



## The ERISA Industry Committee

*Advocating the Employee Benefit and Compensation Interests of America's Major Employers*

1400 L Street, NW, Suite 350, Washington, DC 20005 Tel: (202) 789-1400 Fax: (202) 789-1120 www.eric.org

### MEMBERSHIP

Decisions made in Washington, DC affect companies of all shapes and sizes. The ERISA Industry Committee (ERIC) is the only organization dedicated exclusively to representing the employee benefits and compensation interests of America's major employers. Other business interests – consultants, insurers, banks, small and medium-sized business – are already well represented. Since 1976, ERIC has been preeminent in its effective lobbying and advocacy work in the Nation's Capital on behalf of its members.

- *ERIC is a respected advocate and a unified voice in Washington, D.C.*
- *ERIC is a network of 1,500 benefits and human resources colleagues*
- *ERIC provides you with expert resources and timely information*
- *ERIC provides outstanding educational and leadership opportunities*

ERIC is a non-profit trade association governed by an active, working Board of Directors and several committees made up of our members' benefits, tax, legal, and human resources professionals who meet quarterly to determine our policy. The major committees include Retirement Security Committee, Health Policy Committee, Legal and Fiduciary Responsibility Committee, as well as several important task forces on narrower issues. *The active membership of ERIC's Board and committees represents our commitment to advocating solely employer interests.*

### THE CHALLENGES AHEAD

The next several years will be a time of extraordinary challenges and perhaps trials for major employers and those who support employer benefit programs. Faced with increasing global competition, business demands, increasingly restrictive regulations, and unprecedented litigation, many employers are reconsidering how – and even whether – they will provide health care coverage and retirement security and what forms of compensation will advance their business goals in the 21st century. At the same time, policymakers perceive that employers are retreating from a commitment to providing benefits.

There is much discussion presently on Capitol Hill regarding pension and health care reform, and ERIC is deeply involved in this timely conversation. Any major employer that offers pensions and/or health care benefits to its employees should have an advocate with a proven track-record who can demonstrate results. ERIC is that organization.

### ERIC ADVOCATES WITH YOU AND FOR YOU!

**From Congress, to the courts, to the regulatory agencies, ERIC is engaged on all fronts.** ERIC membership is your most valuable and cost effective means of assuring that your voice is clearly heard and that your interests are advocated on complex employee benefit issues that increasingly affect your bottom line. For many companies, we are their principal voice in Washington and we reinforce the efforts of Washington representatives. Our mobilization and

leadership of coalitions extends that influence even further on both retirement and health care issues. The unified voice of ERIC's members on Capitol Hill and within key regulatory agencies ensures your interests are covered as major legislation and regulations move toward becoming law.

ERIC members and staff testify regularly on policy and legislative issues before Congress, and on proposed regulations before federal agencies. We file *amicus* briefs in federal and state courts in cases affecting the benefits plans of major employers, and participate in policy discussions around the country on the future of national retirement income, health and other employee benefits policy. Our testimony, comments, and other materials have a reputation for accuracy and thoroughness and are sought by policymakers and companies alike.

## **Health Care Policy**

ERIC is a highly visible, effective advocate of market-based health care reform and ERISA preemption. We believe that improving the quality, cost-effectiveness, and accessibility of our health-care system demands adherence to market principles that have made possible the success of major employer plans. We strongly support legislation that preserves and strengthens ERISA preemption and reduces government interference with employers' efforts to provide cutting-edge, comprehensive health care benefits to their employees. We oppose benefit mandates and other government regulations that disrupt employer flexibility in health plan design.

It is with these basic principles in mind that ERIC members and staff review, analyze and recommend changes to all pending health care reform regulation and legislation, including bills designed to expand portability and accessibility of coverage.

## **Retirement Security**

ERIC advocates and supports the strengthening of our voluntary system of retirement benefits that has enabled our members to offer benchmark retirement benefits to their active employees, retirees and their families.

We are actively involved in recommending proposals for Pension Protection Act regulations, seeking to ensure a favorable legal and regulatory climate for traditional defined benefit plans, hybrid plans and defined contribution plans, assisting in battling 401(k) fee lawsuits, fighting efforts to restrict pension fund investments, and fending off proposals to limit or further restrict nonqualified deferred compensation.

We are also actively involved in disentangling unnecessarily complex pension rules and improving pension funding, as well as working for additional funding relief for companies facing unexpected funding requirements as a result of the economic crisis. Moreover, we are watching very closely for any efforts to "reform" ERISA's claims and remedies rules.

