***In Search of Greater
Retirement Security:
The Composite Plan Design*** (Building Trades Leave-Behind)

1. Intended to be a better alternative to the current defined contribution system for situations in which an employer is committed to leaving the defined benefit system
	1. Longevity risk is pooled
	2. Benefits are paid as annuities – no leakage
	3. Assets are pooled – allows for reduced investment fees, greater asset diversification and professional investment management
2. As in defined contribution plans, investment risk is shifted to participants BUT:
	1. Funding at 120% is required to buffer against market volatility
	2. Increased ability to adjust benefits incrementally to prevent funding distress
	3. Benefits may be improved when full funding targets are met
3. Concept of withdrawal liability is eliminated in new composite plan to remove obstacles to attracting and retaining employers
4. All benefits earned under current system (legacy benefits) are unchanged – including PBGC premiums and guarantees, and protections are included to ensure continued funding of legacy benefits
	1. Contributions to legacy plan must be at least the Transition Minimum – equal to cost of benefits earned each year in legacy plan (if any) plus 30-year amortization of any unfunded liabilities
	2. All funding rules that currently apply to multiemployer plans continue to apply to legacy benefit plans, including any contributions required under current or new Funding Improvement or Rehabilitation Plans
	3. Contributions to the legacy plan must be the GREATER of the Transition Minimum and the rate required under current funding rules