

Statement of Support from ICSOM's Governing Board for AFM-EPF MPRA Application

The Governing Board of the International Conference of Symphony and Opera Musicians (ICSOM) stands in support of the AFM-EPF's application to the Treasury Department under the Multiemployer Pension Reform Act (MPRA).

While Fund participants might reasonably come to different conclusions about whether or where to apportion responsibility for the Fund's current financial difficulties, it is clear that given the options available to the trustees at this time, the benefit cuts specified in the MPRA application represent the best way forward for the Fund.

If no action is taken, then the Fund almost certainly will become insolvent and the Pension Benefit Guaranty Corporation (PBGC) would step in to provide assistance to the Fund. However, in that scenario, the law requires benefits to be capped at a level that would result in far deeper cuts to participants than those contemplated under MPRA. (The difference between each participant's benefit cuts under MPRA and in the PBGC scenario is shown on the notice recently sent to all participants.) Moreover, the PBGC itself is projected to become insolvent, in which case there would be no guarantee of any level of benefits at all.

We see no better option than what the MPRA application proposes. Some have suggested that the Fund's finances would be improved by substantial increases in employer contributions, obviating the need for benefit cuts. While such increases could indeed improve the health of the Fund, that course is unrealistic and is not within the control of the Fund trustees. Employer contribution rates are largely bargained at the local level. For ICSOM orchestras, that means each negotiating committee would need to demand large increases to management's pension contributions in negotiations. Any such increase would necessarily come at the expense of wages and other economic improvements. The vast majority of our ICSOM musicians have made crystal clear that there is no appetite to seek even minimal increases to employer contributions at the expense of salary. Nor is there any desire on the part of our non-profit orchestral employers to increase their commitment to the Fund.

We recognize that the financial sacrifice as a result of the MPRA cuts will be painful and distressing, more so for some than others. But by applying a 15.5% across-the-board reduction to all multipliers, with the exception of the one-dollar multiplier that has been in place since 2009, the reduction will be spread more equitably. For musicians currently working in ICSOM orchestras the cuts will be no more than 15.5%, and in many cases significantly less. That is painful, but far better than watching the Fund fail altogether.

The ICSOM Governing Board believes that the benefit cuts chosen by the Trustees in this MPRA application will ultimately be in the best interest of virtually all participants and will stabilize the Fund into the future.

Separately, ICSOM will continue to call on ICSOM musicians to actively lobby their Senators in favor of legislation that fundamentally aligns with the Butch Lewis Act, which at this point is the only legislative solution that might provide a better outcome than under MPRA. (See <https://p2a.co/DcR7C72>.)

About ICSOM: Founded in 1962, the mission of ICSOM is to promote a better and more rewarding livelihood for the skilled orchestral performer and to enrich the cultural life of our society. ICSOM represents over 4,000 musicians from 52 major symphony orchestras throughout the United States, and is a Player Conference of the American Federation of Musicians.