

JUNE 20, 2006

## A LETTER TO CONGRESS

# RETIREMENT PLAN COMMUNITY URGES CONFEREES TO INCLUDE PENSION AND RETIREMENT SAVINGS PERMANENCY IN PENSION REFORM CONFERENCE REPORT

The undersigned organizations, representing the broad spectrum of employer plan sponsors, consumer organizations, financial institutions, small businesses, governments, and retirement plan service providers, commend the House of Representatives for including in HR 2830, the Pension Protection Act of 2005, a provision making the pension and retirement savings provisions in Title VI of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) permanent. The companion Senate legislation does not include this important provision. Many critical retirement savings provisions are in EGTRRA. The Administration's FY 2007 Budget proposal would also make these provisions permanent.

The EGTRRA pension and retirement savings provisions, which will expire at the end of 2010 or earlier unless Congress acts, permit Americans to save more in employer plans and IRAs; ease portability among various plans; and provide significant administrative relief to employers who sponsor plans. In addition, the provisions include targeted measures such as the Saver's Credit, which benefit low-income savers, and catch-up contributions that permit older workers to save more under the plans and IRAs. These changes are the most recent product of an enormously successful partnership among employers, financial institutions, and government that has resulted in a system that permits rank and file workers to share in America's prosperity while building critical retirement income security.

Permanency, as opposed to repeated short term extensions of the EGTRRA pension provisions, is critically important to the millions of Americans that benefit from employer provided and individual retirement account programs. Trillions of dollars are invested in the economy through these programs. Hundreds of millions of dollars more are invested in systems that successfully administer these programs. A stop-start cycle of extensions of the EGTRRA provisions will unnecessarily divert a portion of participants' total savings to retooling these systems in anticipation of expiring provisions. Plan sponsors will confront uncertainty about legal compliance and the future design of their retirement plans. The communications difficulties that would result from intermittent extenders will confuse savers and possibly drain dollars from their accounts. Workers will be more reluctant to join savings programs when faced with confusing plan terms and uncertain contribution limits, and employers will be more reluctant to establish or maintain plans. These deleterious effects will begin long before the actual expiration date of the EGTRRA savings provisions. Any delay will increase the cost of enacting EGTRRA permanency.

We urge the conferees to ensure that both the pension reform conference report and the final pension reform bill retain this important provision. The time to act is now.