## **ERIC Innovation – A Proactive Agenda Ahead Of The Pack**

We are also excited about the reception we have received in meetings with key stakeholders as well as Members of Congress about interest in **ERIC's New Benefit Platform for Life Security**. The **New Benefit Platform** calls for exciting and forward-looking reforms in the delivery of both health and retirement benefits that are market-based and it has captured the excitement of policy makers and other stakeholders.

ERIC's **New Benefit Platform** is the result of two years of effort by a task force of experienced retirement and health benefit professionals with practical experience in retirement and health care coverage. It seeks to create a framework for a 21st century life security plan that is more efficient, increases portability, controls costs, is more transparent, and breaks down the "silos" separating retirement and health in order to empower consumers and ensure the delivery of high-quality retirement and health coverage to all Americans. The **New Benefit Platform** is only one example of ERIC's commitment to a proactive agenda.

## LEADERSHIP OPPORTUNITIES

Leadership opportunities are abound for ERIC members including participation on the Board of Directors, committees, task forces, and membership meetings. Collaboration and influence on legislation and regulations is only half the story: ERIC also provides the opportunity for individual collaboration with your major employer peers in other companies. Joining ERIC and taking advantage of available leadership and peer-collaboration opportunities protects your company's interests on a daily basis.

All ERIC member companies are entitled to a seat on ERIC's Board of Delegates. This provides you with an opportunity to actively engage in the policy debate surrounding benefits and to take a leading role in establishing benefits policies that facilitate your company's needs. ERIC membership also provides an expanse of corporate and congressional knowledge through membership in its committees in the areas of Retirement Security, Health Policy, and Legal and Fiduciary Responsibility. ERIC also routinely develops task forces for its members on hot issues such as pension funding and accounting, defined contribution plan issues, and retiree health.

## INFORMATION, COMMUNICATIONS AND EDUCATION

ERIC is a major source of information for benefits professionals concerned with developments in Congress, the regulatory agencies, the courts, and the benefits community by providing crucial 'inside-the-beltway' benefits and compensation information major employers need to know to run their businesses effectively.

Membership with ERIC gets you access to many highly praised resources, including the **ERIC Executive Report**, which is our weekly newsletter containing updates on Capitol Hill action and the latest regulatory developments. It also includes access to **ERIC OnLine** where you will find such helpful resources as ERIC position papers, comment letters, and legislative analyses -- all highly regarded by members of Congress and regulatory agencies for their accuracy and timeliness. ERIC's Briefing Books cover every topical major employee benefit issue, including nonqualified deferred compensation, fiduciary liability, and retiree health care.

ERIC provides **Washington Update** and **FocusOn** conference calls each month. Washington Update reviews the month's legislative efforts and advises members what to look for in the weeks ahead. ERIC's **FocusOn** calls provide an in-depth examination of the latest hot topic in employee benefits with an industry expert or government representative leading the call and an opportunity for questions and answers.

ERIC's **Spring and Fall Benefits Conferences** and **Quarterly Committee Meetings** are an opportunity to directly influence benefits policy, as well as gain a better understanding of key legislative developments, regulatory initiatives and other policy matters. Our members have the opportunity to hear from and question lawmakers, policymakers, and officials who are active in

the benefits area – generally, the same people who draft the laws and regulations. In addition, we provide technical “how to” workshops for our members.

The **ERIC Legal Conference** brings together ERIC members and government officials to discuss employer concerns regarding nonqualified deferred compensation, fiduciary responsibility, attorney-client privilege, and in-house benefits litigation. It also is an opportunity for ERIC members to share best practices and successful approaches to a number of benefits issues during closed-door, roundtable discussions designed to give ERIC members "take-away" information to be applied to their companies' benefits practice.

ERIC also works closely with our members' **Washington Representatives**. We hold regular monthly briefings on employee benefits issues, legislation and regulations and look to the Washington Representatives as an important link to corporate headquarters as well as for advice and counsel.

Whether it is through committee conference calls, specialized *FocusOn* calls, ERIC's specialized conferences, or daily contact with ERIC staff, members know they can rely on ERIC to help find useful solutions.

## **CONTACT ERIC**

ERIC membership is your most valuable and cost effective means of assuring that your voice -- and the voice of other major-employers -- is clearly heard. ERIC is prepared, with your active participation, to meet the clear, present, and difficult challenges that lie ahead.

