



AMERICAN BENEFITS  
COUNCIL

November 20, 2008

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives

The Honorable Harry Reid  
Majority Leader  
United States Senate

The Honorable John Boehner  
House Republican Leader  
United States House of Representatives

The Honorable Mitch McConnell  
Senate Republican Leader  
United States Senate

Dear Speaker Pelosi, Majority Leader Reid, Minority Leader Boehner and Minority Leader McConnell:

As you are aware, the current economic crisis constitutes a direct threat to employer-sponsored defined benefit retirement plans. Without immediate relief, companies will be forced to make enormous, unexpected contributions to their pension plans just when they can least afford it. At this time, these resources are critically necessary to make crucial capital investments, pursue growth and preserve and create jobs.

Actuarial studies have concluded that average defined benefit plan contributions will triple. The funding relief provisions currently being negotiated between House and Senate leaders could reduce these contributions by approximately one-third. This simple fix could translate to many thousands of saved jobs.

The American Benefits Council, which represents many of these defined benefit plan sponsors, urges your support of these provisions. Immediate relief is absolutely critical, as companies are already making their budgetary decisions for next year. The matter and the timing are of the utmost importance.

This relief will not resolve all of the threats to the defined benefit pension system or fully address the dramatic spike in pension obligations caused by the recent financial turmoil. We are sure that it is an imperfect solution to everyone's individual concerns. However, action is critically necessary now. Controversial provisions unrelated to funding should not be considered if they stand in the way of getting funding relief desperately needed by employers and employees. Businesses, jobs and the greater economy hang in the balance.

We stand ready to work with you on this important issue.

Sincerely

James A. Klein  
President