

*News from the*

**U.S. Senate Committee on  
Health, Education, Labor and Pensions**

**Michael B. Enzi (Wyoming), Chairman**



**For Immediate Release**

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## **Enzi: Businesses Lobbying to Block Pension Reform Will Cost Jobs, Raise Burdens on Employers, Airlines**

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Washington, D.C. - U.S. Senator Mike Enzi (R-WY), Chairman of the Senate Health, Education, Labor and Pensions Committee (HELP Committee), said today eleventh-hour attempts to block consideration of comprehensive pension reform could force Congress to raise pension premiums dramatically by the end of the year, threatening significant job losses throughout the economy and further destabilizing the nation's airlines and pension system.

The Senate was expected to vote today on passage of "The Pension Security and Transparency Act," S. 1783, a bill drafted by both the HELP Committee and the Senate Finance Committee. However, new objections raised by the business community now have blocked the Senate from taking up the measure.

"Some in the business community have suddenly come down with pension deficit disorder," Enzi said Friday. "We planned to vote today to provide better security for millions of American workers who are depending on their hard-earned retirement funds, but the business community appears content to preserve the status quo. Some simply want to delay reform, continue to under fund their plans and deny there is a problem. That amounts to a business plan for layoffs, bankruptcies, and poor economic growth in my view."

Enzi said without new funding rules enacted to boost contributions businesses make to the Pension Benefit Guaranty Corporation (PBGC), Congress will be forced to raise premiums from the current

\$19 per plan participant to up to approximately \$54 per plan participant. Currently, businesses are operating under temporary funding rules that limit the amounts they must contribute to fund their plans. However, that temporary relief expires on December 31, and will force employers to make significantly higher contributions to fund their plans. The result will be to drain revenue for new investment, business expansion and job creation, slowing the nation's economy.

He voiced particular concern for the nation's airlines, many of which are teetering on the verge of collapse, in part as a result of underfunded pension plans. Providing needed relief to airlines has been a major focus of the HELP and Finance Committees in writing S. 1783.

Under current funding rules, the PBGC is carrying a deficit of \$23 billion, a level expected to climb even higher by the end of this year. The agency estimates that U.S. pension plans are underfunded by a total of \$450 billion. Over \$96 billion of that is owed by plans on the brink of collapse and at risk of being turned over to the PBGC for payment.

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