Statement of the U.S. Chamber of Commerce

ON:	**"H.R. 2830: THE PENSION PROTECTION ACT OF 2005"**
TO:	**HOUSE COMMITTEE ON EDUCATION AND THE WORKFORCE**
BY:	**LYNN FRANZOI**
DATE:	**JUNE 15, 2005**

The Chamber's mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

TESTIMONY BEFORE THE
COMMITTEE ON EDUCATION AND THE WORKFORCE
OF THE
UNITED STATES HOUSE OF REPRESENTATIVES
ON BEHALF OF
THE UNITED STATES CHAMBER OF COMMERCE
ON H.R. 2830, THE PENSION PROTECTION ACT OF 2005
BY
LYNN FRANZOI
JUNE 15, 2005
JOINED BY
AMERICAN BENEFITS COUNCIL
BUSINESS ROUNDTABLE
COMMITTEE ON INVESTMENT OF EMPLOYEE BENEFIT ASSETS
ERISA INDUSTRY COMMITTEE
NATIONAL ASSOCIATION OF MANUFACTURERS
NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Good afternoon, Chairman Boehner, Ranking Member Miller, and members of the Committee, I would like to thank you for the opportunity to appear before you this morning to discuss an issue that is critical to American employers, workers, and retirees. My name is Lynn Franzoi and I am the Senior Vice President, Benefits, for Fox Entertainment Group, Inc. Fox administers benefit programs for over 12,000 domestic employees, 800 foreign employees, 1,000 retirees and over 3,000 terminated vested participants. Fox maintains defined contribution plans, defined benefit plans, and contributes to several multiemployer plans.

I am testifying today on behalf of the United States Chamber of Commerce, the world's largest business federation, representing more than three million businesses and organizations of every size, sector, and region. Fox Entertainment Group is a member of the Chamber's Employee Benefit Committee and I serve as Chairperson of the Qualified Plans Subcommittee. American Benefits Council, Business Roundtable, Committee on Investment of Employee Benefit Assets, ERISA Industry Committee, National Association of Manufacturers, and National Rural Electric Cooperative Association also join in the themes expressed in this testimony and some of these groups will be submitting their own supplemental testimony.

While I am here today on behalf of several organizations, my testimony also reflects my years of experience in the benefits field. In addition to over 20 years in the field of employee benefits, I am currently serving a three-year term as a member of the Advisory Council of Employee Welfare and Pension Benefit Plans to the Department of Labor's Employee Benefits Security Administration. I also served on the National Summit on Retirement Savings in 1998 and 2002.

We appreciate the hard work that Chairman Boehner, Chairman Thomas, Chairman Johnson, and other members of the Committee on Education and the Workforce have contributed to the issue of pension reform which has resulted in the introduction of H.R. 2830, the Pension Protection Act of 2005 (the "Act"). We appreciate the Committee taking the lead on pension reform and believe that the legislation moves the debate forward in a constructive manner, and in many ways shores up the viability of the defined benefit plan system. However, as outlined below, we also have significant concerns with important aspects of the legislation that may be counter-productive to this goal.

Defined benefit plans allow employers to provide an important retirement benefit to workers. In a defined benefit plan, employers bear the investment risk. In the event that plan assets are insufficient to pay benefits, the employer and its affiliated companies must do so. Even when a company is liquidated in bankruptcy, plan benefits are guaranteed by the PBGC. Moreover, defined benefit plans must offer an annuity form of payment. Annuities provide a lifetime payment stream that ensures that retirees do not outlive their retirement benefit. Thus, defined benefit plans provide a fixed, guaranteed, and secure retirement benefit.

Defined benefit plans are an integral part of the national economy. There are over 30,000 single and multiemployer defined benefit plans that cover roughly 32 million workers.[1] These plans paid out over $120 billion in retirement benefits last year. Currently, there are 11.6 million retirees receiving benefits from private employer defined benefit plans. Furthermore, defined benefit plans held $1.6 trillion in assets as of 2002, thereby increasing the national pool of long-term capital.