Join ERIC now by filing out the attached application form and returning it either by mail or fax. To learn more about ERIC and how it can help your organization, please call ERIC President Mark Ugoretz at 202-789-1400.

Mark Ugoretz, President  
Gretchen Young, Vice President, Health Policy  
Kathryn Ricard, Vice President, Retirement Policy  
Deborah Chin, Vice President, Administration  
Ted Godbout, Manager, Communications  
Adam Solander, Legislative Counsel



## Here's What Your Colleagues Say About ERIC

"Our ERIC membership provides us with so much more than top-notch advocacy in Washington. While that is important, I value the forum that ERIC provides to top benefits executives to discuss the current trends and challenges that confront all of us as we work to create benefits plans that better meet our needs and the needs of our employees. With the workforce aging and younger workers less likely than ever to seek 'career' employment, ERIC's attention to these new challenges helps us spot potential trouble before it develops."

*-- Scott Swasey, General Manager, Human Resources Shared Services  
Chevron Corporation  
Chair, The ERISA Industry Committee*

"ERIC is the premier employee benefit association in the country for the concerns and interests of major employers. It has consistently taken a leadership role in the successful resolution of major public policy issues in Congress, the federal regulatory agencies, and the courts. ERIC has proven itself over the last 30 years to be the bulwark of common sense and flexibility in the benefits and ERISA arena. It is a membership driven organization with an extremely dedicated, experienced and respected staff. I recommend membership and active participation in ERIC with the greatest enthusiasm, and my colleagues and I will continue to work with ERIC regarding the many benefit issues on the horizon."

*-- Jeanne Denz, Director, Global Employee Benefits  
General Mills  
Vice Chair, The ERISA Industry Committee*

"One of the most valued benefits of ERIC membership is the superb quality of government relations advocacy. ERIC enables us to impact benefit and compensation legislation and regulations that no single employer could do on its own. The professional credibility and respect ERIC has with government officials at all levels has added value to our relationships with Members of Congress and federal regulatory officials."

*-- Sally Welborn, Senior Vice President, Benefits  
Wal-Mart Stores, Inc.  
Vice Chair, The ERISA Industry Committee*

"Unlike most of the other organizations to which HR executives belong, ERIC has a significant impact on our bottom line. Whether it's retirement security, health care, or compensation issues, we are seeing a huge amount of misinformation driving Congressional opinion that ERIC successfully reshapes. Let's face it, we are at a watershed moment in the benefits world -- as we were in the later 60's and early 70's -- where the operating framework for the next 30 years will be defined by Congress and the regulators in Washington. Either you want to be part of history and make a difference or you don't. If you join ERIC, you can make that difference, and have some hope of getting the future that you and your organization can live with."

*-- Larry Becker, Director, Benefits  
Xerox Corporation*



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### ERIC: THE LEADER IN SUCCESSFUL ADVOCACY

ERIC's advocacy efforts in Washington continue to be one of the primary reasons why companies join ERIC. We have been a leader on the most important benefits and compensation issues to major employers, saving companies billions of dollars from unfavorable laws, regulations, and frivolous lawsuits. Here are a few recent examples:

#### Retirement Security

- **Preserving Hybrid Plans:** ERIC was successful in obtaining Congress' approval in the Pension Protection Act that cash balance and hybrid plans are not inherently age discriminatory which will be helpful in ensuring that these important plans may move forward. In addition, ERIC repeatedly beat back congressional amendments, proposed rulemaking, FASB guidance and a wave of negative publicity that would have further hampered employers' ability to offer cash balance hybrid pension plans. ERIC also filed an *amicus* brief in *Cooper v. IBM*, where the Seventh Circuit Court of Appeals affirmed the lawfulness of cash balance pension plans under age discrimination standards.
- **Compensation Issues:** Legislation continues to surface that would impose new invasive regulations on non-qualified deferred compensation. ERIC is actively educating members of Congress and other benefits stakeholders on compensation issues that affect our members. ERIC has been successful in defeating proposals that would further limit the annual amounts that may be deferred under nonqualified deferred compensation plans. ERIC also worked extensively with Treasury and IRS officials on regulations governing the application of Internal Revenue Code Section 409A to deferred compensation plans, which included several ERIC recommended changes to the final regulations.
- **Improving the Pension Protection Act:** ERIC was instrumental in securing improvements in the Pension Protection Act that could have been detrimental to employers. ERIC also has been working closely with Congress on securing technical corrections to the legislation and with the regulatory agencies to ensure that the implementing regulations maintain the intent of the legislation.
- **Battling Against Excessive 401(k) Fee Disclosure:** ERIC has taken the lead in working with the regulatory agencies and Congress to ensure that any new 401(k) fee disclosure regulations or legislation provide plan sponsors with adequate flexibility to design disclosures that meet their needs and those of their employees without overloading employees with information that is of no value. ERIC also is working to ensure that any new requirements be clearly stated to ensure plan sponsors are not put into legal jeopardy threatening the continued viability of the defined contribution system.
- **Winning Support for 30-Year Treasury Bond Replacement:** ERIC's three-year lobbying effort on pension funding led to a new law that replaces the 30-year Treasury bond rate with a high-yield corporate bond rate. ERIC was the first group to develop a rational replacement rate that Congress adopted. We also single-handedly made pension funding a mainstream issue among corporate CEOs and CFOs, lawmakers and the national media.

