

## LARSON URGES GREATER PENSION PROTECTION

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WASHINGTON , D.C. – Congressman John B. Larson today urged Congress to do more to protect hard-working employees' pensions and hold companies to their obligations.

Larson called for greater pension protection in reaction to overlapping reports of Delta and Northwest Airlines' bankruptcy filings and the Congressional Budget Offices new report warning of the surge in companies dumping their under-funded pension plans onto the government-supported Pension Benefit Guaranty Corporation.

"They want to privatize profits and socialize losses," Larson said of the Administration and the Republican-controlled Congress. "They want corporate owners and executives to heap all of the profits with none of the risk or accountability. When it comes to bankruptcy and responsibility, we have a double standard. Under the Republicans, Congress has made it harder for individuals to declare bankruptcy, but done nothing to tighten the laws overseeing corporate bankruptcy. They need to be legally responsible for funding their pensions."

"From the push to privatize Social Security to the abandonment of pension plans, Americans' retirements are in jeopardy," Larson said. "Through a combination of active policy and deliberate inaction, the Administration and Republican leadership in Congress have allowed corporations to shirk their responsibilities to their employees. For years they have been under-funding their pension plans. The result is the pensions of millions of workers have been cut and the retirements of millions more are at risk. Last year, the Pension Benefit Guarantee Corporation's deficit grew to \$23.3 billion because companies are taking advantage of lax laws. If the trend continues, the guaranty fund's debt will quadruple in the next decade and, just like the Savings and Loans debacle, it will be the taxpayer who ultimately bails these corporations out, scot-free."

Larson expressed concern that Delta and Northwest Airlines will follow United Airlines' lead and walk out on their pension liabilities, leaving the PBGC to pick up their retirement bill. The two airlines have shortchanged their pension funds by more than \$16 million. Many employees lose out on the retirement money they worked a lifetime for because of the corporation's cap on employee-pension payments. In just three years, the PBGC went from a surplus in 2001 to a \$23 billion shortfall in 2004. Contributing to that deficit was \$9 billion in guaranteed benefits that the agency assumed when United Airlines and U.S. airways terminated their pensions earlier this year.

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