ISSUES OF IMMEDIATE CONCERN

Employers Need Time to Weigh the Effects of H.R. 2830

Pension issues are extremely complex and, therefore, employers are still determining the impact of all of the changes proposed in H.R. 2830. The current timetable for consideration of the bill may not be sufficient for a complete analysis by employers so additional issues may continue to arise throughout this process. The proposed legislation fundamentally changes the current funding regime. Therefore, analyzing the proposed rules will require employers to examine the changes from a systemic viewpoint as the

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[1] Pension Benefit Guarantee Corporation, *Pension Insurance Data Book 2004*, Spring 2005.

entirety of the changes could have a profound impact upon an employer's plan. Moreover, as the funding situation of various companies differs from one to the other, the impact of the proposal will be different on each company. Thus, the business organizations represented today will also need time to best determine how to approach the proposed rules in the manner best for the defined benefit plan community. All of the business organizations listed look forward to continuing to work with the Committee as our members weigh the practical impact of this legislation.

Employers Will Require Transition Relief

As stated above, H.R. 2830 will implement broad changes to the current system. Therefore, in addition to time to weigh the provisions, employers will also need time to implement changes that are made into law. We are concerned that H.R. 2830 does not provide adequate transition relief. The bill replaces all of the current funding rules with an entirely new set of rules. It is essential that Congress provide an adequate phase-in period for employers to implement these changes successfully.

Among the provisions that will have a significant impact are the new rules requiring that projected lump sums be taken into account in determining liability. Under current law, projected lump sums are not (and cannot be) taken into account in determining current liability. This omission generally understates a plan's true liability because current rules for determining the minimum value of lump sum payments are extremely generous to participants at the expense of the plan as a whole. The bill begins to coordinate the payment rules with the liability rules. However, there is a generous phase-in for lump sum payment purposes but not for liability purposes. This means that many plans will experience a sharp increase in liability without time to adjust to such an increase.

Similarly, H.R. 2830 establishes a 100% funding target which is an increase from the current minimum funding requirement of 90%. For many plans, this is an effective 10% increase in liabilities that would occur immediately. Employers will need time to fund their plans to the increased level and without an appropriate transition period there could be massive disruptions to their capital spending and long-term business plans.

The Yield Curve Concept is Not Appropriate for Pension Plans

The yield curve will add unnecessary complexity to pension calculations. The yield curve is often used for things that have a definite maturity date, such as mortgages and auto loans. However, pension liabilities do not have a definite maturity date because there are many assumptions built into the maturity date such as expected retirement date, expected work life with the company, and expected mortality rate. These assumptions may or may not actually turn out as expected. Thus, the yield curve does not present the certainty that it is advertised to have. Rather, it is just another method of estimating pension liability and it is one that will be costly and burdensome for employers to adopt.

While we appreciate the efforts made to simplify the yield curve through the introduction of segments, the proposal would still engender significant complexity and we remain

concerned about the impact of the change. The segmented rates required under H.R. 2830 are more complex than the current composite corporate bond interest rate and there has yet to be any justification for the additional complexity. On the contrary, critical analysis of the yield curve concept indicates that it may be inappropriate for calculating pension liabilities.[2]

In addition, we are concerned about the construction of the proposed modified yield curve. H.R. 2830 directs the Treasury Department to develop the modified yield curve based on investment grade corporate bonds and confers substantial discretion onto the Treasury Department. This type of discretionary, non-market interest rate would be virtually impossible for employers to model internally as part of corporate planning and would also be particularly difficult for Congress to oversee. Moreover, the Treasury Department has complete discretion in determining how the different classes of bonds are to be weighted. As the bill has been drafted, Treasury could, for example, provide that only six-year bonds will be used to determine the interest rate on the five to 20-year segment. Alternatively, Treasury could provide that durations from five to 10 years will be weighted at twice the weighting of bonds from 10 to 20 years. These changes could have a significant impact on the effective interest rate. Because the interest rate has such a dramatic effect on pension funding, it would be important for Congress, and not Treasury, to determine how the interest rate for each segment is calculated.

Current Credit Balances Must be Protected and Workable Rules Provided for the Future

While H.R. 2830 generally keeps the credit balance concept, the bill works in a manner that could force some employers to write-off their existing credit balances. Without the ability to use credit balances, employers have no incentive to contribute more than the minimum required contribution. Moreover, employers should not be precluded from using the credit balances that they have already accumulated. Employers pre-funded their plans with the expectation that they would be able to credit the excess funding in future years in which they may face difficult economic times. Employers made these additional contributions relying upon rules that were in place at the time. Changing these rules on them now would be unfair and could cause employers to view the credit balance system as unreliable and, thereby, create a disincentive for advanced funding.

Under H.R. 2830, credit balances would be subtracted from assets for a number of purposes, including benefit restriction purposes and the determination of at-risk liability.

