

Grand Theft Pension

Pensions differ from traditional pay and benefits in one important way. Pensions are what economists call “deferred compensation” – rather than receiving all your pay today in the form of wages, some is put off to the future, to be received once you retire.

Generations of Americans have understood that this trade-off; wages today for pensions tomorrow, is the key to enjoying a middle-class standard of living in retirement.

Pension promises are only as secure as the funds backing them up. That’s why the law requires companies to set aside money to pay for pension benefits their employees have earned.

But many companies have spent years contributing the bare minimum required by law, leaving pension plans with too little money to cover promised benefits. Rather than restoring their pension plans, many financially weak companies have instead targeted pensions for elimination.

Enough is enough!

We need to reform the pension laws. Pensions are deferred compensation. These benefits have been bought and paid for at the bargaining table. Companies should be held to tougher standards to ensure that pension promises are backed up by hard dollars.

We need bankruptcy laws that support pension plans, instead of undermining them. And we need to hold companies to their pension promises at the bargaining table. It is much too easy for companies in bankruptcy to dump their pensions. And it is unacceptable that employees are losing hard-earned benefits when they do.

Congress will be taking up the issue of pension reform in the coming months. The IAM is lobbying on your behalf in Washington to hold companies accountable for their pension promises. Stay tuned and be ready to join the fight to protect your pension!

Have you heard?

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