

## **PROTECT OLDER WORKERS**

### **SUPPORT THE MILLER MOTION TO INSTRUCT CONFEREES ON HR 2830.** **THE PENSION PROTECTION ACT**

- The Miller motion to instruct conferees supports the bipartisan Senate compromise pension bill language that protects older workers by:
  1. Prohibiting discrimination against older workers by the practice of offsetting previously earned pension benefits against new benefits under the plan, also known as "wearaway" of older worker benefits, and
  2. Providing fair rules to protect workers' pensions in conversions of traditional pension plans to cash balance pension plans.
- The Senate language was negotiated with the active support of Senators Baucus, Kennedy, Frist, Grassley, Hatch, and Lott and passed the Senate 97-2.
- Protections for older workers under cash balance conversions, including the Senate compromise, is supported by AARP, AFL-CIO, National Committee to Preserve Social Security and Medicare, National Legislative Retirees Network and the Pension Rights Center.
- Over 1200 corporations converted to cash balance pensions during the 1990's affecting the pensions of over 7 million workers and retirees. The GAO found, in surveys conducted in 2000 and 2005, without transition protection, almost ALL workers, including younger workers, could lose up to 50% of their expected pension benefits in a cash balance conversion.
- Since 1999 there has been a moratorium on conversion approvals. The Bush Administration initially tried to lift the moratorium and legalize conversions, but after 218 members of Congress appealed to the President, the Treasury Department withdrew its proposal and submitted a new proposal that prohibits wearaway of earned benefits and includes worker transition protection. The Senate compromise largely follows the Bush Administration's proposal.
- The House of Representatives has already voted 3 times to require the Treasury Department to protect older workers from age discrimination in cash balance conversions. In 2002, the amendment passed on a vote of 308-121. In 2003, it passed 258-160, and in 2004 it passed 237-162.
- The Senate bill provides fair protection for older workers - support the Miller motion to instruct.