



Statement for the Record

of

**The United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial and
Service Workers International Union (USW)**

for the

**House Committee on Education and the Workforce
Subcommittee on Health, Employment, Labor, and Pensions**

hearing on

“Modernizing Retirement Policy for Today’s Workforce”

January 7, 2026

The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) is North America's largest industrial union, representing 850,000 active and retired members. USW union members work in a broad range of industries making goods and providing services that sustain our economy. The union's diverse sectors also come with a broad range of retirement plans, including traditional defined benefit retirement plans, 401(k), and other offerings, such as collectively bargained Individual Retirement Accounts (IRA) and other "fringe" retirement benefits like retiree healthcare.

These benefits are all part of what was commonly considered legs to a retirement stool: Social Security, private pensions, and personal savings. This metaphor highlights a simple and straightforward approach toward improving the future of retirement. Focusing on policies which strengthen the "legs" of the retirement stool will go a long way to improving the future of retirement for workers.

This effort is needed. Previous Committee work has highlighted the need for improvements to our retirement system. Nearly half of Americans 55 and older have no retirement savings, pension access has declined by over half since 1975, and roughly 57 million Americans do not have a way to save for retirement easily and automatically out of their regular paycheck.¹

The Future of Retirement Is Union Made

The Department of Treasury in an August 2023 report titled "Labor Unions and the Middle Class" highlighted the significant role a union provides in not just increased benefits for workers, but also how a labor union increases participation in retirement benefits.² Union workers participate in retirement benefits at a far greater rate than non-union workers. In the private industry union members participate in retirement benefits at nearly a 30 percent higher rate than non-union workers.³ A worker's access to a collective bargaining agreement is a key step up toward greater participation in retirement saving. This is why the future of retirement security will require reforms to improve worker rights to collectively bargain.

Policies such as H.R. 20, the Protecting the Right to Organize (PRO) Act, and H.R. 5408, the Faster Labor Contract Act, will ensure workers who choose to collectively bargain will unlock the benefits of a collective bargaining agreement (CBA) including the significant benefits toward retirement.

Strengthen Social Security

¹ [U.S. Senator Sanders](#), "Majority Staff Report – A Secure Retirement for All", February 28, 2024.

² [U.S. Department of Treasury](#), "Labor Unions and the Middle Class", August 2023.

³ [U.S. Bureau of Labor Statistics](#), "Economic News Release – Employee Benefits in the United States - Table 1. Retirement benefits: Access, participation, and take-up rates", September 25, 2025.

Additional policies that strengthen and secure Social Security benefits will also stabilize the retirement system over the long-term, and ensure that workers do not fall into poverty at the end of their working career. While there are mid-term challenges toward Social Security as it draws down reserves, efforts should be made now to strengthen and improve Social Security benefits. Simply, without Social Security benefits 22 million more adults and children would fall below the poverty line, according to recent analysis.⁴ The union supports legislative efforts which eliminate the maximum amount of annual earnings subject to Social Security taxes commonly known as “scrap the cap.” Recent legislation such as H.R. 1700, the Social Security Expansion Act, goes a long way to improving the Social Security trust fund. However, given that the median salary for a worker in the U.S. is \$62,192 per year, efforts should be made to eliminate the taxable earnings cap to create the maximum benefit for all workers, and preserve the current retirement age for Social Security. This is popular: a recent poll found that 85 percent of participants said benefit levels should be maintained or increased even if it means higher taxes for some or all Americans.⁵

Improve Oversight and Accountability of Annuitized Pension Assets

The shift of mature defined benefit plans to pension annuities has grown significantly in recent years as employers attempt to reduce pension liabilities, risks, and Pension Benefit Guaranty Corporation (PBGC) premiums, leading to the growth of annuity purchases from insurance firms. This annuitization transfers the liabilities for some or all plan participants away from the firm, and in certain cases allows for plan participants to “cash out” or receive lump sum payments.

There are numerous recent annuitization examples that the union wishes to highlight:

- Alcoa has moved to annuitize over \$3.6 billion in pension obligations and assets globally since 2018. Alcoa’s annuitization affects 28,700 retirees, including over 10,000 USW retirees.
- United States Steel annuitized the pension benefits of 18,200 pensioners, including over 14,000 USW retirees in 2021 and 2022.
- Bridgestone (tire, wheel, and rubber) annuitized 14,000 retirees, including 5,500 USW retirees and surviving spouses, in 2022.

These individuals no longer have the same federal government safety net PBGC provisions as a traditional defined benefit. This means that should an insolvency or economic situation occur where the annuity contract is not honored, workers could be left with little resources, and forced to rely on a patchwork of state level insurance commissions, which have different rules and coverage levels.

⁴ [Center on Budget and Policy Priorities](#), “Social Security Lifts More People Above the Poverty Line Than Any Other Program”, January 21, 2025.

⁵ [AARP](#), “Survey Finds Wide Support for Raising Taxes to Stabilize Social Security”, January 29, 2025.

Congress originally put in place a reinsurance system related to pensions to provide a guarantee to workers who often put in decades of work at a firm only to see that earned benefit disappear. USW urges Congress to address the growing need to ensure pension annuities are fiscally secure for retirees, and that workers do not have to chase a patchwork of state laws to improve servicing for beneficiaries and to protect promises of retiree benefits.

Conclusion

The future of retirement for American workers requires a comprehensive policy response to improving the three legs of the retirement stool. The union movement will be a strong supporter of policies which truly lead to economic security, and will oppose efforts to weaken or undermine the ability of Americans to retire with dignity. Improving the right of workers to collectively bargain will encourage increased savings. Improving Social Security will provide a benefit to every American, and ensuring that pension annuitization does not lead to a modern-day Studebaker moment should be a top priority of the House Committee on Education and Workforce's Subcommittee on Health, Employment, Labor, and Pensions. Thank you for the opportunity to submit this statement for the record.