% profit on CSEC plans for the 2014-2018 period.**

PASS the “Retirement Enhancement and Savings Act of 2016” today!

*Christian Schools International
The Jewish Federations of North America
Girl Scouts of the USA
Boy Scouts of America
UJA–Federation of New York, Inc.*

*Jewish United Fund/Jewish Federation of
Metropolitan Chicago
National Rural Electric Cooperative Assoc.
NTCA–The Rural Broadband Association
Hawkeye Insurance Association
United Benefits Group*

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