

Congress of the United States

Washington, DC 20515

January 30, 2003

The Honorable George W. Bush
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Bush:

We are writing to strongly urge you to withdraw proposed Treasury Department regulations regarding cash balance pension plans and to issue new regulations that will prohibit profitable companies from reducing the pension benefits of existing employees or retirees by converting to age-discriminatory cash balance plans. (Federal Register December 11, 2002, Internal Revenue Service, 26 CFR Part 1, REG-209500-86, REG-164464-02, RIN 1545-BA10,1545-BB79.)

According to the General Accounting Office, annual pension benefits of older employees can drop by as much as 50 percent after a company converts from a traditional defined benefit plan to a cash balance plan. Large companies favor the conversion because they can save hundreds of millions of dollars a year in pension costs. Delta Airlines, for example, recently announced it would save \$500 million per year by switching to a cash balance plan. In the late 1990s, IBM initially estimated it would save \$200 million per year by switching to a cash balance plan. IBM, A T&T, and Verizon are among the 300 to 700 large companies that have already converted to a cash balance pension plan. An additional 300 companies had been waiting for IRS approval of their conversion plans even before the regulatory change was announced. Thousands of companies employing millions of people would be eligible to convert their pension plans under the proposed regulations.

Switching to a cash balance plan in mid-stream has the greatest negative effect on older employees who have worked for many years with one company and plan to continue to work for additional years for the same employer.

As you know, in September 1999, the IRS issued a moratorium on issuing letters of approval to companies for pension plan conversions because of age discrimination concerns. There are over 800 age discrimination complaints currently pending before the EEOC based on cash balance conversions. The 1999 moratorium has nearly stopped the flow of companies converting to cash balance plans.

The recently proposed regulations would create an incentive for thousands of companies to convert to cash balance plans by providing legal protection against claims of age bias by older employees. The regulations would result in millions of older

employees losing a significant portion of the annual pension they had been promised by their employer and had come to rely upon as part of their retirement planning.


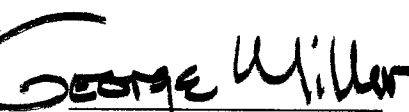

We urge you to direct the Treasury Department to immediately withdraw these proposed regulations and instead issue regulations that provide for the protection of older employees' pensions.

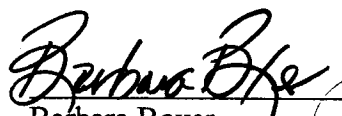
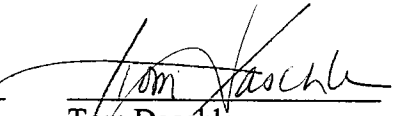
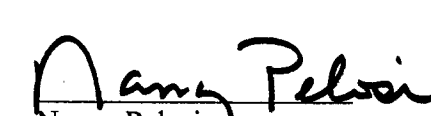
At a time when millions of employees are still reeling from significant losses to their 401(k) retirement plans because of corporate scandals and the ongoing weakness in the stock market, we believe these regulations represent another serious blow to the retirement security of hard working Americans who have played by the rules in their companies only to see the rules of the game for rank and file employees change midway through their careers.


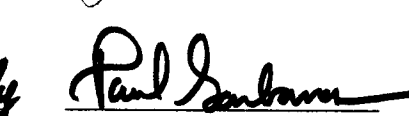

Re-opening the floodgates for cash balance conversions will destroy what is left of our private pension retirement system. This is a devastating step that your Administration need not and should not allow.



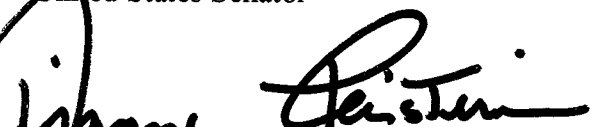
We deeply appreciate your attention to the concerns that we are expressing on behalf of the millions of employees who will depend on their pensions for a secure retirement. We look forward to working with you to protect the pension security of America's workers.

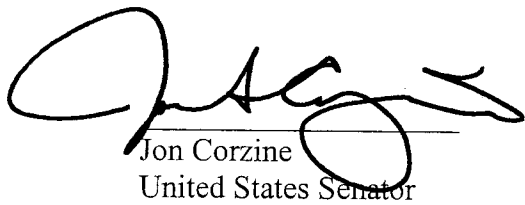
Sincerely,

 Bernard Sanders Member of Congress	 George Miller Member of Congress	 Tom Harkin United States Senator
--	--	---