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[2] For example, one critic has reported that yield curves offer only a "Band Aid" approach that could conceivably make liability estimation models more reliable, but that yield curve data that is not carefully constructed will make estimates less, not more, reliable. (Don Mango, *Structural Dependence and Stochastic Processes*, American Re-Insurance 2001 Casualty Actuarial Society DFA Seminar, available at *www.casact.org/coneduc/dfa/2001/handouts/mango1.ppt* [hereinafter *Mango*]. For a similar criticism of the use of yield curves in certain liability models, see Peter Blum, Michel Dacorogna & Paul Embrechts, *Putting the Power of Modern Applied Stochastics into DFA*, 2001 Casualty Actuarial Society DFA Seminar, available at *www.casact.org/coneduc/dfa/2001/handouts/blum1.pp*t.) This critic has also suggested that even the most well constructed yield curve data sets will only address a symptom of an otherwise internally inconsistent model.

This requirement could have dire consequences for some plans. For example, consider a plan that has $100 in liabilities, $90 in assets, and $40 in credit balances. Such a plan would be considered 50% funded for purposes of imposing benefit restrictions and at-risk liability determinations. As a result, the plan would have to be frozen (no new benefits for any participant), lump sums could not be paid, and liabilities would have to be calculated using the at-risk determination rules that require accelerated and burdensome funding. This is entirely inappropriate given that the plan is in fact 90% funded. We recommend revising the bill to provide that credit balances are not subtracted from assets for any purpose other than determining the amortization amount for underfunding.

Hybrid Plans are Vital to the Defined Benefit Plan System and Should be Included in Comprehensive Pension Reform

We commend Chairman Boehner for recognizing the importance of addressing the hybrid plan issue. Despite the ongoing controversy surrounding cash balance and other hybrid plans, many employers find that these plans offer the best designs for their workers. For an increasingly mobile workforce, steady accruals under a cash balance plan provide greater benefits than under a traditional pension plan where accruals are back-loaded. Moreover, workers desire cash balance plans because of the similarities to 401(k) plans. One way to encourage continued participation in the defined benefit system is to allow employers the flexibility of design. If employers do not have design options that meet the needs of their workforce, they will leave the defined benefit system.

Without statutory guidance, there will continue to be litigation that only serves to confuse the issue even further. Such lawsuits against plan sponsors put hybrid plans at risk and threaten the retirement security of workers who benefit under these plans. For reasons described more fully below, we believe that H.R. 2831, the Pension Preservation and Portability Act of 2005, moves the debate on hybrid plans forward and, therefore, urge Congress to include it as part of comprehensive pension reforms, such as in H.R. 2830.

ADDITIONAL ISSUES

As stated above, employers will need time to thoroughly review the impact of H.R. 2830. Nonetheless, in the remainder of this testimony, we would like to share with you some of our initial thoughts and reactions to certain provisions in the legislation.

Pension Reform Must Contribute to the Viability of the Defined Benefit Plan System. For the protection of workers and the defined benefit system, the funding rules should ensure that pension benefits are appropriately funded. As such, funding requirements should track investment practices and choices as much as possible and allow employers freedom in making funding choices. It is very important that funding rules not impose unrealistic requirements or burdens that would create an administrative and financial drain on plans or overburden employers that are already struggling to better fund their plans.

It is extremely important that employers be encouraged to maintain their participation in the defined benefit plan system. There are elements of H.R. 2830 that achieve this goal. For example, the increase in the maximum deductible contribution to 150% of current liability and maintaining the concept of credit balances are both extremely important in encouraging additional contributions to pension plans during good economic times. In addition, we appreciate the recognition that the benchmark for the interest rate assumption should be based upon corporate bond rates and not the 30-year Treasury rate and that smoothing over multiple years is essential to reflecting actual investment trends and maintaining predictability.

- The Increased Maximum Deduction Limit Will Encourage Greater Contributions

H.R. 2830 increases the deductible limit to 150% of current liability for single-employer plans and 140% of current liability for multiemployer plans. Increasing the maximum deductible contribution limit is long overdue. Employers should be able to contribute more to their plans in good times and not be forced to increase contributions during bad economic times. Some employers with plans that are now experiencing funding deficiencies would have liked to have increased contributions when they had cash on hand. However, they were limited by the maximum deductibility rules. Not only would their additional contributions have been nondeductible, but they would have had to pay a significant excise tax on the contributions. This cap on contributions works against companies and plan participants by requiring contributions when companies are financially strapped and prohibiting contributions when companies are prosperous. Thus, companies cannot insulate themselves and their plan participants against cyclical changes in the economy. Therefore, we fully support the increases to the maximum deductible contributions for defined benefit plans.

