

March 19, 2018

To: NRLN DuPont Retirees Chapter

From: Jim Odle, Chapter President

Subject: **NRLN Annual Leadership Conference Trip Report**

I attended the NRLN Spring Leadership Conference in Washington, DC on March 12-13, 2018. On Monday afternoon we heard informative presentations relating to retiree benefits and income security. On Tuesday and Wednesday NRLN members visited members of Congress to advocate for legislation to protect retiree benefits. Below is a summary of the conference.

In his opening remarks Bill Kadereit, NRLN President, discussed concerns about the future of Social Security and Medicare and the risk of privatization advocated by some members of Congress. The NRLN advocates legislation that will make Social Security and Medicare financially sound without reducing current and future retiree benefits. Bill presented data from the Trustees for Social Security and Medicare 2017 annual report that \$29.1 billion is needed annually to fully fund the two programs. He pointed out information from Congress that in 2016 the federal government made \$96 billion in improper Medicare and Medicaid payments. He emphasized that if the administration eliminated just one-third of the improper payments annually it would take the funding of Social and Medicare "off the table" for the next 75 years.

Diane Oakley, Executive Director, National Institute on Retirement Security, gave an excellent presentation titled "Retiree Security in America: Crisis Ahead and Helping All to Build Retirement Savings". She presented statistics that showed that many Americans are woefully unprepared for retirement in terms of their savings. She said that 10 states have implemented programs and 30 more states are considering programs that would help Americans better prepare for retirement. The programs are an automatic deduction from their paychecks and invested in a retirement account. Participation in the program would be automatic unless the employee intentionally opts out of the program. I have her slides and would be glad to forward to anyone who requests them - just email me at [odlejk@gmail.com](mailto:odlejk@gmail.com).

Michael Calabrese, attorney and NRLN Legislative Strategist, reviewed topics to be covered in our upcoming meetings with Congressional staff members on Capitol Hill:

1. Protecting Retiree Benefits in Corporate Bankruptcy
2. Protecting Retirees in Pension Plan Mergers
3. Protecting Retiree Pensions in Acquisitions and Spin-offs
4. Prescription Drug Price Gouging

More information and the NRLN position and recommendations on these topics can be found at the Legislative Agenda tab on the NRLN homepage at [nrln.org](http://nrln.org).

Members of the PBGC (Pension Benefit Guaranty Corporation) Executive staff gave presentations and answered questions. Michael Rae, Deputy Chief of Negotiations and Restructuring gave an overview of PBGC responsibilities and activities. Michael also reviewed the status of the PBGC's insurance programs. The single employer plan is currently sound with assets roughly equal to liabilities. The multi-employer plan is a different story with a \$63 billion

shortfall in assets needed to cover liabilities. Part of the problem is the large number of bankruptcies among coal mining and trucking companies (thus one of the NRLN efforts on protecting pensions in bankruptcy situations). As you may have heard, a Congressional Committee has been formed to find solutions for this problem. According to Michael, the single employer plan and multi-employer plans are held separate by current law, which is good news for us.

As you may recall from a previous email, a large part of the \$2.9 billion contribution made to our pension plan in 2017 went into what is called a credit balance, which we believe can be used for future required minimum contributions to the plan, thus allowing DowDuPont and the spin-offs to avoid using new funds to make future contributions to the plan. Michael Rea confirmed that the credit balance can indeed be used to make future contributions.



On March 13, I held meetings with staff members from the offices of Senator Ted Cruz (Texas) and Senator Lamar Alexander (Tennessee), to advocate for the 4 areas mentioned above, as well as thoughts to save Medicare and Social Security. The two pictures attached were taken at this meeting. In the left photo, Bill Kadereit and I (I'm the one with the most gray hair.) are meeting with Joel Heimbach, Legislative Counsel, for Texas Senator Ted Cruise. In the other photo, Bill and I are meeting with Will Campbell, Labor Research Assistant, and Brandon Morton,

Legislative Correspondent for Tennessee Senator Lamar Alexander. I have been trying to concentrate on meeting with Congressional staff from states with large numbers of DuPont retirees.

Finally, a few thoughts on our Chapter and what we have accomplished, thanks to our association with the NRLN:

- We have become much better educated on pension law and what we can and cannot expect from the PBGC in helping to secure our pensions.
- We have cultivated relationships with other retiree organizations as well as government officials, i.e. PBGC and members of Congress. We have become familiar with the issues, the workings of the Senate and the House and added to the general pressure on our political representatives in the direction of our interests.
- While it is not clear that our advocacy for better legislation for retirees has resulted in new legislation by itself, we have added our voice to that of other retiree organizations calling for better protection for retirees, not only for pension benefits but Social Security, Medicare, prescription drug prices, etc. Even if we cannot claim or demonstrate ties to specific action, as a direct result of our lobbying visits, recognizing this work is both important/serious and hard to sustain, because its nature is more like a marathon than a sprint, which needs stamina, patience and faith in the eventual results.
- We have an email utility and website to communicate with our members efficiently.
- We have leveraged the knowledge learned to make our communications with DuPont more meaningful.

Please feel free to contact me with any questions or requests for more information.

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