



**The
ERISA
Industry
Committee**

May 20, 2010

Dear Member of Congress:

As the representative of America's major employers on pension issues, The ERISA Industry Committee would like to express our support for meaningful pension funding relief legislation. As Congress and the Administration continue to focus on stimulating the economy, real relief for America's pension plans is an absolute necessity. Failure to provide meaningful relief will slow economic recovery, increase unemployment and put retirement security at risk.

The ERISA Industry Committee ("ERIC") is a non-profit association committed to representing the advancement of the employee retirement, health and compensation plan of America's largest employers. ERIC's members provide retirement, health care coverage, compensation, and other economic security benefits directly to tens of millions of active and retired workers and their families. ERIC has a strong interest in proposals affecting its members' ability to deliver those benefits, their cost and their effectiveness, as well as the role of those benefits in the American economy.

Temporary pension funding relief legislation has been attached to the Senate tax extenders package (H.R. 4213) and we understand that the House of Representatives will bring a similar package to the floor shortly. ERIC supports efforts to pass real and significant temporary funding relief into law as soon as possible. We support expanding the current amortization period for pension plans from the current seven year period to either the 2 +7 alternative (for which the first two years, plan sponsors would only owe interest on the payments) or a 15 year amortization option.

We urge Congress not to impose onerous conditions upon companies who seek pension funding relief, including maintenance of effort requirements or "active plan" requirements associated with funding relief. Many companies are under tremendous pressure to divert large amounts of cash from other corporate sources, including capital improvements, job retention, and benefit reductions. Without immediate relief, ERIC believes that the current economic conditions will continue to worsen and will slow economic recovery.

Pension plan sponsors are not asking for a taxpayer bailout; we are not asking that the government provide plan sponsors with money or to take on plan sponsors' pension liabilities; nor are we asking that plan sponsors be excused from funding their plans. We are merely asking for more time to meet those obligations. Indeed, prior to the impact of the current recession, plan sponsors were well on their way toward meeting the increased obligations imposed by the Pension Protection Act of 2006. Given the extraordinary economic circumstances, plan sponsors simply need additional time over which to make their pension contributions.

The Pension Protection Act of 2006 significantly tightened the pension funding rules. This law did not anticipate the combination of negative economic forces that occurred during the last quarter of 2008. The combination of tighter funding laws and the current economic crisis created the “perfect storm” that requires temporary relief.

We urge you to provide real, temporary pension funding relief that allows plans sponsors additional time to fully fund their pension plans and help strengthen the economy by allowing companies to apply precious cash resources to core business objectives, job expansions, plant expansions, research and development and capital investments.

Thank you for your consideration and prompt attention to this matter.

Sincerely,

Mark J. Ugoretz
President & CEO