

**INTRODUCTION OF THE PENSION PROTECTION ACT ERISA AMENDMENTS  
OF 2008 -- (Extensions of Remarks - May 23, 2008)**

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SPEECH OF  
**HON. ROBERT E. ANDREWS**  
OF NEW JERSEY  
IN THE HOUSE OF REPRESENTATIVES  
THURSDAY, MAY 22, 2008

Mr. ANDREWS. Madam Speaker, I rise today to introduce the Pension Protection Act ERISA Amendments of 2008, PPAEA. Although I voted "no" on final passage of the Pension Protection Act, PPA, in 2006 due to a number of provisions, which put thousands of New Jersey jobs and retirees' plans at risk, I do believe there are many beneficial aspects of the law that are helping to protect the retirement plans of working Americans and retirees across the country.

For workers retired from a single-employer plan, PPA provided a better method of ensuring that an employer may continue to offer retirement benefits to their employees by meeting their plan financing obligations. This change made it far less likely that taxpayers would have to step in and pay the bill for thousands of retirees. PPA also provided smaller businesses with a bit more flexibility, by giving some of them a new plan option. One such option is known as the "Defined Small Employer Defined Benefit Plan" or "DB(k)," which I authored. DB(k) relieves employers of the administrative burden tailored for large plans and provides them with the best of both the defined benefit and defined contribution world.

For people who work for or are retired from multi-employer plans, the 2006 law gives those employers--and the funds to which they belong--an opportunity to receive some relief from external circumstances that caused those plans to be in jeopardy; and again, relieving taxpayers of potential liability and obligation.

In 2005, on the eve of the introduction of PPA, the economic forecast predicted an avalanche of more defined benefit plan terminations, placing the solvency of the pension Benefit Guarantee Corporation, PBGC, as well as hundreds of millions of retirees' assets at risk. With several major companies expecting to either eliminate or freeze their defined benefit plans a few years ago, PPA has been instrumental in slowing the decline in defined benefit, DB, plans. Nevertheless, DB plans are still on the decline. Today, less than one in five workers in the private sector--20 million workers--has a traditional defined benefit plan, while 401(k) plans are on the rise, dominating the retirement landscape. Today over 50 million American workers are covered by a 401(k) plan. Whether these plans are adequate to provide the average American worker with a comfortable retirement remains a question we will continue to examine in the coming years.

Solving the problem of providing retirement coverage, which is both affordable and adequate, is a priority of mine, but before we address it, we must first make sure PPA is measuring up to its fullest potential. The purpose of PPAEA is to correct a number of anomalies in PPA, which in many cases, subvert the policy goal of a particular provision. Though most of these anomalies were not intentional, if left uncorrected they have the potential to strip thousands of retirees of a lifetime of savings and force many employers to drop their retirement plan for their current employees.

As I indicated in the hearing I chaired last year in the Health, Employment, Labor, and Pensions, HELP, I am not interested in upsetting the fundamental agreements of PPA. Rather, I am most interested in vindicating those agreements and making them work better.

With the support of the Chairman of the Committee on Education and Labor and my good friend from California, *George Miller*, and several other colleagues, I look forward to working with Members on both sides of the aisle to help pass a bill to further protect retiree assets, provide employers with a funding method that holds them accountable but provides flexibility, reduce burdensome transaction cost to plan sponsors and pensioners, and provide employers with additional investment tools to ensure that all retirees under their plan receive their promised benefit.