



EDUCATE • ADVOCATE • LEGISLATE

February 15, 2017

**VIA E-MAIL**

Daniel Liebman  
Pension Benefit Guaranty Corporation  
liebman.daniel@pbgc.gov

**RE: Response to Request for Information Concerning the Alternative 'Two-Pool' Withdrawal Liability Method**

Dear Mr. Liebman:

I am writing on behalf of FCA International. FCA is the leading trade association comprised of over 7,000 construction firms supplying expertise in the areas of architectural glass and metal, drywall finishing, flooring, industrial coating, painting and wallcovering and sign work. FCA's contractors are signatory to collective bargaining agreements with labor unions, including the International Union of Painters and Allied Trades. FCA member firms contribute to both a national multiemployer defined benefit pension plan – the IUPAT Industry Pension Fund, which FCA is a co-sponsor of – and other local or regional pension plans, covering workers in the finishing industry. FCA represents 52 U.S. affiliates, in addition to several international affiliates around the world.

FCA has an interest, on behalf of its members, in the PBGC's Request for Information regarding the alternative withdrawal liability method. FCA supports and encourages PBGC's efforts to develop better, more well-defined criteria for approval of the two-pool method.

Many multiemployer pension funds in the construction industry are under-funded. The sponsors of these plans are challenged by the competing interests of providing a reliable retirement benefit to participants in these plans, while enabling the contractors who fund them to remain valued contributors to the national economy. The prospect of withdrawal liability can be a significant factor in deterring new contributing employers from entering these plans.

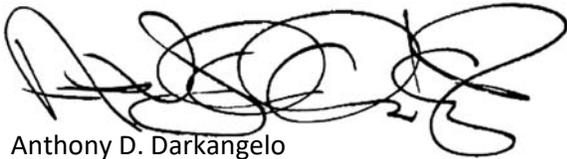
While there have been several unsuccessful efforts aimed at pension reform, more can be done within the existing legislative framework to educate plan sponsors on alternative arrangements multiemployer plans can adopt. The two-pool method is such an item. The two-pool method can generate revenue for plans, entice new contributing employers to enter the plan and allow existing employers a way to reduce their withdrawal liability and risk exposure.

Unfortunately there are only a few plans who have adopted this arrangement. FCA submits that with more detailed guidance and more clearly defined criteria, more plan sponsors will better understand and explore this option. FCA believes that PBGC should take a more active role in communicating to

plan sponsors and benefits professionals its process for considering two-pool approval requests. With better understanding of the process, perhaps more plans will explore this option and incorporate it into their strategy when looking at plan design alternatives.

FCA thanks PBGC for the opportunity to submit this comment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anthony D. Darkangelo', with a large, stylized flourish extending to the right.

Anthony D. Darkangelo  
Chief Executive Officer