WHAT TO SAY ON THE BILLS BEING RECONCILED BETWEEN THE HOUSE AND SENATE

SUPPORT THE CASH BALANCE PROVISIONS IN S. 1783. THESE PROVISIONS PROTECT OLDER EMPLOYEES. THE HOUSE BILL DOES NOT.

The conferees should support provisions that:

- Provide transition protections that help make up losses older employees face in cash balance conversions;
- Eliminate the practice of "wearaway" where companies freeze the benefits of older employees.

Conferees should also oppose any effort to legalize cash balance plans retroactively as this would undermine the rights of thousands of employees.

OPPOSE THE RED ZONE CUTBACK PROVISIONS IN H.R. 2830

These provisions would allow certain underfunded multiemployer plans to eliminate subsidized early retirement benefits that have been earned by older, longer-service employees. These provisions affect hundreds of thousands of long-service carpenters, iron workers, laborers, pipe fitters, truck drivers, dock workers, hospital employees, and janitors, as well as employees in grocery stores, entertainment, and many other jobs, and their widows. Such a move to reduce already-earned benefits would set a dangerous precedent.

The House bill includes these bad provisions (HR 2830, Sec. 202). The Senate bill does not.

Please click the following link to learn more about the Red Zone "Cutback" Provisions.

SUPORT THE SPOUSAL PROVISIONS IN S. 1783

There are four provisions in the Senate bill that, if passed, would benefit certain widows and divorced women who now fall through gaps in protections in the laws regulating the railroad retirement and private pension systems. The provisions would also require private pension plans to offer a 75 percent joint and survivor annuity option in addition to those options that are currently provided.

The Senate bill includes these good provisions (S. 1783, Sec. 901- 904). The House bill does not.

Please click the following link to learn more about the spousal provisions.

OPPOSE PROVISIONS THAT WEAKEN FIDUCIARY PROTECTIONS IN H.R. 2830

Section 305 of the House bill includes a number of provisions that could place retirement money at risk. Some of the provisions would reduce the "fiduciary" requirements for those responsible for the investment of retirement plan money. Others would eliminate protections against conflicts of interest. For example, one provision would increase the amount of retirement plan money that hedge funds can invest without being subject to the requirement that they act prudently and solely in the interests of plan participants. Another provision would allow brokers, consultants, lawyers and others to avoid Department of Labor scrutiny of potential conflicts of interest.

The House bill includes these bad provisions (HR 2830, Sec. 305). The Senate bill does not.

Please click the following link to learn more about the Prohibited Transactions provisions.

OPPOSE LOWERING THE FUNDING CUSHION FOR ASSET TRANSFERS IN S. 1783:
The Senate bill would allow companies to transfer money from a pension plan to a retiree health plan, without leaving an adequate funding cushion. This increases the likelihood that plans – that are well-funded – could become underfunded, thus undercutting the very mission of the pension reform bills.

The Senate bill includes these provisions (S 1783, Sec. 1331). The House bill does not.