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Next Taxpayer Bailout Aimed at Failing Union Pension Funds

Employee Free Choice Act is an Attempt to Bring in More Funding for Pension Plans

WASHINGTON, D.C. — The Alliance for Worker Freedom (AWF), a national workers' rights organization, announced the next taxpayer funded government bailout will likely go toward the nation's failing union pension funds. A review of the actuarial reports indicates pensions for half of the nation's 20 largest unions are listed as "endangered" (only 80% funded) or "critical" (less than 65% funded).

"The unions' ulterior motive behind the Employee Free Choice Act (EFCA) is to use the forced binding interest arbitration clause to mandate companies fund the underperforming and underfunded union pension plans," says AWF Executive Director Brian Johnson. **"For companies, the choice is clear: shut down immediately or go out of business due to loss of capital to pay for operating costs by being forced to fund a failing system – it's that easy."**

AWF claims the most deceptive part about this situation is the unions have known about this for close to ten years and have done nothing. Here are some facts:

- **Average union pension has resources to cover only 62% of what is owed to participants**
- **Less than one in every 160 workers is covered by a union pension with the required assets**
- **In a Pension Benefit Guarantee Corporation Rescue, pensioners only get \$12k/year – max**
- **Nothing prevents EFCA from forcing more workers and employers into these funds**

The Service Employees International Union (SEIU), the United Food and Commercial Workers (UFCW), the International Brotherhood of Electrical Workers (IBEW), the Laborers International Union of Northern America (LIUNA), the International Association of Machinists, the United Brotherhood of Carpenters, the International Union of Operating Engineers, and the National Plumbers Association all reportedly have underfunded plans.

On June 30th, the Financial Services Accounting Board (FASB) will issue notices to potentially hundreds-of-thousands of union employees indicating their pensions are only 65% funded or less. FASB has been told this issue is a "national epidemic".

Alliance for Worker Freedom (AWF) special project of Americans for Tax Reform dedicated to the protection of workers rights.
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