



National Rural Electric  
Cooperative Association  
A Touchstone Energy® Cooperative

# FAST FACTS

## Support Rural Co-op Pension Plans

### Co-Sponsor S. 1302, the “Harkin/Roberts” Cooperative and Small Employer Charity (CSEC) Pension Flexibility Act of 2013

#### Senate Staff Contacts

**Sen. Harkin – Michael Kreps (202-224-6572 / michael\_kreps@help.senate.gov)**

**Sen. Roberts – Lauren Stockwell (202-224-6558 / lauren\_stockwell@roberts.senate.gov)**

*Defined-benefit “multiple-employer” pension plans established by not-for-profit cooperatives and charities should not be subject to rules designed for other types of plans.*

**Issue.** Over 880 rural electric cooperatives participate in the defined-benefit “multiple-employer” pension plan sponsored by NRECA, covering over 56,000 employees in 47 states. Co-op employees are the backbone of our core mission to provide, safe, affordable, and reliable “at-cost” electricity.

In the Pension Protection Act of 2006 (Pub L. No. 109-280) (“PPA”), Congress recognized its new pension funding rules were not appropriate for rural cooperative “multiple-employer” defined benefit plans like ours, since by design, these plans pose virtually no risk of default to PBGC. As such, Congress granted these plans a temporary exemption through 2017 to stay under the pre-PPA rules (*See PPA Sec. 104*). Congress later extended this treatment to eligible charities (*See Sec. 202, Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010; Pub. L. No 111-192*).

**Status.** On July 16, 2013, Senate HELP Committee Chairman Tom Harkin (D-IA) and Senator Pat Roberts (R-KS) introduced their bipartisan “Cooperative and Small Employer Charity Pension Flexibility Act” (S. 1302). **Senators Murray (D-WA), Murkowski (R-AK), and Franken (D-MN) joined as original cosponsors of the bill.** S.1302 is also endorsed by Christian Schools International; United Way Worldwide; UJA, United Jewish Appeal, Federation of New York; The Jewish Federations of North America; Girl Scouts of America; NTCA, the Rural Broadband Association; United Benefits Group, and Hawkeye Insurance Association.

S. 1302 is narrowly targeted to permit “multiple-employer” plans of rural cooperatives and charities that are already temporarily excluded from PPA to choose between (1) staying excluded from PPA permanently (as the NRECA Plan wants to do); or (2) enable these plans to jump into PPA in 2014 if they wish to do so. According to publicly disclosed data compiled by PBGC, only 33 multiple-employer plans (covering just over 127,000 active employees) filed their annual required reports with this PPA Sec. 104 designation. A list of these plans is included here.

**NRECA Position. We urge all Senators to co-sponsor S. 1302.** It permanently excludes plans like ours that pose virtually no risk of default to PBGC from PPA’s unnecessary costly mandates; a law that was intended for other types of plans – not us.

For more information

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List of 33 Coop & Charitable Multiple Employer Plans Filing 5500's Under PPA Sec. 104 (Publicly Disclosed Data via PBGC) - June 14, 2013							
(13 Co-ops have 100,776 active employees (78% of all active employees))							
(20 Charities have 27,161 active employees (21.2% of all active employees))							
<u>Sponsor</u>	<u>Co-op or Charity</u>	<u>Active Participants</u>	<u>% of Actives</u>	<u>Retirees</u>	<u>TVs</u>	<u>Total Participants</u>	<u>% of Total</u>
<b>RURAL COOPERATIVES</b>							
National Rural Electric Cooperative Association	Co-op	56,920	44.5%	2,935	4,003	63,858	28.7%
United Benefits Group	Co-op	16,291	12.7%	9,720	9,084	35,095	15.8%
National Telecommunications Cooperative Association	Co-op	13,574	10.6%	1,835	1,862	17,271	7.8%
Growmark Inc.	Co-op	3,941	3.1%	869	1,442	6,252	2.8%
Cooperative Pension / Savings Board	Co-op	3,827	3.0%	1,368	1,547	6,742	3.0%
Dairy Farmers Of America, Inc.	Co-op	1,269	1.0%	5,934	3,729	10,932	4.9%
Southern States Cooperative, Inc. & Subs	Co-op	1,173	0.9%	2,132	2,038	5,343	2.4%
MFA Oil Company	Co-op	1,158	0.9%	740	329	2,227	1.0%
Sunkist Retirement Board	Co-op	943	0.7%	2,380	3,684	7,007	3.1%
Member Cooperatives Of CHS Inc	Co-op	780	0.6%	148	506	1,434	0.6%
Hawkeye Insurance Association	Co-op	524	0.4%	126	161	811	0.4%
Sunkist Retirement Board	Co-op	277	0.2%	191	576	1,044	0.5%
Sunsweet Growers Inc.	Co-op	99	0.1%	68	74	241	0.1%
<b>CHARITIES</b>							
United Jewish Appeal-Federation Of Jewish Philanthropies Of New York	Charity	6,224	4.9%	2,212	2,959	11,395	5.1%
Young Women S Christian Association Retirement Fund, Inc.	Charity	6,185	4.8%	2,173	3,802	12,160	5.5%
Girl Scouts Of The USA	Charity	4,963	3.9%	3,400	5,867	14,230	6.4%
Christian Schools International	Charity	4,415	3.5%	2,368	4,310	11,093	5.0%
Northeast Theatre Corp	Charity	1,057	0.8%	161	604	1,822	0.8%
United Way Of Greater Houston	Charity	848	0.7%	345	886	2,079	0.9%
Jewish Community Federation	Charity	563	0.4%	320	306	1,189	0.5%
United Way Of Central Iowa	Charity	521	0.4%	291	563	1,375	0.6%
Jewish United Fund Of Metropolitan Chicago	Charity	486	0.4%	298	419	1,203	0.5%
United Way Of The Greater Dayton Area	Charity	442	0.3%	107	565	1,114	0.5%
Lincoln Center For The Performing Arts, Inc.	Charity	360	0.3%	118	301	779	0.3%
United Way Of Greater Toledo	Charity	336	0.3%	383	864	1,583	0.7%
United Way Of Greater Richmond & Petersburg	Charity	322	0.3%	217	719	1,258	0.6%
United Way Of Greater Cincinnati	Charity	220	0.2%	288	516	1,024	0.5%
United Way Of Lancaster County	Charity	80	0.1%	70	124	274	0.1%
United Way Of Greater Stark County, Inc.	Charity	73	0.1%	7	83	163	0.1%
Jewish Community Of Louisville, Inc.	Charity	31	0.0%	2	104	137	0.1%
Jewish Federation Of Central NJ	Charity	18	0.0%	2	17	37	0.0%
Greater Miami Jewish Federation Inc.	Charity	17	0.0%	5	28	50	0.0%
Greater Twin Cities United Way	Charity	-	0.0%	383	1,035	1,418	0.6%
<b>TOTALS</b>		<b>127,937</b>	<b>100.0%</b>	<b>41,596</b>	<b>53,107</b>	<b>222,640</b>	<b>100.0%</b>