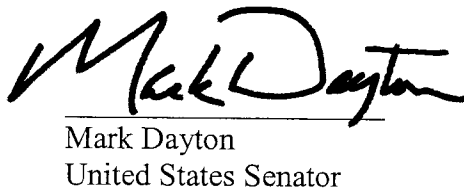
 Barbara Boxer United States Senator	 Tom Daschle United States Senator	 Nancy Pelosi Member of Congress
---	---	--

 Edward Kennedy United States Senator	 Paul Sarbanes United States Senator	 Carl Levin United States Senator
--	---	---

 Christopher Dodd United States Senator	 Charles Schumer United States Senator	 Dianne Feinstein United States Senator
--	---	---

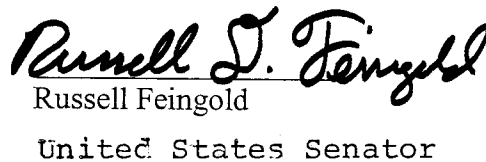

Jon Corzine
United States Senator

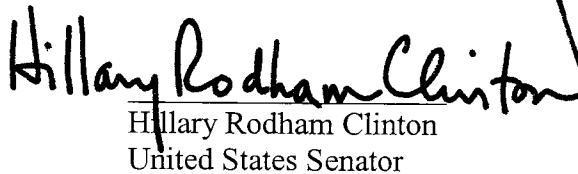

James Jeffords
United States Senator

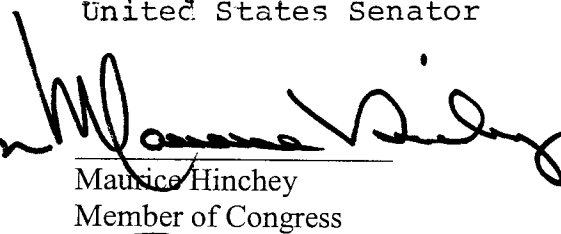

Mark Dayton
United States Senator

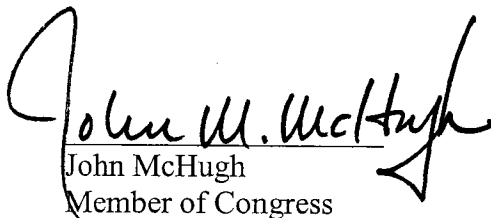

Patrick Leahy
United States Senator

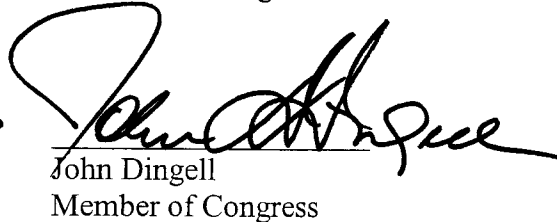

Barbara Mikulski
United States Senator

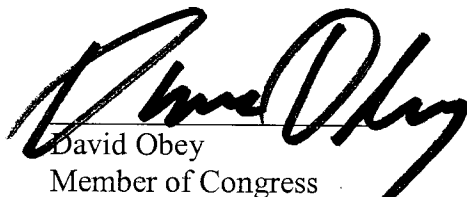

Russell Feingold
United States Senator

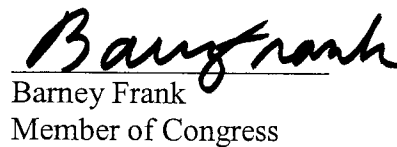

Hillary Rodham Clinton
United States Senator

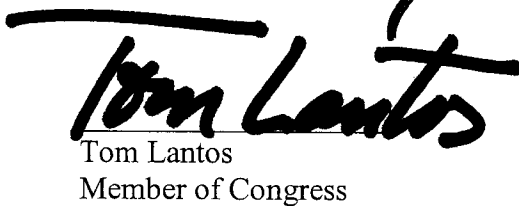

Maurice Hinchey
Member of Congress

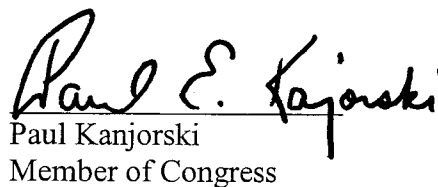

John McHugh
Member of Congress


John Dingell
Member of Congress


David Obey
Member of Congress


Barney Frank
Member of Congress


Tom Lantos
Member of Congress

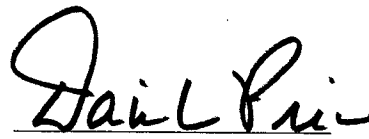

Paul Kanjorski
Member of Congress


Lloyd Doggett
Member of Congress


Robert Andrews
Member of Congress




Jane Harman
Member of Congress



David Price
Member of Congress