- **Implementing the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA):** Once again, regulators turned to ERIC to provide insightful comments on how to implement a number of EGTRRA regulations that have helped employer benefit and compensation plans. Our comments affected guidance on notice of reduction in benefit accruals, elimination and disclosure of values of optional forms of benefits, treatment of early retirement benefits and retirement-type subsidies, and retroactive annuity payments.

## **Health and Retiree Health**

- **ERIC Fights to Preserve ERISA Preemption:** ERIC continues to fight attempts to weaken or circumvent ERISA preemption. ERIC strongly believes that ERISA preemption and employer's autonomy to voluntarily sponsor benefit plans faces a serious challenge, particularly from states that are seeking their own way. ERIC has successfully fought state waivers of ERISA preemption in the past and it remains a leadership issue. The core of these efforts is the preservation of the national uniformity framework established by the Employee Retirement Income Security Act of 1974 (ERISA). Currently over one hundred million Americans have health and/or retirement benefits voluntarily provided by their employer within this stable and coherent national system.
- **Working on Health Care Market Reforms & the Uninsured:** ERIC is actively participating in industry efforts to develop standards for measuring hospitals' and physicians' performances to ensure quality and keep increases in health care costs in check. In addition, ERIC is working with Congress by offering solutions to address increasing health care costs and the number of uninsured individuals. Future legislation has the potential to either significantly increase or decrease major employers' health care costs.
- **Improving Health Care Quality and Controlling Costs:** For two years, ERIC spearheaded the Patient Centered Primary Care Collaborative (PCPCC), which promoted and advocated the Patient Centered Medical Home Model to change the way medical care is delivered in this country. As the rise of employers' health coverage costs accelerate exponentially without any discernable correlation to improved or expanded care, the PCPCC proposed an alternative model of providing care to significantly reduce health-associated costs, and create a more efficient and comprehensive manner of delivering care.
- **Protecting Employers' on Retiree Health:** In a major victory for employers, the Third Circuit Court of Appeals in June 2007 upheld the authority of the Equal Employment Opportunity Commission (EEOC) to grant an exemption to the Age Discrimination in Employment Act (ADEA) that permits employers to coordinate coverage of their retiree health plans with Medicare. ERIC filed *amicus* briefs at several stages during the extensive litigation, and met extensively with EEOC. The case holds enormous importance to companies who are committed to providing retiree health benefits in a climate of increasing costs. By coordinating their health care benefits to retirees with Medicare, employers are able to provide both active and retired employees with sound health care plans. The EEOC formally announced its exemption to the ADEA in December 2007.
- **Reforming Medicare:** ERIC was one of the first organizations to energize employer interest in Medicare reform by developing a blueprint for modernization of the Medicare system that called for immediate introduction of a prescription drug program followed by a comprehensive Medicare system reform. ERIC also was successful in urging Congress not to approve the Medicare Prescription Drug Price Negotiation Act, arguing that program has been highly successful since its implementation and that repealing the non-interference provision would inevitably result in higher prices for the private sector, working families, retirees in non-Medicare plans, veterans and active duty military personnel.



## ERIC STANDING COMMITTEES

Members of The ERISA Industry Committee (ERIC) actively participate on one or more of ERIC's major committees. ERIC relies heavily on its committee structure and member participation to review the practical and policy implications of legislative and regulatory proposals and to formulate specific recommendations for action. The committees are made up of corporate staff representing human resources, legal, tax, finance, and related functions.