- The 30-year Treasury Bond Interest Rate is an Inappropriate Benchmark

There has been considerable debate over the proper replacement for the 30-year Treasury bond interest rate assumption. We believe that the interest rate assumption should be a reliable indicator of long-term expected returns on long-term investments for permanent defined benefit plans and should not be subject to significant short-term fluctuation. The Chamber believes that a composite corporate bond rate is the appropriate replacement for the 30-year Treasury rate and addresses these concerns. We are pleased that H.R. 2830 recognizes that the interest rate should be based upon a corporate bond rate and not linked to a government debt instrument.

- Smoothing of the Asset and Liability Calculations are Necessary to Provide Predictability

Plan sponsors generally project their funding requirements over several years and would like to have certainty about their funding requirements over that period of time. Over a short time period, market rates remain fairly volatile and, thus, funding assumptions based on a short time period are unpredictable. We appreciate that H.R. 2830 will use a long-term weighted average. However, it will decrease the average period for asset

calculations from five years for assets and four years for liabilities to three years for both. Since it is a shorter time period than what is currently in place, there are concerns about its practical effect. As our members analyze this change, we will determine the impact of this decrease and whether it is a viable change.

Permanent Funding Reform for Multiemployer Pension Plans is Critical. Multiemployer plans must deal with many of the same funding issues as single-employer plans, but also have other concerns that are specific to their structure. In addition to the current economic situation, multiemployer plans are contending with a long-term issue of declining participation by workers and employers. Thus, as the pool of retirees is increasing, the pool of contributing workers is decreasing. This is causing significant burdens upon employers who continue to participate in these plans. In addition, as bankrupt employers withdraw from multiemployer plans, the remaining U.S. employers are left to pay liabilities for people who never worked for them, which puts U.S. employers at a competitive disadvantage to foreign competition in the same industries which are not burdened by such assessments. Obviously, this is an unfair drain of resources on these employers and their workers.

The Pension Funding Equity Act of 2004 granted temporary funding relief to certain multiemployer plans. Such a temporary provision that provided only limited relief does not offer a lasting solution. Particularly for multiemployer plans in crisis, there needs to be permanent and fundamental funding reform.

There are several challenges facing participating employers in multiemployer plans. Some large multiemployer plans are facing unprecedented shortfalls that are likely to result in funding deficiencies that will require substantial catch-up contributions by remaining employers and create excise tax liability. In addition, some of these same plans are experiencing shifting demographics in which retired participants outnumber active participants and life expectancy assumptions are proving to be inaccurate. The funding deficiency problems could result in significant financial outlays by remaining employers and, in extreme cases, could push an employer into bankruptcy.

To address these issues, H.R. 2830 will ensure that multiemployer plan sponsors and trustees have the flexibility to implement measures that will ensure the continuation of their plans by creating various "zones" that depend upon the funding status of the plan. Within each zone, there are requirements that must be met and tools that allow the trustees to improve the funding of these plans. One important tool that was not included in the legislation is allowing plans in critical status to reduce accrued benefits. We understand that this is a drastic measure but it is necessary to remedy the severe underfunding some of these plans are experiencing. Many in the business community and labor organizations support inclusion of this provision as a necessary tool to save these plans. Therefore, we encourage Congress to allow multiemployer plans that are in critical status the option to reduce accrued benefits.

H.R. 2831 Would Resolve Key Issues in the Hybrid Plan Debate. We would like to thank Chairman Boehner for introducing separate legislation that addresses the cash balance and hybrid plan situation. Cash balance and hybrid plans are the fastest growing type of defined benefit plan and, thus, critical to the viability of the system. Therefore, assuring the validity of these plans is extremely important. We urge Congress to include this legislation with the other pension reforms in H.R. 2830.

The Chamber has argued that formulaic tests may not adequately determine age discrimination in hybrid plans and, therefore, a broader test should be used. Calculating benefits in terms of an age-65 annuity is not required under ERISA and is not an accurate method for determining age discrimination in cash balance and hybrid plans. Rather, age discrimination in such plans should be tested by looking at the pay and interest credits received on an annual basis or by looking at the change in an individual's account balance from year to year.

