

LARSON STANDS FOR REAL PENSION PROTECTION

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WASHINGTON, D.C. – Today, Congressman John B. Larson (CT-01) opposed the Republican-authored Pension Protection Act (H.R. 2830), which he called terrible public policy that will add to the budget deficit while further endangering the pension payments of 34 million Americans.

While the goal of the bill is to push companies to properly fund their pension liabilities and to shore up the federal agency that picks up pension obligations of defaulting companies, it will likely result in employers opting to freeze or dump their plans to avoid the heightened regulations.

“The Republicans have done their best to allow corporations to have it both ways – keeping their profits private and socializing their losses. This bill invites corporations to turn their backs on their employees by freezing their pension plans or dumping them onto the taxpayer.”

Earlier, Larson voted against the measure, as a member of the Ways and Means Committee. Both the Congressional Budget Office and the Pension Benefit Guaranty Corp. have stated the so-called fix would significantly worsen the corporation’s \$23 billion deficit as more corporations join the steel, airlines and auto parts industries in bailing out on their pension plans. The Pension Benefit Guaranty Corp. underwrites only a portion of the employers’ pension liabilities. For many, the payments that come from the guaranty corporation are below the promised amount.

“This bill is a contradiction in terms,” Larson said. “It does nothing to protect the pensions of millions of Americans who have gone to work each day having faith that the money they counted on for retirement will be there when they need it. It represents yet another betrayal of the average worker by the Republicans who have now passed into law a bill that gives companies license to cut benefits and discriminate against older workers. Gone, under this Republican notion, is the principal of shared sacrifice and shared gain. Under them, the sacrifice has fallen disproportionately on the side of the many – on the average American who have lost their jobs and health care, seen their wages and salaries fall behind, and increasingly stand to lose out on their retirements. Meanwhile, the gain has been increasingly reserved for privileged few, whose taxes have been cut, income has soared and benefit packages fattened.”

He denounced the Republican leadership for foiling a Democratic amendment that would have provided real protections for employees and augmented retirement savings opportunities without any increase to the federal deficit. The Republican pension plan, the Congressional Budget Office has concluded, will add \$70 billion to the deficit between 2006 to 2015.

“Republicans have laid siege to the retirements of everyday Americans. First, they attempt to privatize Social Security, telling folks that they need to rely more on retirement savings. At the same time, they’re putting the pensions of millions of workers at risk.”

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