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Stand up for Guaranteed Retirement Benefits!

Dear Democratic Colleague:

Together, we spent much of this year fighting President Bush's proposal to privatize Social Security, dismantling the guaranteed benefits that Americans depend on. While that effort has stalled in the face of overwhelming public opposition and unity among Democrats, the Bush Administration continues its attack on guaranteed retirement benefits, this time by proposing dramatic and ill-advised changes to the rules for the private defined benefit pension plans.

Those proposed changes to defined benefit pension plans, which are included in H.R. 2830, sponsored by Reps. Boehner and Thomas, would put guaranteed retirement benefits at risk for 34 million workers currently covered by defined benefit pension plans.


Supporters of draconian pension changes attempt to portray them as being about making pension plans and the workers they cover more financially secure. In fact, the opposite is true. In a survey, **60 percent** of Chief Investment Officers for large pension plans thought that changes like those in H.R. 2830 would lead to reductions in benefits or, worse yet, plan terminations. Neither would these changes improve the financial condition of the federal Pension Benefit Guaranty Corporation, which insures defined benefit pension plans – PBGC's own analysis found that H.R. 2830's provisions would **increase** the agency's financial shortfall by \$2.5 billion.


The changes made by H.R. 2830 are complex and technical, but the result of these changes is simple. If the bill becomes law, sponsoring a defined benefit pension plan would become more unpredictable and expensive, even for well-funded plans. In plans that are struggling, workers would pay the price – they would lose their benefit increases, as well as other promised benefits.

Some plans would be permanently frozen if H.R. 2830 became law. This would prevent workers from gaining the number of years needed to earn full benefits. However, the real problem facing workers – the ability of companies to walk away from their pension promises in bankruptcy – would remain unaddressed.

Once again, America's workers are counting on us to protect their guaranteed retirement benefits. Join us in opposing these pension changes, which would undermine retirement security.

Sincerely,


Charles B. Rangel
Ranking Member
Committee on Ways and Means


Sander M. Levin
Ranking Member
Subcommittee on Social Security
Committee on Ways and Means