H.R. 2831 meets these criteria. By establishing a broad test for age discrimination, it will provide realistic criteria for hybrid plans that will protect all workers and allow employers to continue to offer benefits through these types of plans. Moreover, the retroactive effective date provides much needed clarification for existing hybrid plans.

In addition, H.R. 2831 resolves the whipsaw effect issue. The whipsaw effect prevents plan sponsors from providing a more generous benefit because it may result in an unintended windfall for participants who decide to take their benefit in the form of a lump sum. Rather than penalizing plan sponsors for attempting to increase benefits, the law should support such efforts while also ensuring that participants receive the proper benefit. Allowing employers to use a market rate to determine the present value of the accrued benefit will ensure that all workers receive the benefit to which they are entitled.

Transition Options for Hybrid Plans Must Remain Flexible—Mandates are Not a Viable Solution. We are pleased that H.R. 2831 does not impose a mandate on benefit options. Plan sponsors have been converting traditional defined benefit plans to cash balance and hybrid plans for over 20 years. In that time, plan sponsors have used many different transition methods to successfully convert their plans. Limiting transition options will only hurt the workers participating in hybrid plans. Mandating specific safe harbors for conversion may encourage some employers to terminate their defined benefit plan rather than convert it to a hybrid plan. Also, for those plans that have already converted, mandating retroactive safe harbors would require certain employers to terminate their plans. Mandatory choice or any other mandatory benefit imposition is inconsistent with the voluntary nature of ERISA and should not be part of any legislative resolution for hybrid plans.

H.R. 2830 Removes Obstacles to Providing Investment Advice. H.R. 2830 modernizes ERISA by better enabling employers to provide workers with access to investment advice pertaining to their retirement plan. Defined contribution plans, which largely did not exist when ERISA was enacted in 1974, require greater employee participation than traditional defined benefit plans, in which the employer pays for the

entire benefit and takes on investment risk. With defined contribution plans, employees make investment decisions and take on that risk. Clearly, the need for education and advice on how to invest that money is an important complement to the defined contribution retirement model.

H.R. 2830 clarifies existing law to allow employers to provide employees access to investment advice from regulated professionals. To reduce the potential for a conflict of interest should the retirement plan service provider also be the provider of investment advice, the legislation requires disclosure of fees as well as any potential conflicts.

Careful Consideration Should be Given to Increases in the PBGC Premiums. We believe that the existence of the PBGC as a viable insurance institution is of paramount importance to the defined benefit plan system. However, funding reform that drives healthy companies and plans out of the system is at odds to the goal of protecting the PBGC. Therefore, reforms such as increasing PBGC premiums should be reviewed carefully. We are concerned that the flat-rate premium increase from $19 to $30 under H.R. 2830 will drive some employers out of the system and the additional increases on top of that will be even more detrimental.

- PBGC Premiums Should Not Be Automatically Indexed

Under H.R. 2830, the amount of the flat-rate premium and the variable rate premium will be indexed to wages. ERISA section 4002 states that the PBGC must maintain premiums "at the lowest level consistent with carrying out its obligations under this title." Therefore, increases in premiums should be made only as determined to be necessary by Congress. Including an annual automatic increase to the PBGC premiums takes away Congress's ability to regulate PGBC premiums because the amount of the premiums will change without Congress reviewing the need for such change. We recommend that the premiums not be indexed and that Congress maintain its responsibility in regulating the premiums.

Certain Benefit Restrictions are Unduly Burdensome.

- Shut Down Benefits Should Not be Prohibited

H.R. 2830 prohibits single-employer plans from providing shut down benefits or benefits based upon unpredictable contingent events. This restriction severely interferes with an employer's ability to provide benefits that are appropriate for its workforce and business situation. Eliminating the ability of employers to provide a certain type of benefit is unduly restrictive. There have been several alternatives put forth to deal with the issue of shut down and contingent event benefits and we urge Congress to consider these alternatives.

- Lump Sums Should Not be Restricted at the Levels Provided for in H.R. 2830

H.R. 2830 will prohibit plans that are less than 80% funded from paying out benefits in a lump sum. Currently, plans are only similarly restricted if they have a liquidity shortfall.[3] Clearly there is a significant difference between a plan having a liquidity problem and being less than 80% funded. If this limitation must be included in pension reform, we recommend that it be included at a much lower funding level (i.e., 60%). Another alternative is to allow employers that are less than 80% funded to eliminate the lump sum benefit as an option to improve its funded status. It is unduly restrictive to participants to require employers to eliminate this option at such a high level of funding.