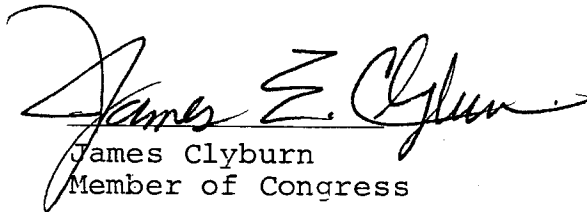
Gene Green
Member of Congress



Lucille Roybal-Allard
Member of Congress



Rodney Alexander
Member of Congress



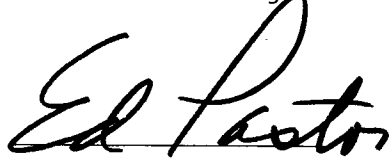
James Clyburn
Member of Congress



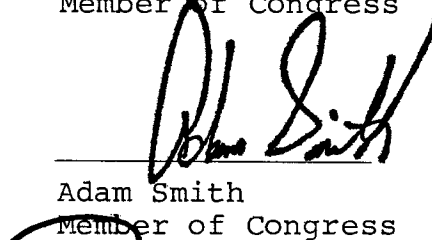
David Scott
Member of Congress



Ike Skelton
Member of Congress



Ed Pastor
Member of Congress



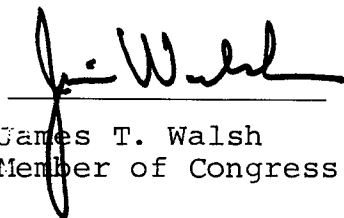
Adam Smith
Member of Congress



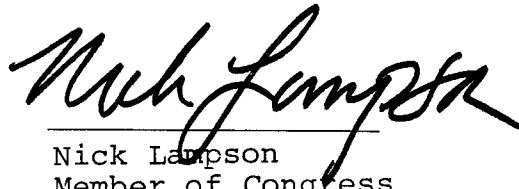
Gil Gutknecht
Member of Congress



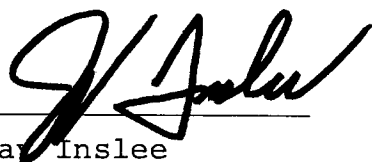
Ron Kind
Member of Congress



James T. Walsh
Member of Congress



Nick Lampson
Member of Congress



Jay Inslee
Member of Congress



Sherwood Boehlert
Member of Congress

Rahm Emanuel

Member of Congress

Madeline J. Bordallo

Member of Congress

Rob Simmons 5/2

Member of Congress

Solomon Ortiz

Member of Congress

Sanford D. Bishop Jr

Member of Congress

Gregory W Meeks

Member of Congress

Steve Israel

Member of Congress

Kendrick B. Meek

Member of Congress

Steny Hoyer

Member of Congress

Bob Etheridge

Member of Congress

Artur Davis

Member of Congress

Ruben Hinojosa

Member of Congress

Mike Thompson

Member of Congress

Brad Miller

Member of Congress

Max Sandlin

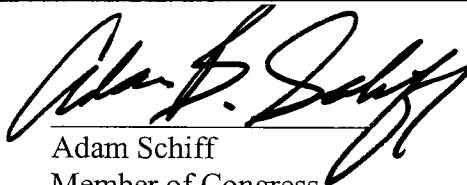
Member of Congress

Dutch C.A. Ruppertsberger

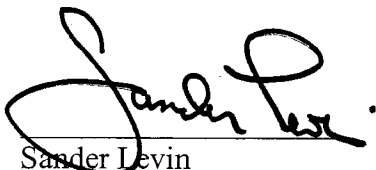
Member of Congress



Anibal Acevedo-Vila
Member of Congress



Adam Schiff
Member of Congress



