



Rick Werner
PRESIDENT/BUSINESS MANAGER

December 5, 2022

Via Electronic Mail to reg.comments@pbgc.gov

Pension Benefit Guaranty Corporation
445 12th Street, SW
Washington, DC 20024.2101

Re: 4213 Proposed Rule

Ladies and Gentlemen:

I am the President and Business Manager of Sheet Metal Worker's Local Union No. 104. I am also the Fourth General Vice President of the International Association of Sheet Metal, Air, Rail and Transportation Workers. Local 104 spans 49 California counties from the Oregon border to Ventura County at the edge of Los Angeles. I write on behalf of the Local 104 members to strongly support the proposed new rule.

The Local 104 membership is made up of over 9,000 highly skilled craftspeople who are trained to perform a wide selection of skills, such as the production, fabrication, installation, detailing, and testing and balancing of sheet metal products and HVAC. As a group of craftspeople who stand behind our work with pride, we continue to innovate and raise the standards of our industry to new heights. Among other benefit programs, Local 104 sponsors a defined benefit Taft-Hartley multi-employer pension plan for its members.

Construction work is hard. Our members are paid well for the valuable work they perform, but an important part of their compensation is their defined benefit pension plan, which will protect them in old-age, or earlier should they become disabled. Construction industry pension plans are critical to recruiting and retaining a highly skilled workforce in the industry. But not all pension plans are the same, and there are major differences in operational and financial needs among Taft-Hartley multiemployer defined benefit pension plans. The joint labor management governing structure of these plans works best when the plan fiduciaries and plan professionals have maximum flexibility to set plan rules and procedures, such as the interest rate used in valuing plan liabilities when calculating withdrawal liability for exiting employers.

The financial health of pension plans is affected by many factors, such as the age of participants, the number of active participants, the number of inactive vested participants, the mortality rate for people working in the industry, and the strength of the industry. Attempting to set one fixed formula for determining withdrawal liability puts unreasonable restrictions on a plan's ability to maintain viability. Ultimately, these factors and the resulting withdrawal liability interest rate should be the responsibility of the plan's trustees and their professional advisors.

The many lawsuits and arbitrations nationwide concerning the interest rate issue demonstrates why the PBGC should issue the proposed regulation. The Proposed Rule will put a stop to much of the litigation and allow more efficient enforcement of withdrawal liability assessments, while allowing flexibility to select an interest rate that is best for each plan. I urge you to adopt it.

Respectfully,

A handwritten signature in blue ink, appearing to read "Rick Werner", with a long horizontal flourish extending to the right.

Rick Werner
President/Business Manager

rw:jm opeiu #29