

November 1, 2007

The Honorable Eric Cantor
329 Cannon House Office Building
Washington, DC 20515

Dear Congressman Cantor:

We are writing to you and to Congressman Earl Pomeroy, to express our appreciation for your leadership in introducing H.R. 3868 and to urge that you include this bill in the extenders package that is being considered by the Ways and Means Committee. H.R. 3868 would allow sponsors of defined benefit pension plans to transition to new funding rules only after final regulations are published. The issuance of final regulations is crucial for plan sponsors, service providers and actuaries to comply with tax laws governing their pension plans, to do so in an orderly manner and with reliance on sound, final guidance.

Your bill would postpone until January 1, 2009 the onset of final pension funding rules, minimum lump sum calculations and benefit restrictions rules. The aging of American's workforce, dramatic changes in accounting rules for pensions and other post-employment benefits, and the total assets invested in domestic pension plans today means that adequate planning for responsible funding has never been more acute. Any error in compliance with tax law can have extremely grave consequences for the plan sponsor and possibly even for the plan participants. We want to comply with the law, but the dearth of guidance that has been published in final form will mean that plan sponsors and their actuaries will be forced to make "educated guesses" in too many critical instances. Final regulations are needed before the new rules take effect.

Again, we thank you for the leadership you and Congressman Pomeroy have shown and the assistance H.R. 3868 gives to responsible pension plan sponsors across the United States. We hope that your bill will be enacted into law this year.

Sincerely,

American Benefits Council
American Council of Life Insurers
Association of Pension Professionals & Actuaries
Committee on Investment of Employee Benefit Assets
The ERISA Industry Committee
HR Policy Association
Society for Human Resource Management
U. S. Chamber of Commerce

cc: Chairman Charles Rangel and Ranking Republican Member James McCrery