



For Immediate Release

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**Statement of Michael B. Enzi, Ranking Member
Senate Committee on Health, Education, Labor and Pensions**

Pension in Peril: Helping Workers Preserve Retirement Security Through a Recession

Mr. Chairman, just over a year ago you and I held our first retirement savings hearing together and we looked into how to provide greater transparency and understanding of 401(k) disclosure statements to workers and retirees. So today, I am very glad that we are expanding our review of our nation's retirement saving system by looking into traditional defined benefit plans.

With the significant downturn in the stock market last year, individuals and families with 401(k)'s and IRA's immediately felt the impact. However, with respect to the longer-term investing traditional benefit plans, the effects of the market downturn were not as readily apparent.

Thankfully, we were able to provide some relief to workers, retirees, and their families, who have 401(k)'s, IRA's and defined benefit plans as we passed the Worker, Retiree and Employer Recovery Act last December. While this was a very temporary measure to help get over the initial shock of the economy, we all agreed that we would come back and address this problem again this year.

When the Senate overwhelming passed the Pension Protection Act in 2006, we all voted to shore up our defined benefit system to ensure that retirees' pensions were there when they retired. In fact, the stronger funding rules that we implemented led to more companies funding their pension plans. At the beginning of 2008, many plans were well on their way to being 100 percent funded.

However, all of that has changed. If we could have foreseen in 2006 the steep stock market decline coming around the bend then there is little doubt that we would have incorporated greater flexibility in the funding rules.

I would like to thank all of panelists today for traveling across the country to be with us today. We have a very good cross section of workers, retirees and employers and I hope that they will give us great insight on what we can do.

However, I must single out the issue to be discussed on our first panel – the issue of what happens to pension plans when companies enter into bankruptcy. I am very disturbed by the materials provided by Mr. Gump on behalf of the Delphi Salaried Retiree Association. This type of deal negotiated behind-closed-doors out of the public view is exactly the type of deal-making that we have long criticized the PBGC for undertaking in years past. However, this time the behind-closed-door deal was undertaken by the Administration's Auto Czar, Auto

Task Force and the Secretary of Treasury. Everyone needs to know and understand what promises were made, who was negotiating this deal and how this Administration also pre-packaged the GM bankruptcy arrangement. Taxpayers deserve to know how the Delphi situation is tied to the larger federal bailout of GM and how it impacts all of our future. The deals that go on behind closed doors should be viewed with sunshine and made transparent to the workers of Delphi and the American people. If transparency is to be one of the hallmarks of this Administration, as it was advertised, then allowing sunshine on these dealings should not be objectionable.

Mr. Chairman, this afternoon I will be sending a letter to the Secretary of the Treasury and the Auto Czar insisting that all documentation relating to this inside the Beltway agreement be made public immediately. Mr. Gump's testimony indicates that this deal was not in the best interests of workers or taxpayers.

Mr. Chairman, thank you again for holding this hearing on our nation's traditional retirement plans.

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