



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Pension bill conference report approved today
Da: Thursday, April 8, 2004

Today the Senate approved a pension bill conference report on a vote of 78 to 19, clearing the measure for the President's consideration. Sen. Chuck Grassley, chairman of the Committee on Finance and a conferee on the bill, made the following comment on today's action.

"I'm relieved that we got this bill done. Workers need reliable funding of their pensions, and employers need a reliable basis on which to calculate pension payments. If the President signs this bill as expected, employers will know how to calculate their pension plan payments by their April 15 deadline.

"The bill the Senate approved today is a temporary measure. It gives two years of temporary relief on the rate companies use to calculate their pension payments. The relief is from the current rate that is requiring companies to pay much more than they need to meet their obligations to their workers. We didn't enact a long-term solution today, as the original Senate bill proposed, but this two-year period will at least give employers a reasonable formula to use while we work on a long-term solution.

"No law requires companies to offer pension plans. They do it as an incentive to attract and keep workers. The law does give companies tax incentives to offer pension plans to workers, and in return, requires companies to keep up their end of the bargain. In setting pension plan rates, Congress has to ensure that companies make adequate pension plan payments. We also have to make sure we don't impose such onerous rules that companies declare bankruptcy or drop their pension plans altogether. I look forward to working on a long-term solution that strikes the right balance."