AMERICAN BANKERS ASSOCIATION	3M Company	Merrill Lynch
AMERICAN BENEFITS COUNCIL	AEGON USA, Inc.	MetLife
AMERICAN COUNCIL ON EDUCATION (ACE)	American Century Investments	Milliman, Inc.
AMERICAN COUNCIL OF LIFE INSURERS	Ameriprise Financial	Mittal Steel USA
AMERICAN FOREST & PAPER ASSOCIATION	Ateco, Inc.	Morgan Stanley
AMERICAN HOMEOWNERS GRASSROOTS ALLIANCE	Avaya	The National Bank of Indianapolis
AMERICAN HOMEOWNERS FOUNDATION	Ball Horticultural Company	National Grid
AMERICAN SOCIETY OF PENSION PROFESSIONALS & ACTUARIES	Banner Bank	National Life Group
BUSINESS ROUNDTABLE	BP America	Nationwide Financial Services
COLLEGE AND UNIVERSITY PROFESSIONAL ASSOCIATION	Buck Consultants, an ACS Company	NCR Corporation
FOR HUMAN RESOURCES (CUPA-HR)	Centier Bank	Nestle USA
COMMITTEE ON INVESTMENT OF EMPLOYEE BENEFIT	Ceridian Corporation	New York University
ASSETS (CIEBA)	Charles Schwab & Co., Inc.	Olympic Medical Corp.
EMPLOYEE-OWNED S CORPORATIONS OF AMERICA (ESCA)	Chevron Corporation	OppenheimerFunds
EMPLOYERS COUNCIL ON FLEXIBLE COMPENSATION	Citigroup, Inc.	Pacific Life Insurance Company
THE ERISA INDUSTRY COMMITTEE	ConocoPhillips	Penn Mutual Life Insurance Company
THE ESOP ASSOCIATION	Continental Materials Corporation	Pension Benefit Insurance Services, Inc.
FINANCIAL EXECUTIVES INTERNATIONAL'S COMMITTEE	Crookham Company	The Pension Group, Inc.
ON BENEFITS FINANCE	Delaware Valley Soda Systems, Inc.	PensionTrend Investment Advisers, LLC.
FINANCIAL PLANNING ASSOCIATION	Deloitte & Touche USA LLP	PensionTrend, Inc.
THE FINANCIAL SERVICES ROUNDTABLE	Delta Air Lines, Inc.	Pepco Holdings, Inc.
GLASS PACKAGING INSTITUTE	DiMartino Associates	Philips Electronics North America
HR POLICY ASSOCIATION	Diversified Investment Advisors	Principal Financial Group
INDEPENDENT COMMUNITY BANKERS OF AMERICA	DTE Energy	The Procter & Gamble Company
INVESTMENT COMPANY INSTITUTE	Eaton Corporation	Regis Corporation
MOTOR & EQUIPMENT MANUFACTURERS ASSOCIATION	Edward Jones Investments	Retirement Plan Strategies, Inc.
NATIONAL ASSOCIATION OF GOVERNMENT DEFINED	ELS Inc., a 100% employee-owned company	Retirement Resources Investment Corporation
CONTRIBUTION ADMINISTRATORS	FedEx Corporation	Roberts Home Medical, Inc.
NATIONAL ASSOCIATION OF MANUFACTURERS	Fidelity Investments	Roberts Oxygen Company, Inc.
NATIONAL ASSOCIATION OF STATE RETIREMENT	Financial Engines	Rockwell Automation
ADMINISTRATORS	First Annapolis Consulting, Inc.	Rockwell Collins
NATIONAL CONFERENCE OF STATE LEGISLATORS	Flint Group North America Corporation	RolloverSystems, Inc.
NATIONAL COUNCIL ON TEACHER RETIREMENT (NCTR)	General Board of Pension and Health Benefits	sanofi-aventis US Inc.
NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION	of The United Methodist Church	Science Applications International Corporation
NATIONAL SMALL BUSINESS ASSOCIATION	Getty Images	Securian Financial Group
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION	Hartford Financial Services Group	Sierra Tel Communications Group
PROFIT SHARING / 401k COUNCIL OF AMERICA	Herod Mattis Group, Inc.	Smurfit-Stone
RETIRESAFE	Hewitt Associates	Sterling Trust Company
SAVINGS COALITION OF AMERICA	Highland Consulting Associates, Inc.	SunGard Corbell LLC
SECURITIES INDUSTRY ASSOCIATION	Home I.V. Care	Sunoco, Inc.
SMALL BUSINESS COUNCIL OF AMERICA	HSBC	T. Rowe Price Group
SMALL BUSINESS LEGISLATIVE COUNCIL	IBM Corporation	Teledyne Isco
SOCIETY FOR HUMAN RESOURCE MANAGEMENT	Ice Miller LLP	Texas Instruments
U.S. CHAMBER OF COMMERCE	ICMA-RC	TIAA-CREF
	ING US Financial Services	The Timken Company
	Intel Corporation	Towers Perrin
	International Paper Company	Transamerica Retirement Services
	John Hancock Financial Services	United Companies, Inc. and Subsidiaries
	Kennedy/Jenks Consultants, Inc.	University of Pennsylvania
	Liberty Diversified Industries, Inc.	Vanderbilt University
	Lincoln Financial Group	Vanguard
	Lucent Technologies Inc.	Wachovia Corporation
	Marian, Inc.	WellPoint
	Martin Tractor Company, Inc.	Wells Concrete Products Company
	MassMutual Financial Group	WHA Financial Solutions
	Matthews Benefit Group, Inc.	Wm. W. Meyer & Sons, Inc.
	Maytag Corporation	Xerox Corporation
	McCready and Keene, Inc.	Yahoo!, Inc.
	McDonald Investments, Inc.	Yoder & Langford, P.C.
	Mercer Human Resource Consulting	