

# Ruling on Union Pensions Could Affect Hundreds of Companies

*The Washington Post* reports that the U.S. Court of Appeals for the Fourth Circuit ruled that Just Born Quality Confections, the firm that makes the candy known as Peeps, could not unilaterally stop enrolling new employees in a pension without paying a penalty, something it had tried to do since 2015.

Reporter **Damien Paletta** explains possible consequences: “The appeals court decision could have a major effect on hundreds of other companies that are trying to determine whether to continue making payments to their own multi-employer pension plans. A number of multi-employer plans have weak balance sheets, exacerbated by a wave of aging workers and new retirees. This dynamic has forced some firms to pay higher premiums to their pensions in an effort to boost solvency.”

The case arose when Just Born announced three years ago that it would no longer enroll new employees in the multi-employer pension it had participated in for decades and would instead divert money into a 401(k) plan for those workers.

**Read the *Post* article.**