Sander Levin
Member of Congress



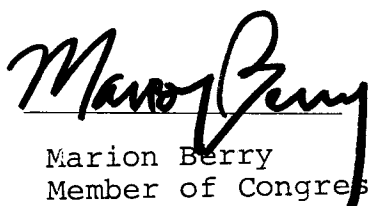
Michael Honda
Member of Congress



Melvin L. Watt
Member of Congress



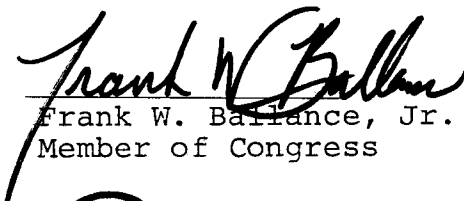
Lincoln Davis
Member of Congress



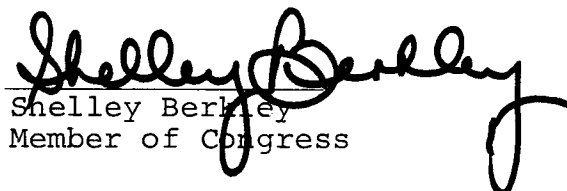
Marion Berry
Member of Congress



Jim Cooper
Member of Congress



Frank W. Ballance, Jr.
Member of Congress

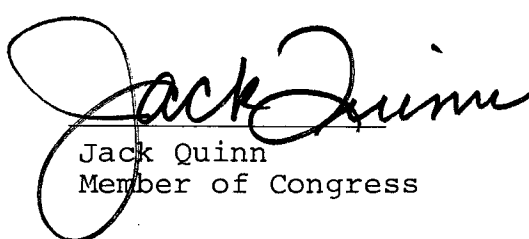


Shelley Berkley
Member of Congress



Chris Bell
Member of Congress

Dennis A. Cardoza
Member of Congress



Jack Quinn
Member of Congress



Nick J. Rahall, II
Member of Congress



Michael R. McNulty
Member of Congress



Richard Gephardt
Member of Congress

Timothy Bishop
Member of Congress

Karen McCarthy
Member of Congress

Raúl Grijalva
Member of Congress

Stephen Lynch
Member of Congress

Ciro Rodríguez
Member of Congress

Bart Gordon
Member of Congress

Mike Ross
Member of Congress

John Spratt
Member of Congress

Robert Menendez
Member of Congress

Virgil Goode, Jr.
Member of Congress

Denise Majette
Member of Congress

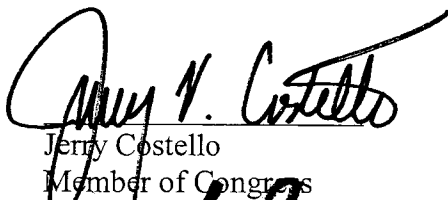
Maxine Waters
Member of Congress

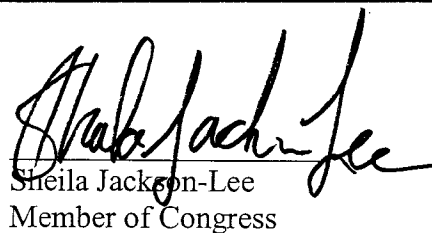
Nita Lowey
Member of Congress

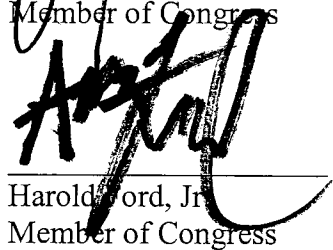
Jim Moran
Member of Congress

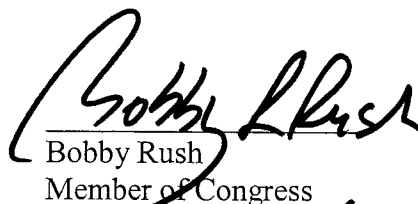
Charles Gonzalez
Member of Congress

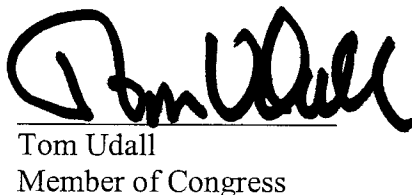
Joseph Hoeffel
Member of Congress

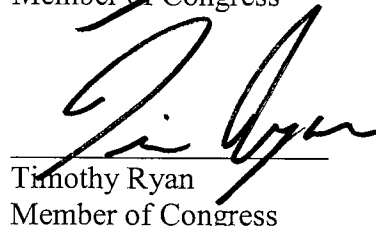