- Restrictions on Benefit Accruals and Deferred Compensation are Overly Intrusive

The Act will require severely underfunded plans to cease benefit accruals and prohibit advanced funding of deferred compensation. These restrictions interfere with employment contracts and management-labor relations and, therefore, are inappropriate. The ceasing of benefit accruals effectively freezes the plan. Even if the employer is able to improve its funded status, the workers will have lost the benefits that would have accrued during that period. This provision obviously intrudes into the labor-management relationship in a detrimental way. Similarly, restricting the funding of deferred compensation impedes upon an employer's contractual relationships with its workers. Deferred compensation arrangements are entered into for various reasons that may have nothing to do with retirement options. Thus, linking these items together again intrudes upon an employer's ability to manage its workforce. Consequently, these restrictions should not be included in the Act.

ERISA Section 4010 Information Should Not be Disclosed. The value of disclosing ERISA Section 4010 filing information is not readily apparent. It is not a measure of business stability or plan viability—rather, it is an arbitrary measure of funding. Moreover, H.R. 2830 requires that funding information for all plans in the controlled group be made available to participants and beneficiaries and not just those that are underfunded. Including this information will be confusing to participants who are participating in only one plan and may not even be aware of other plans in the controlled group. In addition, the information should not have to be provided to all participants in plans that are not underfunded. A worker receiving information about a plan in which he does not participate may become confused about the status of his or her own plan.

In addition, the Section 4010 filing requirement is currently flawed in that it uses a fixed dollar threshold of $50 million of underfunding. For large pension plans with billions of dollars in assets, $50 million of underfunding is a miniscule amount of relative underfunding. Furthermore, in the current low interest rate environment, most every medium to large employer plan has a good chance of being required to make this filing even if it is nearly fully funded. Publicizing this information would perpetuate and magnify these anomalies.

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[3] A plan has a liquidity shortfall when it does not have enough liquid assets to cover three times the amount of benefit disbursements made in the previous year.

CONCLUSION

We acknowledge that this is a difficult, complex public policy area because the Congress must find the right balance between setting funding requirements which protect employees and the PBGC, but are not so overly strict—in search of "perfect" funding requirements—so as to drive employers away from continuing with defined benefit pension plans, much less establishing new ones. Further, overly strict requirements will divert resources away from other useful purposes such as higher wages and capital investments.

The Pension Protection Act of 2005 advances the discussion of pension reform. It includes a number of beneficial provisions that will encourage employers to maintain and strengthen their plans. However, there are also provisions that are counter-productive to that goal. We are committed to finding a solution that, at the end of the day, will strengthen the defined benefit plan system by encouraging plan sponsors to continue to maintain their plans. We look forward to continuing to work with Chairman Boehner and Chairman Thomas and their Committees to find such a solution.

Thank you and I am happy to answer any questions that you might have.

Committee on Education and the Workforce

Witness Disclosure Requirement – "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name:		
1. Will you be representing a federal, State, or local government entity? (If the answer is yes please contact the Committee).	Yes	No X
2. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1998:		
3. Will you be representing an entity other than a government entity?	Yes X	No
4. Other than yourself, please list what entity or entities you will be representing: U.S. Chamber of Commerce		
5. Please list any offices or elected positions held and/or briefly describe your representational capacity with each of the entities you listed in response to question 4: Chairperson of the Qualified Plans Subcommittee		
6. Please list any federal grants or contracts (including subgrants or subcontracts) received by the entities you listed in response to question 4 since October 1, 1998, including the source and amount of each grant or contract:		
7. Are there parent organizations, subsidiaries, or partnerships to the entities you disclosed in response to question number 4 that you will not be representing? If so, please list:	Yes	No X

Signature: Lynn Franzoi Date: 6/15/05

Please attach this sheet to your written testimony.

PERSONAL INFORMATION: Please provide the committee with a copy of your resume (or a curriculum vitae). If none is available, please answer the following questions:

a. Please list any employment, occupation, or work related experiences, and education or training which relate to your qualifications to testify on or knowledge of the subject matter of the hearing:

Senior Vice President, Benefits – Fox Entertainment Group, Inc.

Member, Advisory Council of Employee Welfare and Pension Benefits Plans to the Department of Labor

Delegate, National Summit on Retirement Savings in 1998 and 2002

b. Please provide any other information you wish to convey to the Committee which might aid the members of the Committee to understand better the context of your testimony:

Please attach to your written testimony.