



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

To: Reporters and Editors  
Re: Pension reform, Pension Benefit Guaranty Corporation's financial statements  
Da: Tuesday, Nov. 15, 2005

Today the Pension Benefit Guaranty Corporation released its annual financial statements, which show a \$23 billion shortfall in what it owes workers and retirees. Sen. Chuck Grassley, chairman of the Committee on Finance, is a lead sponsor of bipartisan legislation to improve pension funding and has been working to get the bill enacted. He and his colleagues have filed a modified version of their *Pension Security and Transparency Act of 2005* with the Senate floor and hope the Senate will consider the bill under expedited – or “hotlined” procedures – as early as this week. Grassley and his colleagues plan to offer their modified version of the bill, and senators who want additional special relief for airlines will be able to offer an amendment. Grassley made the following comment on the PBGC's financial statements.

“Today's findings underscore that we have to make sure workers' pensions are fully funded. Workers give up hard-earned wages in good faith for pension benefits. It's only right and fair that companies should have to fund those benefits as promised. Our bipartisan legislation would require companies to accurately measure pension liabilities and then give any company with a pension shortfall seven years to catch up. That seems like common sense. Also, if we don't reform pension funding rules and defined benefit plans go belly up, the taxpayer picks up the tab. Perpetuating the current weak system leads to more taxpayer exposure for unfulfilled pension promises. I hope the Senate will act this week to make pension funding more secure.”