Jerry Costello
Member of Congress

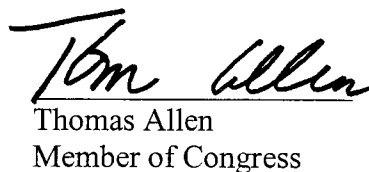

Sheila Jackson-Lee
Member of Congress

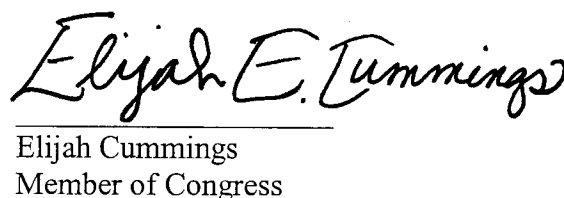

Harold Ford, Jr.
Member of Congress

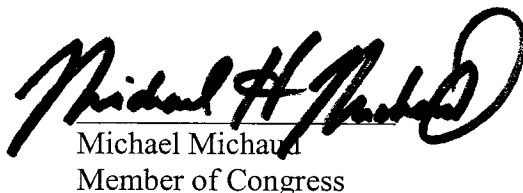

Bobby Rush
Member of Congress

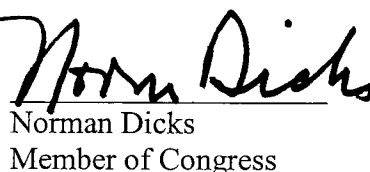

Tom Udall
Member of Congress

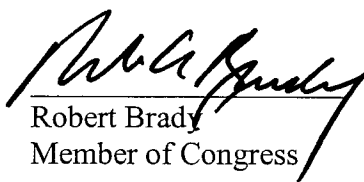

Timothy Ryan
Member of Congress

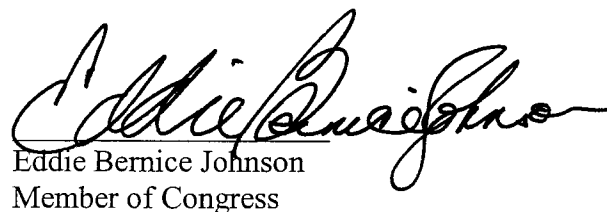

Thomas Allen
Member of Congress

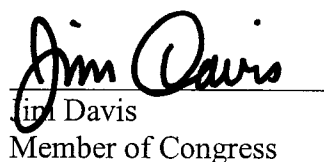

Elijah Cummings
Member of Congress

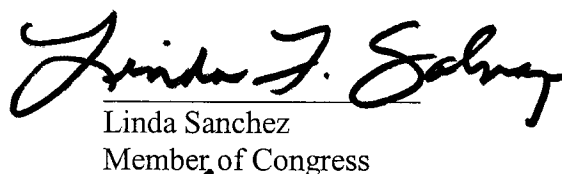

Michael Michaud
Member of Congress

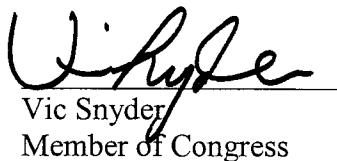

Norman Dicks
Member of Congress

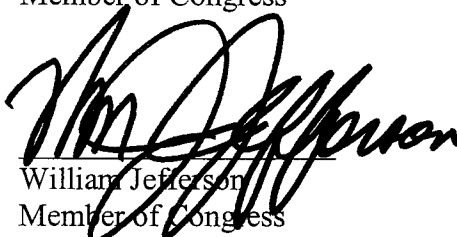

Robert Brady
Member of Congress

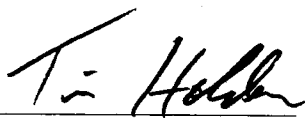

Eddie Bernice Johnson
Member of Congress


Jim Davis
Member of Congress

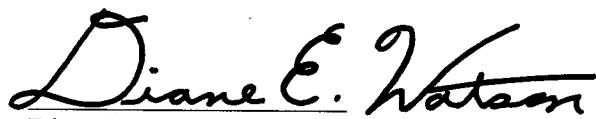

Linda Sanchez
Member of Congress


Vic Snyder
Member of Congress

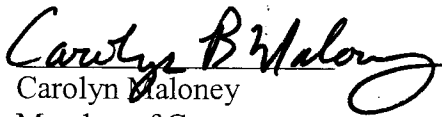

William Jefferson
Member of Congress



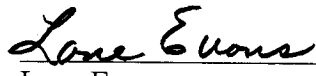
Tim Holden
Member of Congress



Diane Watson
Member of Congress



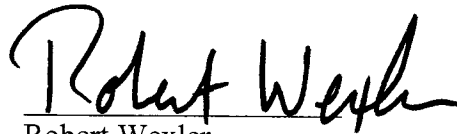
Carolyn Maloney
Member of Congress



Lane Evans
Member of Congress



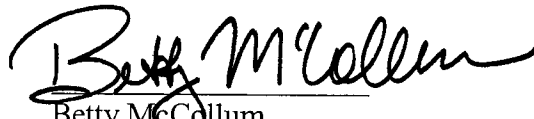
Jesse Jackson, Jr.
Member of Congress



Robert Wexler
Member of Congress



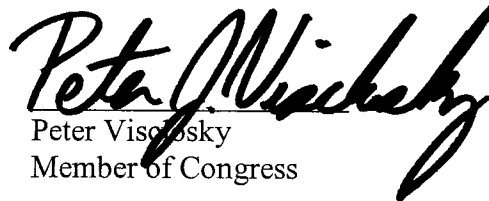