### **Retirement Security Committee:**

The Retirement Security Committee oversees ERIC's policy positions and lobbying efforts on matters affecting our members' retirement security plans. The committee prepares position papers on key issues, develops proposals that ERIC advocates to improve pension law and regulation, and develops detailed recommendations for technical corrections and regulatory guidance on new pension law. Members of the committee meet regularly with Members of Congress and their staff, the Treasury Department, the Internal Revenue Service, the Department of Labor, and White House staff to present ERIC's position.

### **Health Policy Committee:**

The Health Policy Committee directs ERIC's involvement in health and welfare benefit issues. The committee makes a concerted effort to educate government staff and Members of Congress about the rapidly changing healthcare delivery system, formulates detailed regulatory guidance, legislative corrections, and recommendations on proposed legislation to expand ERISA liability, set new confidentiality standards, impose coverage mandates, and change the tax treatment of employer-purchased health benefits.

### **Legal and Fiduciary Responsibility Committee:**

The Legal and Fiduciary Responsibility Committee formulates ERIC positions for the filing of *Amicus Curiae* briefs in key court decisions as well as ERIC policy on all legal and fiduciary responsibility issues such as participant-directed individual account plan regulations, corporate governance issues, plan asset regulations, and pension fund investment policy issues. The committee's mission also includes protection of ERISA preemption, avoiding expansion of litigation, compliance issues, and other specific issues of concern to corporate benefits counsel and investment managers.

### **Washington Representatives Advisory Committee:**

Composed of Washington office representatives of ERIC's members, the "Wash Reps" meet monthly to exchange information on key employee benefits issues and collaborate on lobbying efforts. The sessions also feature guest speakers ranging from policy experts to congressional and administration staff to benefits professionals. In addition, the committee helps to coordinate ERIC's activities between our members' Washington representatives and the work of corporate benefits staff.

## ERIC TASK FORCES

ERIC task forces are established as needed to conduct in-depth analyses and formulate ERIC policy on specific key issues. Examples of current and recent task forces include:

- Defined Contribution Plan Issues
- The Future of Employee Benefits & Compensation
- Health Care Costs, Market Reform and the Uninsured
- HSA Workability Project
- Hybrid Plans
- Investment Advice
- Medicare Design
- Medicare Implementation
- Nonqualified Deferred Compensation
- Pension Funding and Accounting
- Retiree Health
- Yield Curve



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## Trial Membership Form

For a 60-day trial membership to The ERISA Industry Committee, please provide the following information below. The trial membership allows access to ERIC breaking news information on retirement security, health, and compensation policies. A trial membership also provides access to the *members-only* portion of the ERIC website (www.eric.org).

*Please print or type.*

First Name \_\_\_\_\_ Last Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Fax: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

**E-mail address required:** \_\_\_\_\_

COMPANY PLAN TYPE (CHECK ALL THAT APPLY)

Defined Benefit

Cash Balance / Hybrid

Defined Contribution / 401(k)

### PLEASE FAX OR MAIL YOUR COMPLETED FORM TO:

The ERISA Industry Committee  
1400 L Street, NW, Suite 350  
Washington, D.C. 20005-3509  
Fax: 202/789-1120

Membership questions? Please call Mark Ugoretz at 202/789-1400.



# MEMBERSHIP APPLICATION

THE ERISA INDUSTRY COMMITTEE

1400 L Street, NW Suite 350 Washington, DC 20005 Tel: (202) 789-1400 Fax: (202) 789-1120 www.eric.org

Company \_\_\_\_\_

Member Representative \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ - \_\_\_\_\_

Telephone ( \_\_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_ Fax ( \_\_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_

E-mail address \_\_\_\_\_ Company web address \_\_\_\_\_

Referred by \_\_\_\_\_

Name

Company

- Type of Industry:
- Banking/Financial Services
  - Insurance
  - Utility
  - Consulting
  - Retail
  - Other \_\_\_\_\_
  - Industrial
  - Transportation

Number of Employees \_\_\_\_\_ Number of Plan Participants \_\_\_\_\_

Briefly describe the type of employee benefit plans offered to the majority of your company's employees (defined benefit and/or defined contribution pension plans, 401(k), health care coverage, retiree medical, other).

Please list your company's memberships in other employee benefits organizations (The Business Roundtable, Employee Benefit Research Institute, the National Association of Manufacturers, U.S. Chamber of Commerce).


*On behalf of my company, I hereby apply for membership in The ERISA Industry Committee.*

Signature

Date