



## AMERICAN BENEFITS COUNCIL

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# NEWS RELEASE

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*Council applauds inclusion of pension funding measures in rescue bill*  
**Critical retirement provisions in pandemic relief bill  
will save billions of dollars, speed economic recovery**

WASHINGTON, DC - “**The pension funding relief** enacted as part of the American Rescue Plan Act (ARPA) may be overlooked among the bill’s many other provisions,” said Lynn Dudley, the American Benefits Council’s senior vice president, global retirement and compensation policy, “**but it is critically important for pension plan participants and the companies that sponsor them.**”

One of the pandemic’s most insidious effects has been the impact on defined benefit pension plans. The reduction of interest rates to spark the economy causes pension liabilities to be valued far higher than they really are. The ARPA incorporates two technical but vital provisions - originally advanced by the Council - to (1) extend and enhance interest rate smoothing, and (2) increase the number of years employers have to pay for pension liabilities from seven to 15. These provisions complement the ARPA measures that stabilize the multiemployer pension system.

[A study conducted in 2020](#) found that, without relief, nationwide pension funding obligations could double, costing companies as much as \$24 billion. Council member companies have provided [testimonials describing the impact of the pandemic on their pension plans](#), showing that diverse companies up and down the supply chain have underscored the importance and urgency of swift action.

“Pension funding stabilization helps preserve retirement security for participants, increases economic certainty for companies and benefits taxpayers and the Pension Benefit Guaranty Corporation, making this a win-win-win,” Dudley said.

For one prominent employer, pension funding stabilization is critically important. “Just as our employees rely on our pension plans for a sound and secure retirement, the organization itself depends on consistent and predictable rules for the funding of those plans,” said Seth Kursman, vice president, corporate communications, sustainability and government affairs for Resolute Forest Products. “We are grateful to lawmakers for meeting the extraordinary need for this relief and to our allies like the American Benefits Council for helping to push it across the finish line.”

“We applaud Congress and the Administration for their support of these crucial provisions as part of the rescue bill and look forward to working with them on future opportunities to strengthen the employer-sponsored retirement system.

For more information on pension policy, contact Jason Hammersla, Council vice president, communications, at [jhammersla@abcstaff.org](mailto:jhammersla@abcstaff.org) or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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*The Council is a public policy organization whose members include over 220 of the world's largest corporations, as ranked by Fortune and Forbes. Collectively, the Council's members either directly sponsor or administer health and retirement benefits for virtually all Americans covered by employer-sponsored plans.*