Anthony Weiner
Member of Congress



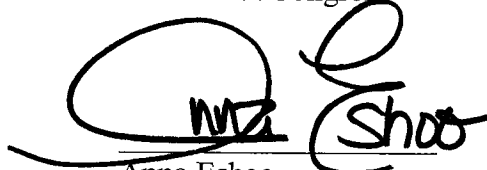
Betty McCollum
Member of Congress



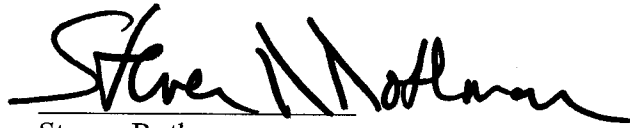
William Lipinski
Member of Congress



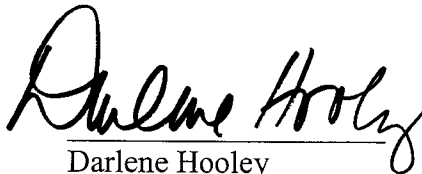
Peter Visclosky
Member of Congress



Anna Eshoo
Member of Congress



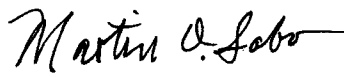
Steven Rothman
Member of Congress



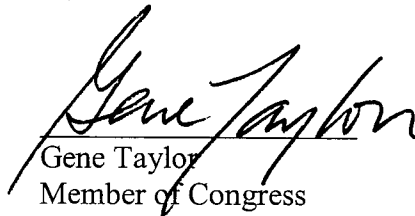
Darlene Hooley
Member of Congress



Nydia Velazquez
Member of Congress



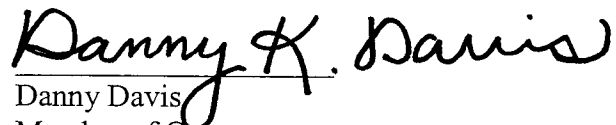
Martin Olav Sabo
Member of Congress



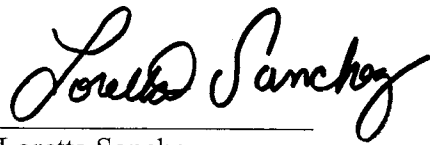
Gene Taylor
Member of Congress



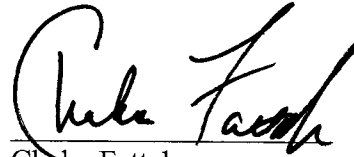
Ted Strickland
Member of Congress



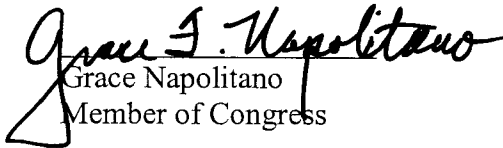
Danny Davis
Member of Congress



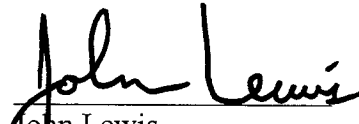
Loretta Sanchez
Member of Congress



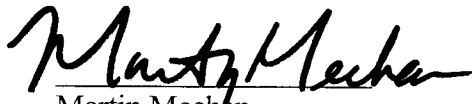
Chaka Fattah
Member of Congress



Grace Napolitano
Member of Congress



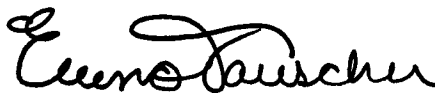
John Lewis
Member of Congress



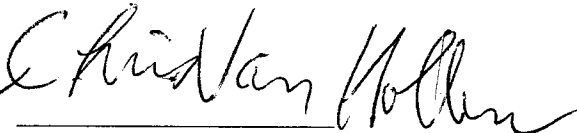
Martin Meehan
Member of Congress



Bart Stupak
Member of Congress



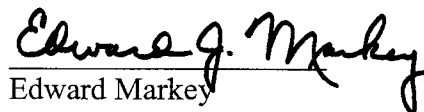
Ellen Tauscher
Member of Congress



Chris Van Hollen
Member of Congress



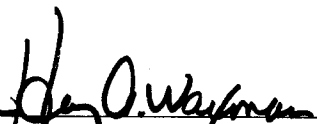
Zoe Lofgren
Member of Congress



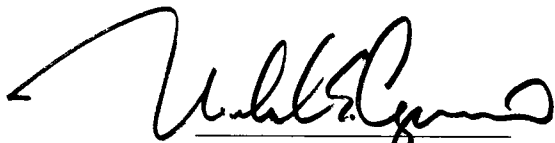
Edward Markey
Member of Congress



