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Council lauds Senate measure moving PBGC premiums off-budget

Legislation will discourage lawmakers from using pension insurance as offset

WASHINGTON, D.C. — “We thank Senator Mike Enzi (R-WY) for his leadership in introducing the Pension and Budget Integrity Act of 2016 (PBIA) which will prevent unnecessary Pension Benefit Guaranty Corporation (PBGC) premium increases,” said Lynn Dudley, American Benefits Council senior vice president, global retirement and compensation policy. The Council voiced its support for the bill in [a formal letter](#) to Enzi and his fellow cosponsors, Senate Health, Education, Labor and Pensions (HELP) Committee Chairman Lamar Alexander (R-TN) and Senator Johnny Isakson (R-GA).

The proposed measure would ensure that premiums paid to the PBGC are no longer counted as general fund revenue. This would eliminate the perverse incentive for Congress to raise PBGC premiums in order to pay for unrelated spending, as has happened three times in the last four years.

“The PBGC itself has affirmed that the single-employer pension insurance system is in good health and further premium increases would be detrimental to the system. Eliminating the ability to ‘double-count’ these premiums for other spending will keep lawmakers from using pension plans as a piggy bank,” said Dudley.

“According to [a recent poll](#), nearly half of all sponsors of large defined benefit pension plans have taken steps to exit the system in some capacity, and the primary reason for these exits is PBGC premium increases. We need timely solutions like the PBIA to counteract this trend,” Dudley said.

In addition to its own letter, the Council joined with other leading organizations in [expressing support](#) of the Pbia. The Council also [supports the bill's counterpart in the House of Representatives](#), H.R. 4955, sponsored by Representatives James Renacci (R-OH) and Mark Pocan (D-WI).

For more information on retirement policy matters, or to arrange an interview with Dudley, contact Jason Hammersla, Council senior director of communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.