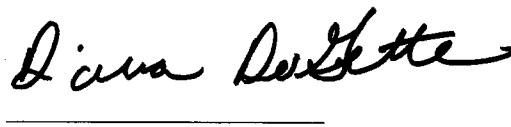
Collin Peterson
Member of Congress



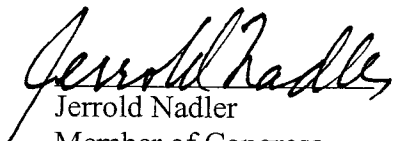
Henry Waxman
Member of Congress

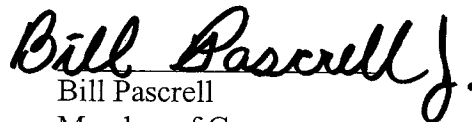


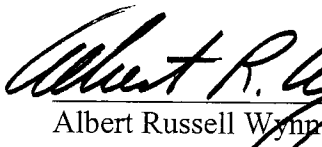
Michael Caputo
Member of Congress

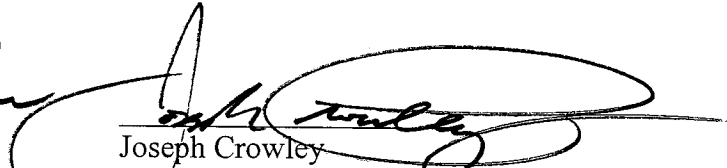


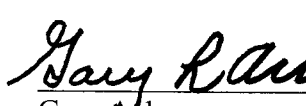
Diana DeGette
Member of Congress


Jerrold Nadler
Member of Congress



Bill Pascrell
Member of Congress

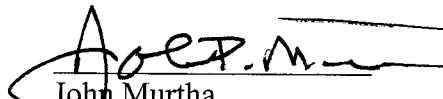

Albert Russell Wynn
Member of Congress



Joseph Crowley
Member of Congress

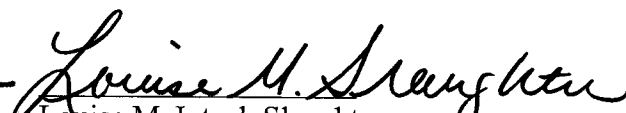

Gary Ackerman
Member of Congress

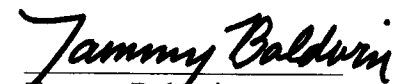

Carolyn McCarthy
Member of Congress

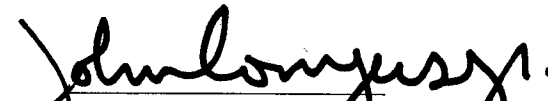

Gerald Kleczka
Member of Congress



John Murtha
Member of Congress



Donald Payne
Member of Congress



Louise McIntosh Slaughter
Member of Congress

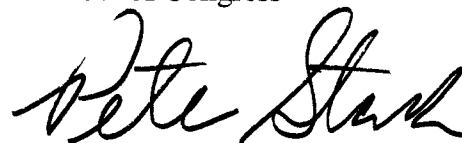

Tammy Baldwin
Member of Congress


John Conyers
Member of Congress


Susan Davis
Member of Congress


Neil Abercrombie
Member of Congress


Mike McIntyre
Member of Congress


Fortney Pete Stark
Member of Congress

Hilda L Solis

Hilda Solis
Member of Congress

Bob Filner

Bob Filner
Member of Congress

Alcee Hastings

Alcee Hastings
Member of Congress

John P. Tierney

John Tierney
Member of Congress

Jose E. Serrano

Jose Serrano
Member of Congress

Jim Langevin

James Langevin
Member of Congress

Frank Pallone Jr.

Frank Pallone
Member of Congress

Earl Blumenauer

Earl Blumenauer
Member of Congress

Juanita Millender-McDonald

Juanita Millender-McDonald
Member of Congress

Barbara Lee

Barbara Lee
Member of Congress

Lynn Woolsey

Lynn Woolsey
Member of Congress

Bobby Scott

Robert Scott
Member of Congress

Rush Holt

Rush Holt
Member of Congress

Jim McGovern

James McGovern
Member of Congress

Stephanie Tubbs Jones

Stephanie Tubbs Jones
Member of Congress

John W. Olver

John Olver
Member of Congress

Lois Capps

Lois Capps
Member of Congress

Sam Farr

Sam Farr
Member of Congress

Corrine Brown

Corrine Brown
Member of Congress

Dale E. Kildee

Dale Kildee
Member of Congress

Patrick J. Kennedy

Patrick Kennedy
Member of Congress

William D. Delahunt

William Delahunt
Member of Congress

Edolphus Towns

Edolphus Towns
Member of Congress

Joe Baca

Joe Baca
Member of Congress

Eliot L. Engel

Eliot Engel
Member of Congress

Silvestre Reyes

Silvestre Reyes
Member of Congress

Wm. Lacy Clay

William Lacy Clay
Member of Congress

Mike Doyle

Michael Doyle
Member of Congress

Carolyn C. Kilpatrick

Carolyn Kilpatrick
Member of Congress

Sherrod Brown

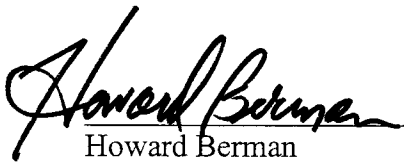
Sherrod Brown
Member of Congress

Luis V. Gutierrez

Luis Gutierrez
Member of Congress

Janice Schakowsky

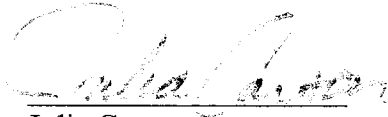
Janice Schakowsky
Member of Congress



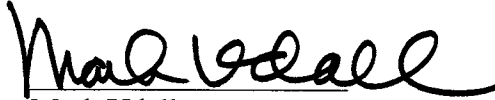
Howard Berman
Member of Congress



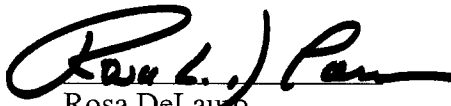
Bennie Thompson
Member of Congress



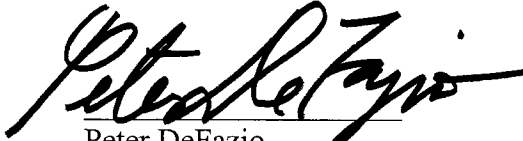
Julia Carson
Member of Congress



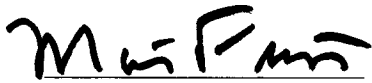
Mark Udall
Member of Congress



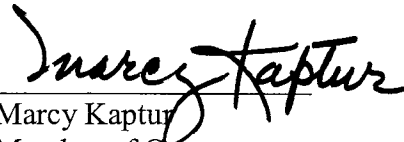
Rosa DeLauro
Member of Congress



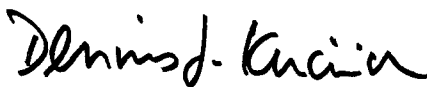
Peter DeFazio
Member of Congress



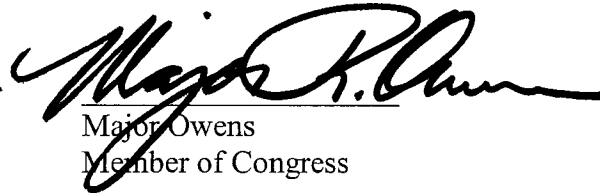
Martin Frost
Member of Congress



Marcy Kaptur
Member of Congress



Dennis Kucinich
Member of Congress



Major Owens
Member of Congress



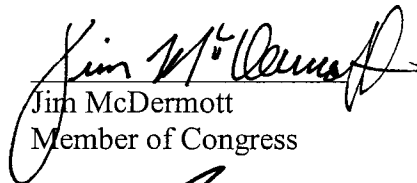
Peter Deutsch
Member of Congress



Eleanor Holmes Norton
Member of Congress



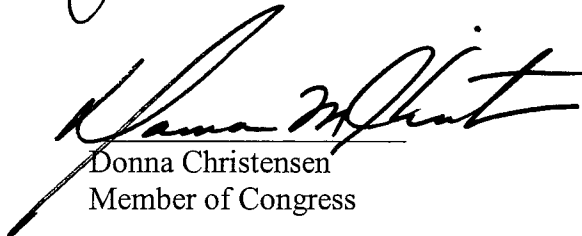
James Oberstar
Member of Congress



Jim McDermott
Member of Congress



Rick Larsen
Member of Congress



Donna Christensen
Member of Congress

John D. Rockefeller IV

John D. Rockefeller IV
United States Senator

Maria Cantwell

Maria Cantwell
United States Senator

Jack Reed

Jack Reed
United States Senator

Harry Reid

Harry Reid
United States Senator

Daniel Akaka

Daniel Akaka
United States Senator

Richard Durbin

Richard Durbin
United States Senator

Frank Lautenberg

Frank Lautenberg
United States Senator

Rebbie Stabenow

Rebbie Stabenow
United States Senator

Christopher Smith

Christopher Smith
Member of Congress

Daniel Inouye

Daniel Inouye
United States Senator

Alan Mollohan

Alan Mollohan
Member of Congress

Ed Case

Ed Case
Member of Congress

Bill Nelson

Bill Nelson
United States Senator